

5 May 2022

Mr David Robson  
PO Box 3127  
Erina NSW 2250

Dear Mr Robson,

**Davies Superannuation Fund**  
**- TRUSTEE REPRESENTATION LETTER**

We refer to your audit of the above fund for the year ended 30 June 2021.  
As Trustees of the Fund, we make the following representations in conjunction with your Audit of the Fund for the year ended 30 June 2021:

**Our Responsibilities**

We are responsible for ensuring that the Fund complies with the Superannuation Industry (Supervision) Act 1993 (SISA) and other relevant legislation.

The Commissioner of Taxation (the Commissioner) has the authority and responsibility for administering the legislation and enforcing the fund's compliance with the law.

If we do not comply with the legislation, the Commissioner may take the following actions:

- impose administrative penalties on us
- enter into agreements with us to rectify any contraventions of the legislation
- disqualify us from being a Trustee or Director of a corporate trustee of any superannuation fund in the future
- remove the Fund's complying status resulting in a significant tax penalty on the Fund, and
- prosecute us under the law, resulting in fines or imprisonment.

We must keep ourselves informed of changes to the legislation relevant to the operation of our Fund and ensure the Trust Deed is kept up to date in accordance with the law and the needs of the members.

We acknowledge our responsibility as Trustees of the Fund to ensure the accuracy of the financial records and the Financial Statements of the Fund.

**Sole Purpose**

We understand that it is our responsibility to ensure that Fund is maintained solely for providing benefits to its members upon their retirement (or attainment of a certain age) or their beneficiaries if a member dies.

**Trustee Duties**

We understand that by law we must:

- act honestly in all matters concerning the Fund
- exercise skill, care and diligence in managing the Fund
- act in the best interests of all the members of the Fund
- ensure that our money and other assets are kept separate from the money and other assets of the Fund
- take appropriate action to protect the Fund's assets (for example, have sufficient evidence of the ownership of Fund assets)
  
- not enter into any contract, or do anything, that would prevent us from, or hinder us in, properly performing or exercising our functions or powers as a trustee or director of the corporate trustee of the Fund
- prepare and implement an investment strategy that takes the whole of the Fund's circumstances into account, which includes, but is not limited to

- the risks associated with the Fund's investments
- the likely return from investments, taking into account the Fund's objectives and expected cash flow requirements
- investment diversity and the Fund's exposure to risk due to inadequate diversification, and
- the liquidity of the Fund's investments having regard to the Fund's expected cash flow requirements in discharging its existing and prospective liabilities, and
- allow all members of the Fund to have access to information and documents as required, including details about
  - the financial situation of the Fund
  - the investments of the Fund, and
  - the members' benefit entitlements.

### **Investment Restrictions**

We understand that, as a trustee or director of the corporate trustee of the fund, subject to certain limited exceptions specified in the law, we are prohibited from the following:

- lending money of the Fund to, or providing financial assistance to, a member of the Fund or a member's relative (financial assistance means any assistance that improves the financial position of a person directly or indirectly including the provision of credit)
- acquiring assets (other than listed securities, business real property or managed funds) for the Fund from members or associates or other related parties of the Fund
- borrowing money (or maintaining an existing borrowing) on behalf of the Fund
- having more than 5% of the Fund's total assets at any time of the year as loans to, or investments in, related parties of the Fund (including trusts) and assets subject to a lease or lease arrangement between the trustee and a member, relative or other related party (these assets are in-house assets), and
- entering into investments on behalf of the Fund that are not made or maintained on an arm's length (commercial) basis, ensuring that the purchase or sale price of the Fund's assets reflect market value.

### **Accepting Contributions and Paying a Benefit**

We understand that we can only accept contributions and pay benefits (pensions or lump sums) to members or their beneficiaries when the conditions specified in the law and the Fund's governing rules (including its trust deed) have been met.

### **Administration**

We understand that the trustees of the Fund must:

- keep and retain for at least 10 years
  - minutes of all trustee meetings at which matters affecting the Fund were considered (this includes investment decisions and decisions to appoint members and trustees)
  - records of all changes of trustees, including directors of the corporate trustee
  - each trustee's consent to be appointed as a trustee of the fund or a director of the corporate trustee, and
  - all trustee declarations
- ensure that the following are prepared and retained for at least 5 years
  - a statement of financial position
  - an operating statement, and
  - accounts and statements that correctly record and explain the transactions and financial position of the Fund
- notify the Tax Office within 28 days of any changes in
  - trustees, directors of the corporate trustee or members of the Fund
  - Fund name
  - details of the contact person, contact phone and facsimile numbers, and
  - the postal address, registered address, or address for service of notices for the Fund

- notify the Tax Office in writing as soon as practicable (not later than 28 days) after becoming aware that the Fund has ceased to be a self managed superannuation fund or ceased to exist
- ensure that an approved auditor is appointed to audit the Fund for each income year and provide that auditor with documents as requested, and
- lodge the Fund's annual return by the due date.

#### **Subsequent Events**

We confirm that no events have occurred subsequent to 30 June 2021 which:

- Require adjustment to or disclosure in the Fund's Financial Statements
- Affects the financial position of the Fund to pay pensions
- Affects the financial position of the Fund to pay member entitlements.

Nothing has come to our attention that would indicate that the financial statements are inaccurate, incomplete or otherwise misleading.

#### **Declaration**

By signing this declaration, we acknowledge that we understand our duties and responsibilities as a trustee or director of the corporate trustee of the Self Managed Superannuation Fund named on this declaration (or if the Fund's name changes, that name). We understand that:

- We must ensure this document is retained for at least 10 years or while we remain a trustee or director of the corporate trustee (whichever is longer) and if we fail to do this, penalties may apply, and
- We may have to make this document available for inspection by a member of staff of the Tax Office and if we fail to do this, penalties may apply.

Signed by the **Elizabeth Davies and David Goding of Davies Superannuation Fund**

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Elizabeth Davies  
Date:

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David Goding  
Date: