

Please sign where indicated and return to  
The Rogers Group.

**Chesterman Nominees Pty Ltd**  
**as trustee for**  
**The Chesterman UDC**  
**Pension Fund**

**Financial Statements**  
**for the year ended**  
**30 June 2023**



Tax agent  
64941004



Chesterman UDC Pension Fund

Dear Trustees

Chesterman Nominees Pty Limited as trustee for Chesterman UDC Pension Fund

### **Audit Engagement Letter**

#### **Objectives and Scope of the Audit**

You have requested that we audit the financial statements of the SMSF for the year ended 30 June 2023. We are pleased to confirm our acceptance and understanding of this engagement by means of this letter.

Our audit will be performed in accordance with Australian Auditing Standards, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the *Superannuation Industry (Supervision) Regulations* (SISR) with the objective of expressing an opinion on the financial report and the fund's compliance with the specified requirements of the SISA and the SISR.

#### **Our Responsibilities**

We will conduct our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. An audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error, as well as evaluating the overall presentation of the financial report.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatement may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. We will, however, communicate to you in writing any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

#### **Trustees' Responsibilities**

Our audit will be conducted on the basis that the trustee(s) acknowledge and understand that they have responsibilities:

- For the preparation of the financial report that gives a true and fair view in accordance with the Australian Auditing Standards, other mandatory reporting requirements and the SIS Act and SIS Regulations is that of the trustee(s);
- For such internal control as the trustee(s) determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error; and
- To provide us with:
  - Access to all information of which the trustees are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;



- Additional information that we may request from the trustees for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from trustees written confirmation concerning representations made to us in connection with the audit.

Australian Auditing Standards require that we determine whether the financial reporting framework applied in the preparation of this special purpose of financial report is acceptable. If we determine the financial reporting framework to be unacceptable, we will not be able to undertake the audit engagement unless the framework is amended and then determined to be acceptable.

If a qualified audit report is to be issued following the completion of our audit, we will advise the details to you in a timely manner and prior to the issue of our report.

### **Audit of SIS Compliance**

For the year ended 30 June 2023, we are required to form an opinion in respect of compliance with certain aspects of SIS. Our report must refer to the following sections and regulations:

Sections: 17A, 35AE, 35B, 35C(2), 52, 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA, 13.22C

### **Report on Significant Matters**

Under section 129 of the SISA we are required to report to you in writing. If during the course of, or in connection with, our audit, we become aware of any contravention of the Act or Regulations which we believe has occurred, is occurring or may occur.

We are also required to report to the ATO, as regulator, any contravention of the SISA and the SISR, where we believe the contravention may affect the interests of the members of beneficiaries of the fund.

In addition, we are also required under section 130 to report to you if we believe the superannuation fund may be, or may be about to become, in an unsatisfactory financial position. If we are not satisfied with your response as trustee(s) as to the action taken to rectify the situation or we receive no response, we are obliged to report the matter to the ATO.

A failure on the part of the trustee to rectify these breaches to the satisfaction of the ATO may result in significant penalties to the trustee and the fund itself.

In addition to our report on the financial statements, we will also report to you any material weaknesses in the fund's system of accounting and internal control which come to our notice during the course of our audit.

### **Quality Control**

The conduct of our audit in accordance Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your expressed consent.



Our audit files may, however, be subject to review as part of the quality control review program of Regulators and or Professional Bodies which monitors compliance with professional standards by its members.

We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

**Independence/Conflict of Interest**

We have established policies and procedures designed to ensure our independence, including policies on holding financial interests in the superannuation fund and other related parties, rotation of audit partners, business relationships, employment relationships, and the provision of non-audit services in accordance with professional statement APES 110 – Code of Ethics for Professional Accountants.

**Outsourced Services**

We do not use any outsourced services in overseas locations when conducting client assignments.

**Data Storage**

We use data storage located in the office but it may be replicated to other locations.

Accepting our services as part of this engagement agreement indicates your acceptance of the use of outsourced services, cloud hosted software and outsourced data storage under the conditions outlined above.

**Limitation of Liability**

Our firm’s liability to you or any other user of the audit report is limited by a Scheme approved under Professional Standards Legislation.

**Other**

We would appreciate acknowledgement of terms and conditions set out in this letter. Please note that this letter will be effective for future years unless the terms of the engagement are altered by future correspondence.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial report.


If you have any queries in relation to this please contact me.

To: MR ANTHONY BOYS

I/We hereby confirm your appointment as Auditor under the above terms of engagement.

For and on behalf of Chesterman Nominees Pty Limited as trustee for Chesterman UDC Pension Fund

**Signed &  
Dated**

 22.11.23

Yours sincerely  
ANTHONY BOYS – REGISTERED COMPANY AUDITOR

**DATED:**

Signed document to be returned to P.O. Box 3376 Rundle Mall 5000



ANTHONY BOYS  
PO BOX 3376,  
RUNDLE MALL 5000

Dear Antony,

Chesterman Nominees Pty Limited as trustee for Chesterman UDC Pension Fund

**Superannuation Fund Management/Trustee Representation Letter**

In connection with your audit examination of the financial report of Chesterman Nominees Pty Limited as trustee for Chesterman UDC Pension Fund for the year ended 30 June 2023, hereby confirm, at your request that to best of our knowledge and belief, the following representation relating to the accounts are correct.

**Financial Report**

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report.

The management/trustee have determined that the fund is not a reporting entity for the year ended 30 June 2023 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 requirement of the SISA and the SISR, and to confirm that the financial report is free of material misstatements, including omissions.

**Sole Purpose**

The fund has been maintained for the sole purpose of providing superannuation benefits to its members and their dependents.

**Superannuation Fund Books/Records/Minutes**

- (a) We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit.
- (b) We have made available to you Minutes of all trustee(s)' meetings and the Trust Deed.
- (c) We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- (d) We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
- (e) Records maintained during the period were in accordance with the Australian Taxation Office requirements.

**Asset Form**

The assets of the superannuation fund are being held in a form suitable for the benefit of the members of the fund, and have been held in accordance with the fund's investment strategy.



### **Ownership and Pledging of Assets**

The superannuation fund has satisfactory title to all assets disclosed in the Statement of Financial Position. Investments are registered in the name of the trustee(s).

No assets of the superannuation fund have been pledged to secure liabilities of the superannuation fund or of others.

### **Investments**

- (a) We have considered the requirement of generally accepted accounting standards in regards to impairment of assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
- (b) There are no commitments, fixed or contingent, for the purchase or sale of long-term investments that have not been disclosed in the financial statements.
- (c) The investment strategy has been determined with due regard to risk, return, liquidity, diversity and the insurance needs of fund members, and the assets of the fund are in line with this strategy.
- (d) All investments are acquired, maintained and disposed of on an arm's length basis.

### **Trust Deed**

The superannuation fund is being conducted in accordance with its Trust Deed.

### **Superannuation Industry (Supervision) Act and Regulations**

- (a) The fund meets the definition of a self-managed superannuation fund under the SISA.
- (b) The fund has been conducted in accordance with the SISA, the SISR and its governing rules at all times during the year. Also there were no amendments to the governing rules during the year, except as notified to you.
- (c) The fund is being conducted in accordance with the SISA and the SISR, in particular the relevant requirements of the following provisions:  
  
Sections: 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67,67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K  
  
Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA
- (d) The trustee(s) have been nominated and may only be removed in such manner and circumstances as are allowed in the Trust Deed.
- (e) The trustees are not disqualified persons under s126K of the SISA.
- (f) Any vacancy among the trustee(s) is filled in accordance with the Trust Deed.
- (g) The trustee(s) have complied with all trustee standards set out in SISR and the covenant prescribed by section 52 of the SISA.
- (h) The trustee(s) have complied with all investment standards set out in the SISA and the SISR.
- (i) Information retention obligations have been complied with.



- (j) All contributions accepted and benefits paid have been in accordance with the governing rules of the fund and relevant provisions of the SISA and the SISR.

There are no breaches or possible breaches of the SIS legislation whose effects should be considered for disclosure in the financial report or to the Australian Taxation Office.

#### **Commitments**

- (a) There are no material commitments for construction or acquisition of property, plant and equipment to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
- (b) There were no commitments for purchase or sale of securities or assets or any options given by the fund including options over share capital.

#### **Taxation**

- (a) We have calculated income tax expense, current tax liability, deferred tax liability and deferred tax asset according to the definitions of taxable income and allowable deductions. We have calculated and recognised all other applicable taxes according to the relevant tax legislation.
- (b) There are no activities that invoke the anti-avoidance provisions of any applicable tax legislation.

#### **Borrowings**

The trustees have not borrowed money on behalf of the superannuation fund with the exception of borrowings which were allowable under the SIS Act and the SIS Regulations.

#### **Related Parties**

- (a) The fund has not made any loans to, or provided financial assistance to members of the fund or their relatives.
- (b) No asset has been acquired from a member or related party other than as permitted under the SISA and the SISR.
- (c) Related party transactions and related amounts receivable or payable have been properly disclosed in the financial statements.
- (d) All related party transactions have been conducted on commercial terms as if the transaction was undertaken on an arms length basis in accordance with section 109 of the SIS Act, **AND** those related party transactions do not contravene *practical Compliance Guidelines* issued by the Regulator regarding non arms length Income and non arms length expenditure.

#### **Accounting Misstatement Detected by Audit**

There has been no misstatement noted by audit during the course of the current year audit.

#### **Insurance**

The superannuation fund has an established procedure whereby an officer reviews at least annually the adequacy of insurance cover on all assets and insurable risks where relevant. This review has been

performed and where it is considered appropriate, assets and insurable risks of the superannuation fund are adequately covered by insurance.

#### **Accounting Estimates**

We confirm the significant assumptions used in making accounting estimates are reasonable.

#### **Fair Value Measurements and Disclosures**

We confirm that significant assumptions used in fair value measurements and disclosures are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the fund.

#### **Going Concern**

In the opinion of the trustees there are reasonable grounds to believe that the superannuation fund will be able to:

- Pay its debts as and when they fall due.
- Continue as a going concern for the foreseeable future.

We, therefore, confirm that the going concern basis is appropriate for the financial report.

#### **Events after Balance Sheet Date**

We are not aware of any events that have occurred between the financial reporting date to the date of this letter that we need to disclose or recognise in the financial report.

#### **Comparative Information**

We confirm that there have been no restatements made to correct a material misstatement in the prior period financial report that affects the comparative information.

#### **Fraud and Error**

- (a) There has been no:
  - (i) Fraud, error, or non-compliance with laws and regulations involving management or employees who have a significant role in the internal control structure.
  - (ii) Fraud, error, or non-compliance with laws and regulations that could have a material effect on the financial report.
  - (iii) Communication from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
- (b) The superannuation fund has disclosed to the auditor all significant facts relating to any frauds or suspected frauds known to management that may have affected the superannuation fund.
- (c) The superannuation fund has disclosed to the auditor the results of its assessment of the risk that the financial report may be materially misstated as a result of fraud.
- (d) The superannuation fund has disclosed to the auditor the results of its assessment of the risk that the financial report may be materially misstated as a result of fraud.



## Legal Matters

We confirm that all matters that may result in legal action against the fund or the trustees in respect of the fund, have been discussed with a solicitor and brought to the attention of the auditor so that a solicitor's representation letter may be obtained.

## General

- (a) Neither the superannuation fund nor any Trustees have any plans or intentions that may materially affect the book value or classification of assets and liabilities at balance sheet date.
- (b) The superannuation fund accepts responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error. We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
- (c) There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
- (d) The superannuation fund has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

We understand that your examination was made in accordance with the Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the fund taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

## Additional Matters

There are no additional matters.

**Signed by the Directors of Chesterman Nominees Pty Limited as trustee for Chesterman UDC Pension Fund**

 22.11.23

Director / Trustee



## SUPER AUDITS

The Trustee  
Chesterman UDC Pension Fund  
Level 10 Suite 1003, 133 Castlereagh Street  
SYDNEY NSW 2000

A.W. Boys  
Box 3376  
Rundle Mall 5000  
9<sup>th</sup> November 2023

Dear Trustee,

I have completed the audit of the Chesterman UDC Pension Fund for the financial year ending 30 June 2023. The Trustee has complied in all material respects with the *Superannuation Industry (Supervision) Act 1993* and Regulations. ***The trustee is requested to minute all nonstandard significant events and transactions in the AGM minutes of the Fund.***

The Trustee is required to maintain the financial records of the Fund for a minimum of five years and the minutes of meetings are to be retained for ten years.

It is recommended that the trustee review their Investment Strategy annually to ensure the strategy meets the objectives of the members having regard to risk, return, liquidity and diversification of investments. Further, the trustee should determine whether the Fund should hold a contract of insurance that provides insurance cover for one or more members of the Fund.

Thank you for your professionalism and full cooperation throughout the audit process.

Should you have any queries regarding any of the above please contact me on 0410 712708.

Yours sincerely



SMSF Auditor's signature

Tony Boys  
SMSF Auditor Number (SAN) 100014140  
Registered Company Auditor 67793



**SELF-MANAGED SUPERANNUATION FUND INDEPENDENT  
AUDITOR'S REPORT**

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**Approved SMSF auditor details**

Name: Anthony William Boys

Business name: SUPER AUDITS

Business postal address: Box 3376 RUNDLE MALL 5000

SMSF auditor number (SAN): 100014140

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**Self-managed superannuation fund details**

Self-managed superannuation fund (SMSF) name: Chesterman UDC Pension Fund

Australian business number (ABN) or tax file number (TFN): 78 123 737 956

Address: Level 10 Suite 1003, 133 Castlereagh Street, SYDNEY NSW 2000

Year of income being audited 1 July 2022 – 30 June 2023

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**To the SMSF trustee**

To the trustee of the Chesterman UDC Pension Fund

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AUDITING  
DUE DILIGENCE  
FORENSIC ACCOUNTING



## Part A: Financial audit

### Opinion

I have audited the special purpose financial report of the Chesterman UDC Pension Fund comprising; the Profit & Loss Statement for the financial year ending 30 June 2023, the Balance Sheet as at 30 June 2023 and the Notes to and forming part of the Accounts for the year ended 30 June 2023 of the Chesterman UDC Pension Fund for the year ended 30 June 2023.

In my opinion, the financial report, presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial report, the financial position of the fund at 30 June 2023 and the results of its operations for the year then ended.

### Basis for Opinion

My audit has been conducted in accordance with Australian Auditing Standards<sup>1</sup>. My responsibilities under those standards are further described in the Approved SMSF Auditor's Responsibilities for the Audit of the Financial Report section of this report. I am independent of the SMSF in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to this audit and as required by the Superannuation Industry (Supervision) Regulations 1994 (SISR). I have also fulfilled my other ethical responsibilities in accordance with the Code. In particular, neither myself, my firm or my network firm assumed a management responsibility for the fund. My firm did not prepare the financial statements for the fund but it was only a routine or mechanical service and appropriate safeguards were applied). Where my firm provided any other non-assurance services to the fund, we are satisfied that those services were not prohibited under the Code and any independence threats arising have been eliminated or reduced to an acceptable level by the application of safeguards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Emphasis of Matter - Basis of accounting

I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Chesterman UDC Pension Fund meet the requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 (SISA) and the SISR. As a result, the financial report may not be suitable for other purposes and should not be distributed to parties other than the trustee. My opinion is not modified in respect of this matter.

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<sup>1</sup>The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.



# SUPER AUDITS

## **Responsibilities of SMSF trustee for the financial report**

Each SMSF trustee (individual trustee or director of the corporate trustee) is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the SMSF's governing rules, the SISA and the SISR. Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustee is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustee intend to wind-up the fund, or have no realistic alternative but to do so. The going concern basis of accounting is appropriate when it is reasonably foreseeable that the fund will be able to meet its liabilities as they fall due.

Each SMSF trustee is responsible for overseeing the fund's financial reporting process.

## **Approved SMSF auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of trustee taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.



## SUPER AUDITS

- Conclude on the appropriateness of trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I have communicated with the trustee and or the trustee's authorised representative regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

### Part B: Compliance engagement

#### Opinion

I have undertaken a reasonable assurance engagement on the Chesterman UDC Pension Fund's compliance, in all material respects, with applicable provisions of the SISA and the SISR as listed below ("the listed provisions") for the year ended 30 June 2023.

Sections: 17A, 34, 35AE, 35B, 35C (2), 35 (D) (1), 52 (2), 62, 65, 66, 67,67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA 13.22 (B and C)

In my opinion, each trustee of the Chesterman UDC Pension Fund has complied, in all material respects, with the listed provisions, for the year ended 30 June 2023

#### Basis for Opinion

I have conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Independence and quality control

I have complied with the independence and other ethical requirements relating to assurance engagements and applied Auditing Standards ASQM 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*<sup>2</sup> in undertaking this assurance engagement. In particular, neither myself, my firm or my network firm assumed a management responsibility for the fund. Where my firm

## SUPER AUDITS

provided any other non-assurance services to the fund, we are satisfied that those services were not prohibited under the Code and any independence threats arising have been eliminated or reduced to an acceptable level by the application of safeguards.

### **SMSF trustees' responsibilities**

Each SMSF trustee is responsible for complying with the listed provisions and for the identification of risks that threaten compliance with the listed provisions, controls which will mitigate those risks and monitoring ongoing compliance.

### **Approved SMSF auditor's responsibilities**

My responsibility is to express an opinion on the trustees' compliance, in all material respects, with the listed provisions for the year ended 30 June 2023. ASAE 3100 Compliance Engagements requires that I plan and perform my procedures to obtain reasonable assurance about whether the trustee has complied, in all material respects, with the listed provisions for the year ended 30 June 2023.

An assurance engagement to report on the trustees' compliance with the listed provisions involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgement, including the identification and assessment of risks of material non-compliance.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the listed provisions for the year ended 30 June 2023.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance and have not covered any other provisions of the SISA and the SISR apart from those specified.

### **Inherent limitations**

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the listed provisions may occur and not be detected.

A reasonable assurance engagement for the year ended 30 June 2023 does not provide assurance on whether compliance with the listed provisions will continue in the future.

SMSF Auditor: A.W. Boys

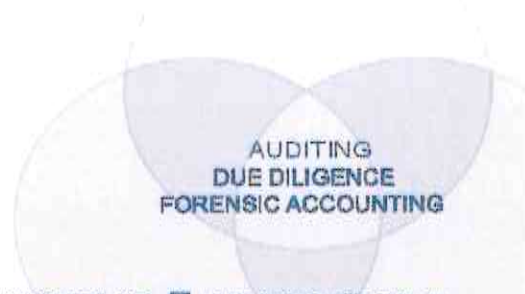


SMSF Auditor's signature

SMSF Auditor's signature

**Date:** 9<sup>th</sup> November 2023

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AUDITING  
DUE DILIGENCE  
FORENSIC ACCOUNTING



## Appendix 1 – Explanation of listed sections and regulations in compliance engagement

This appendix is included to assist with the meaning of the legislation and regulations listed above

Section or Regulation	Explanation
S17A	The fund must meet the definition of an SMSF
S35AE	The trustees must keep and maintain accounting records for a minimum of five years
S35B	The trustees must prepare, sign and retain accounts and statements
S35C(2)	The trustees must provide the auditor with the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor
S62	The fund must be maintained for the sole purpose of providing benefits to any or all of the following: <ul style="list-style-type: none"> <li>• fund members upon their retirement</li> <li>• fund members upon reaching a prescribed age</li> <li>• the dependants of a fund member in the case of the member's death before retirement</li> </ul>
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year
S66	The trustees must not acquire any assets (not listed as an exception) from any member or related party of the fund
S67	The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception)
S67A & 67B	The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules)



S82-85	The trustees must comply with the in-house asset rules
S103	The trustees must keep minutes of all meetings and retain the minutes for a minimum of 10 years
S104	The trustees must keep up to date records of all trustee or director of corporate trustee changes and trustee consents for a minimum of 10 years
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration
S105	The trustees must ensure that copies of all member or beneficiary reports are kept for a minimum of 10 years
S109	All investment transactions must be made and maintained at arms- length – that is, purchase, sale price and income from an asset reflects a true market value/rate of return
S126K	A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund
Sub Reg 1.06 (9A)	Pension payments must be made at least annually, and must be at least the amount calculated under Schedule 7
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund
Reg 4.09A	The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer sponsor
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed out in a permitted fashion
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed

Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited
Reg 8.02B	When preparing accounts and statements required by subsection 35B(1) of SISA, an asset must be valued at its market value
Reg 13.12	Trustees must not recognise an assignment of a super interest of a member or beneficiary
Reg 13.13	Trustees must not recognise a charge over or in relation to a member's benefits
Reg 13.14	Trustees must not give a charge over, or in relation to, an asset of the fund
Reg 13.18AA	Investments in collectables and personal use assets must be maintained in accordance with prescribed rules

# The Chesterman UDC Pension Fund

## Investment Strategy

### 1. Investment Objectives

**Resolved** that the Fund have the following objectives:

- an investment return in excess of the National inflation rate.
- to hold assets in a form to enable the Fund to discharge existing and future liabilities in a manner which satisfies the members.

### 2. Investment Objectives strategy

**Resolved** that the Fund will have the ability to invest in the following areas:

- direct equities and stocks, including participation in dividend reinvestment programs and rights issues or any other similar investments offered in this area;
- property trusts and associated products;
- managed investments and associated products;
- direct property investments; and
- any other investment that is legal under the laws of the Commonwealth of Australia and its States and Territories.

Resolved that in determining this strategy, the Trustees will consider, in respect of each of the Fund's investments, the aspects of the investment being in accordance with the Fund's investment objectives and relevant legislation.

Further, the Trustees will consider in respect of each investment, the risk to the Fund and its members of acquiring it, the diversification of the investment vis a vis all of the other investments owned by the fund, the liquidity requirements of the fund in meeting its liabilities and the effect that this investment will have on those having assessed the entire financial position of the Members.

The Trustee will ensure that all the Fund's investments are monitored and continue to comply with this strategy and the relevant legislation. The Trustees reserve the right to alter this strategy at any time.

### Insurance

The Trustees have considered the issue of insurance for all members, based on the signed letters received from Members dated 22-11-23 which are attached to and form part of this document.

It has been decided that the insurance cover currently in place is appropriate to the needs of members at this time.

Signed as a true record:

 22-11-23



# THE CHESTERMAN UDC PENSION FUND INVESTMENT STRATEGY

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## Overview

The aim of this strategy is to provide benefits for Members, as well as death/disablement protection for Members.

## Investment Objectives

The Trustee will at all times act prudently to maximise the rate of return, subject to acceptable risk parameters, and maintenance of appropriate diversification across a broad range of assets.

Having considered the risk profile of the fund, the trustee has adopted the following objectives for the investment of assets of the fund;

- to achieve an investment return (based on market values and net of tax and charges) that exceeds the CPI by at least 3% per annum when measured over a rolling 5 year period.
- to have a probability of zero or negative returns in any 12 Month period of less than one in 10 years;
- to have sufficient liquidity to meet liabilities as and when they fall due.

## Insurance

The Trustees have considered the issue of insurance for all members, based on the signed letters received from Members dated 22.11.23 which are attached to and form part of this document.

It has been decided that the insurance cover currently in place is appropriate to the needs of members at this time.

## Investment Strategy

The fund will invest in a portfolio of assets according to market conditions and within the ranges specified below:

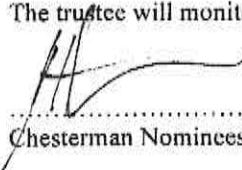
### Asset Name with Minimum & Maximum %

Australian Equities:  
Min - 0%  
Max - 95%

Cash:  
Min - 0%  
Max - 100%

Quality companies and trusts as considered by the Trustees will be selected. Direct investments in property, may form part of the strategy provided there is sufficient basis for the decision.

The trustee will monitor and review the performance of these investments on a regular basis.

  
.....  
Chesterman Nominees Pty Ltd

22.11.23  
.....  
Date



The Trustees  
The Chesterman UDC Pension Fund  
53 Watson Street  
**BONDI NSW 2026**

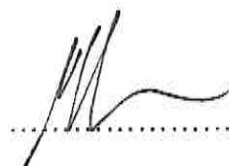
22 November 2023

Mrs Catriona Rogers  
The Rogers Group  
PO Box A308  
**SYDNEY SOUTH NSW 1235**

Dear Catriona,

**THE CHESTERMAN UDC PENSION FUND**

I, John David Chesterman, being a member of The Chesterman UDC Pension Fund hereby advise that I have reviewed the insurance cover currently in place and consider it appropriate to my current needs.

 POA  
.....

John David Chesterman  
Member

27.11.23  
.....

Dated



The Trustees  
The Chesterman UDC Pension Fund  
53 Watson Street  
**BONDI NSW 2026**


22 November 2023

Mrs Catriona Rogers  
The Rogers Group  
PO Box A308  
**SYDNEY SOUTH NSW 1235**

Dear Catriona,

**THE CHESTERMAN UDC PENSION FUND**

I, John David Chesterman, being a member of The Chesterman UDC Pension Fund, hereby confirm that the attached Nomination Form dated the 27<sup>th</sup> February 2017, in respect of my membership balance, is correct and according to my wishes.

 POA  
22.11.23

John David Chesterman

.....  
Dated

*Remnant*

NOTICE TO TRUSTEE BY MEMBER

To the Trustees of THE CHESTERMAN UDC  
PENSION FUND

I (member's name) John David CHESTERMAN

hereby advise that my Membership Number in the above Fund is 1, and

1. NOMINATION RE TYPE OF BENEFIT PAYMENT: I hereby notify you that I require that my benefit entitlement, when payable, be applied in the following form and proportions:

TOWARDS THE PAYMENT OF A LUMP SUM: 100 %  
TOWARDS THE PAYMENT OF A PENSION: \_\_\_\_\_ %

2. NOMINATION OF BENEFICIARY: I hereby notify you that I require that my benefit entitlement, in the event of my death before it is payable, be paid to my beneficiaries as nominated below and in the proportions nominated below:

Name: AS PER MY WILL - 100 %  
Address: TO MY LEGAL REPRESENTATIVE DC  
Relationship: DC

Name: \_\_\_\_\_ %  
Address: \_\_\_\_\_  
Relationship: \_\_\_\_\_

3. NOMINATION OF NEW ADDRESS: The following is my new address:

\_\_\_\_\_  
\_\_\_\_\_

The above nomination(s) replace any previous nomination(s) I may have given.

Nomination(s) categories left blank have been crossed out.

Date: 22/5/07

SIGNATURE: [Signature]

*[Handwritten mark]*

**MINUTES OF THE MEETING OF THE DIRECTOR(S) OF THE CORPORATE TRUSTEE  
CHESTERMAN NOMINEES PTY LTD ATF  
CHESTERMAN UDC PENSION FUND  
HELD ON 27.11.13 AT  
53 WATSON STREET, BONDI NSW**

**PRESENT**

John Chesterman

**APPROVAL OF  
PREVIOUS MINUTES:**

It was resolved that the minutes of the previous meeting had been signed as a true and correct record.

**ALLOCATION OF  
CONTRIBUTION:**

It was resolved that the contributions received during the year be allocated to members as follows:

<b>Member Name/Contribution type</b>	<b>Amount</b>
--------------------------------------	---------------

The contributions will be subject to normal preservation and payment rules under the *Superannuation Industry (Supervision) Regulations 1994 (SISR)*

**PAYMENT OF BENEFITS:**

The trustee has ensured that any payment of benefits made from the fund meet the requirement of the fund's deed and do not breach the superannuation laws in relation to:

1. making payment to members; and
2. breaching the fund's or the member's investment strategy.

The trustees have reviewed the payment of benefits and received advice that the transfer is in accordance with the deed and the superannuation laws. As such the trustee has resolved to allow the payment of the following benefits on behalf of the members:

<b>Member Name/Payment Type</b>	<b>Amount</b>
<i>Mr John Chesterman</i> Lump Sum	145,932

**ACCEPTANCE OF  
ROLLOVERS:**

The trustee has ensured that any rollovers made to the fund meet the requirements of the fund's deed and do not breach the superannuation laws in relation to:

1. making rollovers between funds; and
2. breaching the fund's or the member's investment strategy

The trustees have reviewed the rollovers and received advice that the rollovers are in accordance with the trust deed and the rules of the fund and the superannuation laws. As such the trustee has resolved to accept the following rollovers on behalf of the members:

<b>Member Name/Payee Name</b>	<b>Amount</b>
-------------------------------	---------------





**PURCHASE OF ASSETS:**

It was resolved that having regard to the composition, risk and return of the fund's existing investments, the fund's investment objectives and its present liquidity, the purchase of the assets identified below during the year ended 30 June 2023 hereto be confirmed and are in line with the investment strategy of the fund.

<b>Asset / Date</b>	<b>Price</b>	<b>Units</b>	<b>Consideration</b>
<i>Bank - Foreign</i>			
<i>Chesterman UDC USD account</i>			
01 Aug 2022	1.4294	1.77	3
16 Aug 2022	1.4360	140.76	202
01 Sep 2022	1.4397	2.57	4
07 Sep 2022	1.4713	148.88	219
16 Sep 2022	1.4841	209.95	312
17 Sep 2022	1.4822	114.07	169
03 Oct 2022	1.5449	3.56	6
01 Nov 2022	1.5601	4.91	8
16 Nov 2022	1.5354	140.76	216
01 Dec 2022	1.4867	6.76	10
07 Dec 2022	1.4699	148.88	219
16 Dec 2022	1.4575	209.95	306
17 Dec 2022	1.4697	114.07	168
03 Jan 2023	1.4728	8.82	13
01 Feb 2023	1.4121	10.12	14
21 Feb 2023	1.4488	140.76	204
01 Mar 2023	1.4879	10.33	15
08 Mar 2023	1.4815	148.88	221
24 Mar 2023	1.4952	230.94	345
25 Mar 2023	1.4850	129.62	192
03 Apr 2023	1.4910	12.79	19
01 May 2023	1.5116	13.82	21
23 May 2023	1.5063	146.88	221
01 Jun 2023	1.5294	15.49	24
07 Jun 2023	1.5158	156.78	238
16 Jun 2023	1.4736	230.94	340
17 Jun 2023	1.4669	129.62	190
30 Jun 2023	1.5086	16.83	25
<i>Managed Funds Market</i>			
<i>PIMCO Global Bond W</i>			
08 Jul 2022	0.8927	56,009.86	50,000
<i>Janus Henderson</i>			
<i>Tactical Income Fund</i>			
08 Jul 2022	0.9830	50,864.70	50,000

**DISPOSAL OF ASSETS:**

It was resolved that having regard to the composition, risk and return of the fund's existing investments, the fund's investment objectives and its present liquidity, the disposal of the assets identified below during the year ended 30 June 2023 hereto be confirmed and are in line with the investment strategy of the fund.

<b>Asset / Date</b>	<b>Price</b>	<b>Units</b>	<b>Consideration</b>
<i>Listed Securities Market</i>			
<i>Endeavour Group Limited</i>			
08 Jul 2022	7.5988	785.00	5,965
<i>Insurance Australia Group Limited - Cap Note 3-Bbsw+4.70% Perp Non-Cum Red T-06-23</i>			
19 Jun 2023	100.0000	500.00	50,000

**PROPERTY VALUATIONS:**

In respect of the year ending 30 June 2023, it was resolved that the trustees revalue the properties set out below in respect of the effective dates specified.

Giving consideration to the fund's circumstances and the value of the fund's assets that property represents, the trustees have obtained property valuations from the sources listed below.

The trustees have reviewed the content and assumptions within and believe the valuations supplied fairly represent the value and attributes of the properties held.

The trustees resolved to accept the valuations obtained on the basis that the valuations are based on objective and supportable data; are representative of the assets owned by the fund; and are indicative of market conditions as at the effective dates.

After consideration from the trustees, it was also resolved to carry forward valuations from prior years where appropriate. The trustees are of the opinion that the valuations continue to be relevant and appropriate and have been obtained within a suitable time frame to still be applied.

**Address:**

Valuation	Effective Date	Valuation Date	Type	Source
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**ALLOCATION OF NET INCOME:**

It was resolved that the income of the fund be proportionally allocated to members based on the members' daily weighted average balances. The following amounts of income, and related amounts of tax, are to be credited to / debited from member accounts:

	Income	Fund Tax	Conts Tax	Direct Tax
<i>Mr John Chesterman</i> Accumulation	178,527	6,608	0	0

**REPORTING ENTITY CONCEPT:**

It was resolved that, in the opinion of the trustee, the fund is not a reporting entity because it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy specifically all their information needs.

Therefore, the financial statements for the fund are to be prepared on the basis of the fund being a "non-reporting entity", and will therefore take the form of Special Purpose Financial Reports.

**REPORTS AND STATEMENTS:**

The Financial Reports consisting of Statement of Financial Position, Operating Statement and Notes to the Financial Statements, Trustee's Declaration, Compilation Report, Auditor's Report and Member Statement for the period ended 30 June 2023 were tabled for consideration at the meeting.

It was resolved that the financial statements be adopted in their present format and that the statement by the trustees attached to the financial reports be signed by the Trustees, stating that:

1. the financial statements are drawn up so as to present fairly the financial position of the fund as at 30 June 2023, the benefits accrued as a result of operations and its cash flow for the year then ended;
2. the financial statements have been prepared in accordance with the requirements of the trust deed and Australian Accounting Standards as noted in Note 1 to the Financial Statements and
3. the fund has operated substantially in accordance with the trust deed and the requirements of the *Superannuation Industry (Supervision) Act 1993 (SISA)*, during the year ended 30 June 2023.



**INCOME TAX RETURN:**

The completed Self-Managed Superannuation Fund Annual Return for the financial year ended 30 June 2023 was tabled for consideration at the meeting.

It was resolved that:

1. the particulars contained in the 2023 income tax return and the relevant records used to ascertain the taxable income, as shown, derived by the fund from all sources in and out of Australia during the year of income are true and correct and;
2. the fund satisfies the statutory requirements and conditions applicable to be classified as a 'Regulated Superannuation Fund/Complying Superannuation Fund' for the year of income and;
3. the income tax return be adopted in its present format and that the Return be signed by the Trustees.

**REVIEW OF INVESTMENT STRATEGY:**

The fund's investment performance for the year ended 30 June 2023 and existing investment strategy have been reviewed by the Trustees, after considering:

1. the risk involved in making, holding and realising, and the likely return from, the fund's investments having regard to its objectives and its expressed cash flow requirements;
2. the composition of the fund's investments as a whole including the extent to which the investments are diverse or involve the funds being exposed to risks from inadequate diversification;
3. the liquidity of the fund's investments having regard to its expected cash flow requirements;
4. the ability of the fund to discharge its existing and prospective liabilities;
5. whether the fund should hold a contract of insurance that provides insurance cover for members of the fund; and
6. the effect of the fund's investments on the above requirements and all matters relating to the prudential nature of the investment being continuously monitored, regularly reviewed and to make sure they adhere to fund's investment objectives and relevant legislation.

It was resolved that the aims and objectives of the investment strategy were being achieved and that the said investment strategy requires no further modification or adoption at this time.

**TRUSTEE AND MEMBER STATUS:**

Each of the trustee(s) confirmed that they are qualified to act as trustee(s) of the fund and that they are not disqualified persons as defined by Section 120 of the S/SA.

Each of the member(s) confirmed that they are a member of the fund and agreed to be bound by the provisions contained within the Trust Deed of the fund (and any subsequent amendments).



**AUDITOR:**

It was resolved that

Anthony Boys  
of



Super Audits  
Box 3376  
Rundle Mall, SA 2000

act as the auditor of the fund for the next financial year.

**TAX AGENT:**

It was resolved that

Mrs Catriona Rogers  
of  
CATRIONA ROGERS & CO  
Level 10  
133 Castlereagh Street  
Sydney, NSW 2000



act as the tax agent of the fund for the next financial year.

**CLOSURE:**

There being no further business the meeting was closed.



John Chesterman  
Chairperson

..... Dated: 22/11/23



# Chesterman UDC Pension Fund

## Trustee Declaration

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In the opinion of the Trustees of the Chesterman UDC Pension Fund.

The Fund is not a reporting entity and this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to these financial statements.

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2023 present fairly the financial position of the Fund at 30 June 2023 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements; and
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the Trust Deed; and
- (iii) the operation of the Fund has been carried out in accordance with its Trust Deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 during the year ended 30 June 2023.

Signed in accordance with a resolution of the directors of Chesterman Nominees Pty Ltd by:



.....  
**John Chesterman**

Director: Chesterman Nominees Pty Ltd

Dated: 22, 11, 23

**Chesterman UDC Pension Fund**  
**Statement of Financial Position**  
**as at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
Investments			
Managed Investments	6A	331,259	203,462
Shares in Listed Companies	6B	289,879	345,291
Shares in Listed Companies - Foreign	6C	491,332	398,824
Stapled Securities	6D	48,507	48,950
Units In Listed Unit Trusts	6E	182,813	165,440
Other Assets			
Cash At Bank		91,424	255,510
Foreign Cash At Bank		7,452	3,351
Receivables		14,603	9,629
Current Tax Assets		1,436	2,916
Fund Suspense		274	-
<b>Total Assets</b>		<b>1,458,978</b>	<b>1,433,373</b>
<b>Liabilities</b>			
Other Creditors and Accruals		262	643
<b>Total Liabilities</b>		<b>262</b>	<b>643</b>
<b>Net Assets Available to Pay Benefits</b>		<b>1,458,717</b>	<b>1,432,730</b>
<i>Represented by:</i>			
<b>Liability for Accrued Benefits</b>	2		
Mr John Chesterman		1,458,717	1,432,730
<b>Total Liability for Accrued Benefits</b>		<b>1,458,717</b>	<b>1,432,730</b>

*The accompanying notes form part of these financial statements.  
This report should be read in conjunction with the accompanying compilation report.*



**Chesterman UDC Pension Fund**  
**Operating Statement**  
**For the period 1 July 2022 to 30 June 2023**

	Note	2023 \$	2022 \$
<b>Income</b>			
Investment Gains			
Realised Capital Gains	8A	2,934	-
Forex Unrealised Gains	8B	178	143
Increase in Market Value	8C	134,854	(230,364)
Investment Income			
Distributions	7A	24,327	18,052
Dividends	7B	22,070	17,851
Foreign Income	7C	6,147	5,327
Interest	7D	2,477	82
Investment Fee Rebate	7E	157	298
		<u>193,144</u>	<u>(188,611)</u>
<b>Expenses</b>			
Member Payments			
Lump Sums Paid		145,932	91,200
Other Expenses			
Accountancy Fee		5,775	4,950
Adviser Fee		8,250	9,050
Auditor Fee		275	275
Bank Fees		-	-
Establishment Fee		59	-
Fund Administration Fee		-	275
Regulatory Fees		-	56
SMSF Supervisory Levy		259	259
		<u>160,550</u>	<u>106,065</u>
<b>Benefits Accrued as a Result of Operations before Income Tax</b>		<b>32,595</b>	<b>(294,676)</b>
<b>Income Tax</b>			
Income Tax Expense		6,608	3,552
		<u>6,608</u>	<u>3,552</u>
<b>Benefits Accrued as a Result of Operations</b>		<b>25,986</b>	<b>(298,228)</b>

*The accompanying notes form part of these financial statements.  
This report should be read in conjunction with the accompanying compilation report.*



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**Chesterman UDC Pension Fund**  
**Notes to the Financial Statements**  
**As at 30 June 2023**

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**Note 1 - Statement of Significant Accounting Policies**

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements. They have been consistently applied in the current and previous periods unless otherwise stated to ensure the financial information satisfies the concept of relevance and reliability.

**(a) Statement of Compliance**

The trustees have prepared the financial statements on the basis that the superannuation fund is not a reporting entity because it is not publicly accountable and is not required by law or governing document to prepare financial statements that comply with Australian Accounting Standards. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Superannuation Industry (Supervision) Act 1993* and *Regulations 1994*, the trust deed of the fund and the needs of members.

**(b) Basis of Preparation**

The financial statements have been prepared on a cash basis using historical costs convention unless stated otherwise. For investments and financial liabilities, they are measured at market values.

The financial statements are presented in Australian dollars, which is the functional currency of the fund.

**(c) Use of Accounting Estimates and Judgments**

The preparation of financial statements requires the trustees to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks or financial institutions and short-term, highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of change in value.

**(e) Foreign Currency**

Any foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the operating statement in the period in which they arise.

**(f) Valuation of Assets**

*Investment*

An investment is initially recognised when as a result of past transactions or events, the Fund controls the future economic benefits expected to flow from the asset.

The investment assets are firstly recorded at cost, being the fair value of the consideration given. After initial recognition, they are measured at market value. Gains or losses arising from changes in market value are recognised on the Operating Statement in the periods in which they occur.

Market value as defined in s10 of *SISA 1993*, in relation to an asset, means the amount that a willing buyer of the asset could reasonably be expected to pay to acquire the asset from a willing seller if the following assumptions were made:

- i. that the buyer and the seller dealt with each other at arm's length in relation to the sale;
- ii. that the sale occurred after proper marketing of the asset;
- iii. that the buyer and the seller acted knowledgeably and prudentially in relation to the sale.

As disposal costs are generally immaterial unless otherwise stated, market value approximates fair value.





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**Chesterman UDC Pension Fund**  
**Notes to the Financial Statements**  
**As at 30 June 2023**

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Market values for various types of investment have been determined as follows:

- i. listed securities, government and other fixed interest securities for which there is a readily available market quotation, the valuation is recorded as the last quoted sale price as at the close of business on reporting date. If the listed securities are foreign, they are also converted to Australian dollars using the exchange rate at the close of business on the reporting date;
- ii. unit trusts and managed funds are stated by reference to the unit redemption price quoted by the fund manager at the end of the reporting period;
- iii. unlisted investments are stated at the Trustees' valuation based on estimated market value at balance date; or where necessary, upon external valuers' expert opinions;
- iv. Investment properties are carried at market value and are held for the purpose of generating long-term rental yields and capital appreciation. The Trustees give consideration to the value of the investment property each financial year and revalue when a significant event occurs or when deemed appropriate. Where an external valuation has been obtained, the valuation is based on objective and supportable data and has been carried out by a property valuation service provider or qualified independent valuer as appropriate.

*Financial Liabilities*

The Fund initially recognises a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities including credit balances of hedging instruments and derivatives are measured at market values as at the reporting date. Any change in market values of the financial liabilities since the beginning of the reporting period shall be included in the profit or loss for the reporting period. As disposal costs are generally immaterial, unless otherwise stated, market value approximates fair value.

*Receivables and Payables*

Current assets such as accounts receivable, which are expected to be recovered within twelve months after the reporting period, are carried at nominal amounts which approximate the fair values.

Accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the goods and services received, whether or not billed to the Fund and are carried at nominal amounts which are equivalent to fair values.

**(g) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following recognition criteria relate to the specific items of revenue the Fund receives:

*Interest*

The interest revenue is recognised by the Fund on a cash receipt basis, unless the Fund chooses the accrual method and the amount can be reliably measured by reference to the principal outstanding and using the effective interest rate of the instrument calculated at the acquisition or origination date.

*Dividend Revenue*

The entitlement to a dividend is based on the date the shares are quoted ex-dividend; the actual dividend revenue is recognised by the Fund when it is received.

*Distribution Revenue*

Distributions from unit trusts and managed funds are recognised as at the date the unit value is quoted ex-distributions and if not received at the end of the reporting period, are reflected in the statement of financial position as a receivable at market value.

*Rental Income*

Rent from investment properties is recognised by the Fund on a cash receipt basis.

*Movement in market values*

Changes in the market value of investments are determined as the difference between the market value at balance date or consideration received (if sold during the year) and the market value as at the prior year end or cost (if the investment was acquired during the period). All movements are recognised in the Operating Statement.

*Contributions and Rollovers In*

Contributions and rollovers in are recognised when the control and the benefits from the revenue have been attained and are recorded by the Fund, gross of any taxes, in the period to which they relate.



**Chesterman UDC Pension Fund**  
**Notes to the Financial Statements**  
**As at 30 June 2023**

The financial report was authorised for issue on 26 October 2023 by the directors of the trustee company.

**Note 2 – Liability for Accrued Benefits**

The liability for accrued benefits represents the fund's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amount of the assets and the carrying amount of the other payables and income tax liabilities as at the end of the reporting period. Changes in the Liability for Accrued Benefits are as follows:

	<b>Current</b>	<b>Previous</b>
<b>Liability for Accrued Benefits at beginning of period</b>	1,432,730	1,730,958
Benefits Accrued during the period	171,918	(207,028)
Benefits Paid during the period	(145,932)	(91,200)
<b>Liability for Accrued Benefits at end of period</b>	<b>1,458,717</b>	<b>1,432,730</b>

Any amount in the Unallocated Contributions account represent amounts that have been received by the fund from either the members of the fund or a third party but have not been allocated to any specific member as at the reporting date. It is the intention of the trustee to allocate any such amounts recorded as unallocated contributions within 28 days following the end of the month to specific fund member, which will increase the liability for members accrued benefits.

**Note 3 – Vested Benefits**

Vested benefits are benefits which are not conditional upon continued membership of the fund (or any factor other than resignation from the plan) and include benefits which members were entitled to receive had they terminated their fund membership as at the reporting period.

	<b>Current</b>	<b>Previous</b>
<b>Vested Benefits at beginning of period</b>	1,432,730	1,730,958
Benefits Accrued during the period	171,918	(207,028)
Benefits Paid during the period	(145,932)	(91,200)
<b>Vested Benefits at end of period</b>	<b>1,458,717</b>	<b>1,432,730</b>

**Note 4 – Guaranteed Benefits**

No guarantees have been made in respect of any part of the liability for accrued benefits.

**Note 5 – Funding Arrangements**

No fixed funding arrangements were in place for the Fund as at year end.

**Note 6A – Managed Investments**

	<b>Current</b>	<b>Previous</b>
At market value:		
Capital Group New Perspective Fund (AU)	109,270	92,271
Janus Henderson Tactical Income Fund	51,826	0
Ophir Global High Conviction Fund	37,235	33,522
Partners Group Global Value Fund (AUD) - Wholesale Units	46,639	42,384
PIMCO Global Bond W	48,997	0
UBS Microcap Fund	37,291	35,285
	<b>331,259</b>	<b>203,462</b>

**Chesterman UDC Pension Fund**  
**Notes to the Financial Statements**  
**As at 30 June 2023**

**Note 6B – Shares in Listed Companies**

	Current	Previous
At market value:		
Adelaide Brighton Limited	11,651	11,798
Amcor Limited	35,307	42,863
Commonwealth Bank of Australia	62,268	56,126
Endeavour Group Limited	0	5,942
Harvey Norman Holdings Limited	27,342	29,149
Insurance Australia Group Limited - Cap Note 3-Bbsw+4.70% Perp Non-Cum Red T-06-23	0	51,000
National Australia Bank Limited	42,719	44,372
National Australia Bank Limited - Capital Notes Deferred Settlement	43,658	43,432
Westpac Banking Corporation	35,745	32,663
Woolworths Limited	31,188	27,946
	<b>289,879</b>	<b>345,291</b>

**Note 6C – Shares in Listed Companies - Foreign**

	Current	Previous
At market value:		
Alphabet Inc	108,982	95,051
Apple Inc	209,697	142,582
eBay Inc	40,932	36,817
Home Depot Inc	60,635	51,644
Johnson & Johnson	38,522	39,852
PayPal Holdings Inc	32,563	32,877
	<b>491,332</b>	<b>398,824</b>

**Note 6D – Stapled Securities**

	Current	Previous
At market value:		
Transurban Group	48,507	48,950
	<b>48,507</b>	<b>48,950</b>

**Note 6E – Units in Listed Unit Trusts**

	Current	Previous
At market value:		
Magellan Global Fund (Open Class) (Managed Fund) - Magellan Global Fund (Open Class) (Managed Fund)	90,044	78,019
Ophir High Conviction Fund - Ordinary Units Fully Paid	23,159	22,968
Qualitas Real Estate Income Fund - Ordinary Units Fully Paid	69,609	64,453
	<b>182,813</b>	<b>165,440</b>

**Note 7A – Distributions**

	Current	Previous
Capital Group New Perspective Fund (AU)	7,391	3,332
Janus Henderson Tactical Income Fund	1,296	0
Partners Group Global Value Fund (AUD) - Wholesale Units	1,242	409
PIMCO Global Bond W	588	0
UBS Microcap Fund	1,302	1,925
Insurance Australia Group Limited - Cap Note 3-Bbsw+4.70% Perp Non-Cum Red T-06-23	0	2,382
Transurban Group	1,942	1,330
Magellan Global Fund (Open Class) (Managed Fund) - Magellan Global Fund (Open Class) (Managed Fund)	3,593	3,578
Ophir High Conviction Fund - Ordinary Units Fully Paid	1,208	1,542
Qualitas Real Estate Income Fund - Ordinary Units Fully Paid	5,765	3,554
	<b>24,327</b>	<b>18,052</b>

**Chesterman UDC Pension Fund**  
**Notes to the Financial Statements**  
**As at 30 June 2023**

**Note 7B – Dividends**

	<b>Current</b>	<b>Previous</b>
Adelaide Brighton Limited	348	871
Anz Institutional & Broker Firm Offer - March 2014	0	866
Commonwealth Bank of Australia	3,726	3,327
Endeavour Group Limited	0	219
Harvey Norman Holdings Limited	3,423	3,929
Insurance Australia Group Limited - Cap Note 3-Bbsw+4.70% Perp Non-Cum Red T-06-23	3,760	0
National Australia Bank Limited	3,495	2,939
National Australia Bank Limited - Capital Notes Deferred Settlement	2,904	1,708
Westpac Banking Corporation	3,206	2,895
Woolworths Limited	1,110	1,054
Transurban Group	97	44
	<b>22,070</b>	<b>17,851</b>

**Note 7C – Foreign Income**

	<b>Current</b>	<b>Previous</b>
Arcor Limited	1,721	1,556
Apple Inc	992	892
eBay Inc	846	679
Home Depot Inc	1,533	1,282
Johnson & Johnson	1,054	919
	<b>6,147</b>	<b>5,327</b>

**Note 7D – Interest**

	<b>Current</b>	<b>Previous</b>
Chesterman UDC Crestone Account	2,316	80
Chesterman UDC USD account	161	2
	<b>2,477</b>	<b>82</b>

**Note 7E – Investment Fee Rebate**

	<b>Current</b>	<b>Previous</b>
Capital Group New Perspective Fund (AU)	120	298
Janus Henderson Tactical Income Fund	37	0
	<b>157</b>	<b>298</b>

**Note 8A – Realised Capital Gains**

	<b>Current</b>	<b>Previous</b>
<b>Shares in Listed Companies</b>		
Endeavour Group Limited	2,934	0
	<b>2,934</b>	<b>0</b>

**Note 8B – Forex Unrealised Gains**

	<b>Current</b>	<b>Previous</b>
<b>Foreign Cash At Bank</b>		
Chesterman UDC USD account	178	143
	<b>178</b>	<b>143</b>

**Chesterman UDC Pension Fund**  
**Notes to the Financial Statements**  
**As at 30 June 2023**

**Note 8C – Increase in Market Value**

	Current	Previous
<b>Managed Investments</b>		
Capital Group New Perspective Fund (AU)	16,999	(19,984)
Janus Henderson Tactical Income Fund	1,826	0
Ophir Global High Conviction Fund	3,713	(27,079)
Partners Group Global Value Fund (AUD) - Wholesale Units	4,255	1,366
PIMCO Global Bond W	(1,003)	0
UBS Microcap Fund	2,005	(7,730)
<b>Shares in Listed Companies</b>		
Adelaide Brighton Limited	(146)	(5,119)
Amcor Limited	(7,556)	6,914
Anz Institutional & Broker Firm Offer - March 2014	0	(576)
Commonwealth Bank of Australia	6,142	(5,893)
Endeavour Group Limited	(2,911)	1,005
Harvey Norman Holdings Limited	(1,807)	(13,907)
Insurance Australia Group Limited - Cap Note 3-Bbsw+4.70% Perp Non-Cum Red T-06-23	(1,000)	(1,285)
National Australia Bank Limited	(1,652)	1,895
National Australia Bank Limited - Capital Notes Deferred Settlement	226	(1,882)
Westpac Banking Corporation	3,082	(10,569)
Woolworths Limited	3,242	(1,986)
<b>Shares in Listed Companies - Foreign</b>		
Alphabet Inc	13,931	(5,215)
Apple Inc	67,116	11,083
eBay Inc	4,115	(20,294)
Home Depot Inc	8,991	(3,638)
Johnson & Johnson	(1,330)	5,802
PayPal Holdings Inc	(313)	(93,448)
<b>Stapled Securities</b>		
Transurban Group	(443)	929
<b>Units in Listed Unit Trusts</b>		
Magellan Global Fund (Open Class) (Managed Fund) - Magellan Global Fund (Open Class) (Managed Fund)	12,025	(13,764)
Ophir High Conviction Fund - Ordinary Units Fully Paid	191	(15,503)
Qualitas Real Estate Income Fund - Ordinary Units Fully Paid	5,156	(11,484)
	<b>134,854</b>	<b>(230,364)</b>

**Chesterman UDC Pension Fund**  
**Investment Summary as at 30 June 2023**

Investment	Units	Average Cost Price	Market Price	Accounting Cost	Market Value	Unrealised Accounting Gain/(Loss)	Accounting Gain/(Loss) (%)	Portfolio Weight (%)
<b><u>Bank</u></b>								
Chesterman UDC Crestone Account				91,424	91,424			6%
				<u>91,424</u>	<u>91,424</u>			<u>6%</u>
<b><u>Bank - Foreign</u></b>								
Chesterman UDC USD account	4,963	1.4369	1.5015	7,132	7,452	320	4%	1%
				<u>7,132</u>	<u>7,452</u>	<u>320</u>	<u>4%</u>	<u>1%</u>
<b><u>Foreign Investment Assets</u></b>								
Apple Inc (NASDAQ:AAPL)	720	35.6255	291.2462	25,650	209,697	184,047	718%	15%
Alphabet Inc	600	34.4667	181.6366	20,680	108,982	88,302	427%	8%
eBay Inc (NASDAQ:EBAY)	610	28.4557	67.1021	17,358	40,932	23,574	136%	3%
Home Depot Inc (NYSE:HD)	130	89.1791	466.4265	11,593	60,635	49,042	423%	4%
Johnson & Johnson (NYSE:JNJ)	155	132.4182	248.5285	20,525	38,522	17,997	88%	3%
PayPal Holdings Inc (NASDAQ:PYPL)	325	41.1539	100.1952	13,375	32,563	19,188	143%	2%
				<u>109,162</u>	<u>491,332</u>	<u>382,151</u>	<u>350%</u>	<u>34%</u>

## Chesterman UDC Pension Fund Investment Summary as at 30 June 2023

Investment	Units	Average Cost Price	Market Price	Accounting Cost	Market Value	Unrealised Accounting Gain/(Loss)	Accounting Gain/(Loss) (%)	Portfolio Weight (%)
<b>Listed Securities Market</b>								
Adelaide Brighton Limited (ASX:ABC)	4,875	3.0074	2.3900	14,661	11,651	(3,010)	(21)%	1%
Ancor Limited (ASX:AMC)	2,376	10.5129	14.8600	24,979	35,307	10,329	41%	2%
Commonwealth Bank of Australia (ASX:CBA)	621	54.5517	100.2700	33,877	62,268	28,391	84%	4%
Harvey Norman Holdings Limited (ASX:HVN)	7,857	3.2929	3.4800	25,872	27,342	1,470	6%	2%
Magellan Global Fund (Open Class) (Managed Fund) - Magellan Global Fund (Open Class) (Managed Fund) (ASX:MGOC)	33,515	1.2883	2.6867	43,177	90,044	46,867	109%	6%
National Australia Bank Limited (ASX:NAB)	1,620	25.7088	26.3700	41,648	42,719	1,071	3%	3%
National Australia Bank Limited - Capital Notes Deferred Settlement (ASX:NABPF)	420	100.0000	103.9480	42,000	43,658	1,658	4%	3%
Ophir High Conviction Fund - Ordinary Units Fully Paid (ASX:OPH)	9,570	2.6123	2.4290	25,000	23,159	(1,841)	(7)%	2%
Qualitas Real Estate Income Fund - Ordinary Units Fully Paid (ASX:QRI)	46,875	1.6000	1.4850	75,000	69,609	(5,391)	(7)%	5%
Transurban Group (ASX:TCL)	3,404	7.2458	14.2500	24,665	48,507	23,842	97%	3%
Westpac Banking Corporation (ASX:WBC)	1,675	24.9546	27.3400	41,799	35,745	(6,054)	(14)%	2%
Woodwards Limited (ASX:WOW)	785	23.3490	39.7300	18,329	31,188	12,859	70%	2%
				<b>411,006</b>	<b>521,198</b>	<b>110,192</b>	<b>27%</b>	<b>36%</b>
<b>Managed Funds Market</b>								
PIMCO Global Bond W	56,010	0.8927	0.6748	50,000	48,997	(1,003)	(2)%	3%
Janus Henderson Tactical Income Fund	50,865	0.9830	1.0189	50,000	51,826	1,826	4%	4%
Capital Group New Perspective Fund (AU)	53,490	1.8695	2.0428	100,000	109,270	9,270	9%	8%
Partners Group Global Value Fund (AUD) - Wholesale Units	13,661	1.8300	3.4140	25,000	46,639	21,639	87%	3%
Ophir Global High Conviction Fund	32,975	1.5163	1.1292	50,000	37,235	(12,765)	(26)%	3%
UBS Microcap Fund	19,565	1.2778	1.9060	25,000	37,291	12,291	49%	3%
				<b>300,000</b>	<b>331,259</b>	<b>31,259</b>	<b>10%</b>	<b>23%</b>
				<b>918,743</b>	<b>1,442,665</b>	<b>523,922</b>	<b>57%</b>	<b>100%</b>

The accounting cost is the original cost base adjusted by any subsequent capital call/improvement or capital return transactions. In many cases, it is not the same as the adjusted or reduced cost base, or the reset cost base resulting from the CGT relief. To view the tax cost base and unrealised gain/(loss) for tax purposes refer to the Unrealised Capital Gains Report or change the report parameter to tax cost base.

# Chesterman UDC Pension Fund

(ABN: 78 123 737 956)

## Consolidated Member Benefit Totals

Period	Member Account Details
1 July 2022 - 30 June 2023	Residential Address: 19 Harris Street Paddington, NSW 2021
Member Number: CHESTJ0	Date of Birth: 19 February 1937
Mr John David Chesterman	Date Joined Fund: 22 May 2007
	Eligible Service Date: 22 May 2007
	Tax File Number Held: Yes

*Note: this report provides a consolidated view of the Member's interests in the SMSF  
Refer to the Member Benefit Statements produced for each member account for further details*

Your Accounts		Your Tax Components	
Withdrawal Benefit as at 1 Jul 2022		Tax Free	602,210
Accumulation	1,432,730	Taxable - Taxed	856,506
<b>Total as at 1 Jul 2022</b>	<b>1,432,730</b>	Taxable - Untaxed	-
Withdrawal Benefit as at 30 Jun 2023		<b>Your Preservation Components</b>	
Accumulation	1,458,717	Preserved	-
<b>Total as at 30 Jun 2023</b>	<b>1,458,717</b>	Restricted Non Preserved	-
		Unrestricted Non Preserved	1,458,717
		<b>Your Insurance Benefits</b>	
		No insurance details have been recorded	
		<b>Your Beneficiaries</b>	
		No beneficiary details have been recorded	

### For Enquiries:

phone 0292677655

mail Chesterman UDC Pension Fund, Level 10 Suite 1003 133 Castlereagh Street, Sydney NSW 2000



# Chesterman UDC Pension Fund

(ABN: 78 123 737 956)

## Member Benefit Statement

Period	Member Account Details
1 July 2022 - 30 June 2023	Residential Address: 19 Harris Street Paddington, NSW 2021
Member Number: CHESTJ0	Date of Birth: 19 February 1937
Mr John David Chesterman	Date Joined Fund: 22 May 2007
Accumulation Account	Eligible Service Date: 22 May 2007
Accumulation	Tax File Number Held: Yes
	Account Start Date: 22 May 2007

Your Account Summary		Your Tax Components	
Withdrawal Benefit as at 1 Jul 2022	1,432,730	Tax Free	41.2836 % 602,210
<i>Increases to your account:</i>		Taxable - Taxed	856,506
Share Of Net Fund Income	178,527	Taxable - Untaxed	-
<i>Total Increases</i>	<u>178,527</u>	<b>Your Preservation Components</b>	
<i>Decreases to your account:</i>		Preserved	-
Lump Sum Cash Payments	145,932	Restricted Non Preserved	-
Tax on Net Fund Income	6,608	Unrestricted Non Preserved	1,458,717
<i>Total Decreases</i>	<u>152,540</u>	<b>Your Insurance Benefits</b>	
Withdrawal Benefit as at 30 Jun 2023	<u><u>1,458,717</u></u>	No insurance details have been recorded	
		<b>Your Beneficiaries</b>	
		No beneficiary details have been recorded	

### For Enquiries:

phone 0292677655

mail Chesterman UDC Pension Fund, Level 10 Suite 1003 133 Castlereagh Street, Sydney NSW 2000

**Trustee**

The Trustee of the Fund is as follows:

Chesterman Nominees Pty Ltd

The directors of the Trustee company are:

John Chesterman

**Availability of Other Fund Information**

Additional information regarding your membership is available on request. What your Fund can do is governed by the provisions of its Trust Deed, which is available for inspection. If you require further information or clarification of any aspect of your membership of the Fund, please contact your Fund's Administrator or Trustee.

**Trustee Disclaimer**

This statement has been prepared by the Trustee for the member whose name appears at the top of this statement. While every effort has been made by the Trustee to ensure the accuracy and completeness of this statement, the Trustee does not accept any liability for any errors, omissions or misprints.

Signed on behalf of the Trustee of the Fund



.....  
John Chesterman

Director - Chesterman Nominees Pty Ltd

Statement Date: 30 June 2023

**For Enquiries:**

phone 0292677655

mail Chesterman UDC Pension Fund, Level 10 Suite 1003 133 Castlereagh Street, Sydney NSW 2000

