

# Trustee Representation Letter

3 Jodie Court, Diamond Creek, VIC 3089

29 June, 2021

Mr. Michael Raffoul  
The Domain LPO  
PO Box 33151  
Melbourne VIC 3004

Dear Sir / Madam,

## **Borthwick Superfund**

This representation letter is provided in connection with your audit of the financial report of the Borthwick Superfund and the Fund's compliance with the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR) and the requirements of the relevant Income Tax Assessment Act, for the year ended 30 June 2020, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with the accounting policies adopted by the Fund and the Fund complied, in all material respects, with the relevant requirements of SISA and SISR.

The trustees have determined that the Fund is not a reporting entity for the year ended 30 June 2020 and that the requirement to apply Australian Accounting Standards and other mandatory reporting requirements do not apply to the Fund. Accordingly, the financial report prepared is a special purpose financial report which is for distribution to members of the Fund and to satisfy the requirements of the SISA and SISR. We acknowledge our responsibility for ensuring that the financial report is in accordance with the accounting policies as selected by ourselves and requirements of SISA and SISR and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

### ***1. Sole purpose test***

The Fund is maintained for the sole purpose of providing benefits for each member on their retirement, death, termination of employment or ill-health.

### ***2. Trustees are not disqualified***

No disqualified person acts as a director of the trustee company or as an individual trustee. Further, no trustee is an undischarged bankrupt or has been convicted of an offence concerning dishonesty.

### ***3. Trust deed, trustees' responsibilities and fund conduct***

The Fund meets the definition of a self-managed superannuation fund under SISA, including that no member is an employee of another member, unless they are relatives and no trustee [or director of the corporate trustee] receives any remuneration for any duties or services performed by the trustee [or director] in relation to the fund.

The Fund has been conducted in accordance with its constituent trust deed at all times during the year and there were no amendments to the trust deed during the year, except as notified to you.

We understand our duties as a Trustee or Director of the trustee company. We understand that by law we must act honestly in all matters concerning the fund and act in the best interests of all members. Accordingly, the trustees have complied with all aspects of the trustee requirements of the SISA and SISR.

The trustees are not subject to any contract or obligation which would prevent or hinder the trustees in properly executing their functions and powers.

The Fund has been conducted in accordance with SISA, SISR and the governing rules of the Fund.

The Fund has complied with investment standards set out in SIS, SISR and the governing rules of the fund.

The Fund has complied with the requirements of the SISA and SISR specified in the approved form auditor's report as issued by the ATO, which are sections 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82–85, 103, 104, 104A, 105, 109, 126K of the SISA and regulations 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14 and 13.18AA of the SISR.

All contributions accepted and benefits paid have been in accordance with the governing rules of the Fund and relevant provisions of the SISA and SISR.

There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

### ***4. Investment strategy***

The investment strategy has been determined with due regard to risk, return, liquidity and diversity, and the assets of the Fund are in line with this strategy. Further the investment strategy is reviewed on a regular basis and consideration has been given as to whether any of the members should purchase a life insurance policy.

### ***5. Accounting policies***

All the significant accounting policies of the Fund are adequately described in the financial report and the notes attached thereto. These policies are consistent with the policies adopted last year.

## **6. Fund books and records**

We acknowledge our responsibility for the fair presentation of the financial report, Statement of financial position, Operating statement and the appropriate disclosures of all information required by statute.

We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and minutes of all meetings of the trustees.

We also acknowledge our responsibility for the design and implementation of internal control to prevent and detect error. We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial reports, and adequate financial records have been maintained.

We monitor internal controls over financial reporting by reviewing all reports provided by the information technology systems utilized by the fund, for accuracy. We advise that the fund does not have a formal process for identifying, estimating or assessing business risks relevant to the financial reporting objectives. We consider this to be appropriate for the fund.

We are not aware of any specific risks, arising from the use of information technology by the fund that should be brought to your attention.

There are no material transactions that have not been properly recorded in the accounting records underlying the financial report. Where a custodian is used by the fund, we confirm we have not been advised of any fraud, non-compliance with laws and/or regulations or uncorrected misstatements that would affect the financial report of the fund.

All accounting records and financial reports have been kept for 5 years, minutes and records of trustees' [or directors of the corporate trustee] meetings [or for sole trustee: decisions] have been kept for 10 years and trustee declarations in the approved form have been signed and kept for each trustee appointed after 30 June 2007.

## **7. Fraud, error and non-compliance**

We consider the risk that the financial report is materially misstated due to fraud to be low due to the nature of the fund. We confirm trustees are signatories on all transactions and no transaction can be executed without the consent of trustees. Additionally, the trustees and/or our administrator conduct regular reconciliation of fund transactions, accounts and investments.

While we have not identified any specific risks, we acknowledge that any potential fraudulent risk areas include investment or cash being misappropriated and/or contributions being intercepted prior to being banked into the fund's bank account.

We believe we have adequate procedures in place to detect, reduce the risk of fraud and rectify any fraudulent activities. We will ensure any fraudulent activities are brought to your attention for your consideration.

We confirm there have been no:

Frauds, error or non-compliance with laws and regulations involving any member of management or employees that could have a material effect on the financial report.

Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Violations or possible violations of laws or regulations whose effects should have been considered for disclosure in the financial report or as a basis for recording an expense.

### ***8. Asset form and valuation***

The assets of the Fund are being held in a form suitable for the benefit of the members of the Fund, and are in accordance with our investment strategy.

Investments are carried in the books at net market value. Such amounts are considered reasonable in light of present circumstances.

We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.

We have considered the importance of safeguarding the assets of the fund and we have implemented appropriate procedures that include the regular review of the appropriateness of the authorised signatories on bank and investment accounts and arranging adequate insurance and storage for assets where necessary.

There are no commitments, fixed or contingent, for the purchase or sale of long-term investments.

### ***9. Uncorrected misstatements***

We believe the effects of those uncorrected financial report misstatements aggregated by the auditor during the audit are immaterial, both individually and in aggregate, to the financial report taken as a whole. A summary of such items is attached if applicable.

### ***10. Ownership and pledging of assets***

The Fund has satisfactory title to all assets appearing in the statement of financial position / net assets. All investments are registered in the name of the Fund, where possible, and are in the custody of the respective manager/trustee.

There are no liens or encumbrances on any assets or benefits as at the date of financial statements other than those reflected in the financial statements and no assets, benefits or interests in the Fund have been pledged or assigned to secure liabilities of others.

All assets of the Fund are held separately from the assets of the members, employers and the trustees. All assets are acquired, maintained and disposed of on an arm's length basis and appropriate action is taken to protect the assets of the Fund.

### **11. Related parties**

Related party transactions and related amounts receivable, where applicable, have been properly recorded or disclosed in the financial report. Acquisitions from, loans to, leasing of assets to and investments in related parties has not exceeded the in-house asset restrictions in the SISA at the time of the investment, acquisition or at year end.

The Fund has not made any loans or provided financial assistance to members of the Fund or their relatives.

### **12. Borrowings**

The Fund has not borrowed money or maintained any borrowings during the period, with the exception of borrowings which were allowable under SISA. If any permitted borrowing has occurred, any borrowing is appropriately documented and compliant with SISA and SISR. To the best of the trustee's knowledge, if the fund has invested in a limited recourse borrowing arrangement, it is compliant with the SISA.

### **13. Contributions and Pensions**

Taking into consideration all contributions to other funds, contributions to the Fund are in accordance with any contribution caps applicable to members. Any work test or similar qualifying criteria has been met to facilitate contributions. Likewise, any Pension or lump sum payments are within payment restrictions, if any are applicable, and that a condition of release has been met and satisfied to permit payment.

### **14. Subsequent events**

No events or transactions have occurred since the date of the financial report, or are pending, which would have a significant adverse effect on the Fund's financial position at that date, or which are of such significance in relation to the Fund as to require mention in the notes to the financial statements in order to ensure they are not misleading as to the financial position of the Fund or its operations.

### **15. Outstanding legal action**

The trustees confirm that there is no outstanding legal action or claims against the Fund.

There have been no communications from the ATO concerning a contravention of SISA or SISR which has occurred, is occurring, or is about to occur.

Any minutes of meetings with the fund's legal counsel have been provided for your attention.

### **16. Going Concern**

We confirm we are not aware of any matters, whether individually or collectively, that will cast significant doubt over the fund's ability to continue as a going concern.

**17. Additional matters**

We understand that your examination will be made in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements and will therefore be designed primarily for the purpose of expressing an opinion on the financial report of the Fund taken as a whole, and on the compliance of the Fund with specified requirements of SISA and SISR. Further, your tests of the financial and compliance records and other auditing procedures will be limited to those which you consider necessary for that purpose.

We are aware that your firm applies Australian Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are also aware that you will comply with the competency standards set by ASIC, the auditor independence requirements prescribed by the SISR and the ethical requirements relating to assurance engagements which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Should you find any records or reports deficient, please write to us.

Yours faithfully,

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Print Name:

Director of Corporate Trustee/Trustee

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Date: