



automated

S M S F A U D I T O R S

Telephone: +61 8 8338 4833

Facsimile: +61 8 8338 4733

74 Cave Avenue, BRIDGEWATER SA 5155

ABN: 21 111 061 799

The Trustees,
XBC Super Fund
Suite 7193, 190 Hutt Street
ADELAIDE SA 5000

Date 27 August 2021

Dear Brenton

Name of Fund : XBC Super Fund

Thank you for selecting me to undertake the annual audit of your Superannuation Fund. This letter describes what the audit involves and the details and extent of my responsibilities as auditor.

(a) What you must do

As trustees, you are responsible for:

- ensuring your money and other assets are not mixed with the fund's;
- not engaging in something that prevents yourself from performing or exercising functions and powers as a trustee;
- reporting to the ATO any event occurred which have a significant adverse effect on the financial status of the fund (within 3 days after the discovery);
- selecting and implementing an investment strategy;
- ensuring the investment strategy accommodates all circumstances, including risk and return, composition of investments, and the fund's liquidity and ability to pay debts when due;
- the safeguarding of superannuation fund assets and members' benefits;
- the maintenance of adequate accounting records and internal controls;
- the selection of accounting policies;
- the preparation of financial statements and returns; and
- keeping meetings minutes, reports & fund records such as changes of trustees for a period of at least 10 years.

You may have chosen to seek assistance and / or advice with some or all of these responsibilities, but at the end of the day, you have to make sure that they are done.

You will also need to make information declarations to me and confirm that you have completed your legislative obligations.

(b) What I must do

Legislation requires that the accounts and statements of a regulated superannuation fund be audited by an approved auditor. The auditor must give the trustees a certificate on the accounts and statements in the approved form. This must be done within a fixed time, which for your type of fund is 4 months after the end of the financial year covered by those accounts and statements or another date set annually by the Australian Taxation Office.

Audit of financial statements

My audit will be conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement.

In forming my opinion on the financial statements, I will perform sufficient tests to obtain reasonable assurance as to whether:

- (i) the underlying accounting records are reliable and adequate as a basis for the preparation of the financial statements; and
- (ii) the financial position/net assets of the fund at balance date and the results/movements in net assets for the year are properly disclosed in the financial statements.

An audit cannot give absolute guarantees about matters, such as the value of the fund's assets. Because of the test nature and other inherent limitations of an audit together with the inherent limitations of any system of internal control, there is an unavoidable risk that even some material misstatement, fraud or irregularity may remain undiscovered.

Audit of the fund's compliance with superannuation law

For the 2021 year of income, I am required to express an opinion on compliance with certain aspects of SIS. My report must refer to the following sections and regulations:

- 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

You, as trustees, are required to certify compliance with the above provisions and receipt of the audit report on the annual return you lodge with the Australian Taxation Office.

As well as providing an annual audit report on the fund's financial statements and compliance with superannuation legislation, which you must receive before you lodge the fund's annual return, I will report in writing, as I am required to do:

- to you if during the course of, or in connection with, my audit, I become aware of any contravention of the Act or Regulations which I believe has occurred, is occurring, or may occur;
- to you if I believe the fund may be, or may be about to become, in an unsatisfactory financial position;
- to the Australian Taxation Office advising any breaches by the fund of its compliance obligations using criteria specified by the regulator, and other significant breaches of the Act or Regulations that may materially affect the interest of the members of the superannuation fund;
- to you advising any material weaknesses in the fund's system of accounting and internal control, or other suggestions for improvement which come to my notice during the course of my audit.

(c) Administration and Other Items

My fees are based on the time required by the individuals assigned to the engagement plus direct out of pocket expenses. Fees are billed as work progresses, although in the case of a smaller fund such as yours the fee is usually rendered on completion of the annual audit. It is presumed that you as trustees have maintained the necessary records, complied with relevant legislation and will supply me on a timely basis with the information I request. If this does not occur, it may lead to additional costs of audit. Fees are payable within 14 days of invoice date.

My fees for work done or any supply made will include the amount of any GST which I must pay on those fees. If I incur any expenses on your behalf, I will charge you eleven- tenths of the amount which is the price of those expenses less any input tax credits I may claim for them.

As a professional accountant, I am required to maintain professional standards and my quality assurance systems are subject to periodic review by my professional body, the Institute of Public Accountants. Part of that review may involve routine examination of client files. In accepting this engagement, you accept that the files I maintain relating to you may be inspected by an independent reviewer who is obliged to maintain the confidentiality of any information sighted.

Should you have any questions about the audit or wish to discuss any matters affecting the audit, you are welcome to contact me at any stage.

You should keep a copy of this letter as part of fund records

Australian Auditing Standards require that there must be a clear understanding in writing between the auditor and the audit client as to the extent of audit duties. One aim of this letter is to provide that understanding and serve as a reference point. It also serves as the documentary record of you fulfilling your duty to ensure an auditor is appointed to the fund. This letter will be effective for future years unless it is replaced. I have enclosed two copies. If you agree with what is outlined in this letter as the terms of the audit, would you:

- keep one as your record; and
- sign the other one and return to me.

I look forward to providing you with these audit services and our future relationship.

Yours Sincerely,



John Paul Bartley
ASIC Registered SMSF Auditor
Number 100261872

We confirm that the trustees agree with the terms and conditions of the audit engagement of XBC Super Fund as set out in your letter of 27 August 2021.

Brenton Camac
Director
XBC Capital Management Pty Ltd ATF
XBC Super Fund

Dated this ____ day of _____ 2021

Year ended 30 June 2021
MANAGEMENT REPRESENTATION LETTER

Dear Paul,

In connection with your examination of the financial statements of the XBC Super Fund at 30th June, 2021 and for the year then ended, the following representations are made which are true to the best of our knowledge and belief.

1. Fund Books/Records/Minutes

All financial books, records and related data have been made available to you, including minutes of the trustee's minutes and the Trust Deed, and such financial data is being retained safely in an appropriate format for a minimum period of ten years.

2. Fraud and error

We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error. We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

We have previously disclosed to you our assessment of the risk that the financial report may be materially misstated as a result of fraud, and there is no revision to that assessment to the date of this letter. We are not aware of any fraud, error, or non-compliance with laws and regulations that could have a material financial effect on the financial report, nor of any such matter involving the trustees or agents having a significant role in internal control.

We have not received any communications from regulatory agencies about non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

The trustees are not aware of any immaterial misstatements or errors in the financial statements, other than those identified by the auditor as set out in the attached schedule, and confirm their view that these items are immaterial.

3. Compliance with Legislation and Regulations

The fund is being conducted in accordance with its governing rules and the Superannuation Industry (Supervision) Act 1993, the SIS Regulations, and relevant prescribed requirements, including:

- a) The trustees have been nominated and may only be removed in such manner and circumstances are allowed in the trust deed;
- b) Any vacancy among the trustees is filled in accordance with the trust deed;
- c) The trustees have complied with all the trustee standards set out in the regulations and the covenant prescribed by SIS Section 52;
- d) No trustee is a disqualified person by reason of:
 - having been convicted of an offence involving dishonest conduct; or
 - being insolvent;
- e) The trustees have complied with all the investment standards set out in SIS; and
- f) Information retention obligations have been complied with.

The assets of the 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.

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

No assignment of superannuation interest of a member or beneficiary is given.

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

No members' benefits of the fund have been pledged to secure liabilities of the fund or of others.

4. Investments

- a) Investments are carried in the books at market value, unless otherwise noted in the financial report. Such amounts are considered reasonable in the light of present circumstances;
- b) There are no commitments, fixed or contingent, for the purchase or sale of long-term investment that have not been disclosed in the financial statements;
- c) The investment strategy has been determined with due regard to risk, return, liquidity and diversity; and
- d) All investments are acquired, maintained and disposed of on an arm's length basis.
- e) No investments are stated in excess of their recoverable amounts.

5. Accounting Policies and Financial Statements

All the significant accounting policies of the fund are adequately described in Note 1 to the financial statements and are consistent with the policies adopted last year.

The following have been properly recorded and/or disclosed in the financial report:

- a) agreements to repurchase assets previously sold;
- b) material liabilities or contingent liabilities or assets including those arising under derivative financial instruments;
- c) unasserted claims or assessments that our lawyer has advised us are probable of assertion;
- d) that the entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance; and
- e) that there were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.

The fund has satisfactory title to all assets disclosed in the Statement of Financial Position. Investments are registered in the name of the Trustee.

There are no plans or intentions that may materially alter the carrying value or the classification of assets and liabilities reflected in the financial statements.

We confirm the completeness of the information provided in regards to the identification of, and balances and transactions with, related parties. To the best of our knowledge and belief, all transactions with related parties, including remuneration, have been fully disclosed in the financial statements.

6. Benefits Paid

As members, we received the following benefit payments in the year ended 30 June 2021:

	Brenton
Total of monthly pension payments	N/A
Lump sum benefit payments	N/A

7. Litigation or claims

The trustees are not aware of any claims against the fund and confirm there is the fund is not involved in any litigation that may materially affect the financial statements or complying status of the fund.

8. Subsequent Events

No events or transactions have occurred since the balance sheet date or are pending, which would have material effect upon the fund's state of affairs at that date, or which are of such significance in relation to the fund's affairs as to require mention in notes to the financial statements in order to ensure they are not misleading as to the state of affairs or results of operations.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity 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.

Yours faithfully,

Brenton Camac
Director
XBC Capital Management Pty Ltd ATF
XBC Super Fund