

**MINUTES OF THE MEETING OF THE TRUSTEES OF  
EASTERN INN EMPLOYEES SUPER SCHEME  
HELD ON 05 MAY 2021 AT  
182 HOMESTEAD RD, ORCHARD HILLS NSW**

**PRESENT**

William Tong

Siu Tong

Colin Tong

**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>
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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>Mrs Siu Tong</i> Pension	96,000.00

**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>
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**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 2020 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>Managed Funds Market</i>			
<i>BT Australian Shares Fund</i>			
01 Jul 2019	3.3520	5270.18	17,665.66
30 Sep 2019	3.3892	735.09	2,491.37
31 Dec 2019	3.4422	934.45	3,216.57
17 Jan 2020	3.4530	6876.52	23,744.64
31 Mar 2020	2.5123	679.57	1,707.30
<i>Term Deposits</i>			
<i>Westpac Term Deposit#9462</i>			
01 Aug 2019	1.0000	2665.24	2,665.24

**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 2020 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>
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**PROPERTY VALUATIONS:**

In respect of the year ending 30 June 2020, 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:**

<b>Valuation</b>	<b>Effective Date</b>	<b>Valuation Date</b>	<b>Type</b>	<b>Source</b>
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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:

	<b>Income</b>	<b>Fund Tax</b>	<b>Conts Tax</b>	<b>Direct Tax</b>
<i>Mrs Siu Tong</i>				
Accumulation	28,384.27	3,764.65	0.00	0.00
Pension	16,015.17	0.00	0.00	0.00
Account - Death Benefit				
Siu Tong	8,431.01	0.00	0.00	0.00
Term Allocated Pension	8,308.24	0.00	0.00	0.00
<i>Mr William Tong</i>				
Accumulation	22,051.37	2,924.68	0.00	0.00
<i>Mr Colin Tong</i>				
Accumulation	17,867.81	2,369.81	0.00	0.00

**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 2020 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 2020, 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 2020.

**INCOME TAX RETURN:**

The completed Self-Managed Superannuation Fund Annual Return for the financial year ended 30 June 2020 was tabled for consideration at the meeting.

It was resolved that:

1. the particulars contained in the 2020 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 2020 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 SISA.

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

Richard Holm  
of  
Richard Holm  
3/12 Elisabeth St  
Noosaville, QLD 4566

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

**TAX AGENT:**

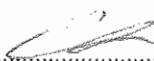
It was resolved that

Ross Haywood  
of  
Pacific Ridge Capital  
1/366-372  
Sydney Road  
Balgowlah, NSW 2093

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

**CLOSURE:**

There being no further business the meeting was closed.

  
..... Dated: 18/05/2021  
Colin Tong  
Chairperson

**MINUTES OF THE MEETING OF THE TRUSTEES OF  
EASTERN INN EMPLOYEES SUPER SCHEME  
HELD ON 05 MAY 2021 AT  
182 HOMESTEAD RD, ORCHARD HILLS NSW**

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**PRESENT:**

William Tong  
Siu Tong  
Colin Tong

**REPORTS AND STATEMENTS:**


The Statement of Financial Position, Operating Statement and Notes thereto, Trustee's Declaration, Auditor's Report, Member Statements and Self Managed Superannuation Fund Annual Return for the period ended 30 June 2020 were tabled.

It was resolved that:

- (a) The Statement of Financial Position, Operating Statement and Notes thereto, Auditor's Report and Member Statements be adopted by the Trustee and the Trustee be authorised to sign the Trustee Declaration,
- (b) The Self Managed Superannuation Fund Annual Return be adopted and signed by a representative of the trustee, and
- (c) The Trustee's Declaration be adopted and signed by the trustee.

**CLOSURE:**

There being no further business the meeting was closed.

  
..... Dated: 18/05/2021  
Colin Tong  
Chairperson

# EASTERN INN EMPLOYEES SUPER SCHEME

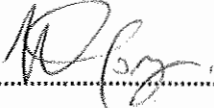
## Trustee Declaration

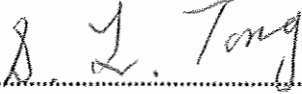
In the opinion of the Trustees of the EASTERN INN EMPLOYEES SUPER SCHEME.


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 2020 present fairly the financial position of the Fund at 30 June 2020 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 2020.

Signed in accordance with a resolution of the trustees by:

  
..... Dated: 18.05.2021  
William Tong  
Trustee

  
..... Dated: 18.05.2021  
Siu Tong  
Trustee

  
..... Dated: 18.05.2021  
Colin Tong  
Trustee

# Compilation Report to the Trustees and Members of EASTERN INN EMPLOYEES SUPER SCHEME

ABN 60 850 671 421  
For the period 01 July 2019 to 30 June 2020

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On the basis of the information provided by the Trustees of EASTERN INN EMPLOYEES SUPER SCHEME, we have compiled the accompanying special purpose financial statements of EASTERN INN EMPLOYEES SUPER SCHEME for the period ended 30 June 2020, which comprise the Statement of Financial Position, Operating Statement, a summary of significant accounting policies and other explanatory notes.

The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance and financial position of EASTERN INN EMPLOYEES SUPER SCHEME that satisfies the information needs of the trustees and the members.

## The Responsibility of Trustees

The Trustees of EASTERN INN EMPLOYEES SUPER SCHEME are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting adopted and financial reporting framework used are appropriate to meet the needs of the members.

## Our Responsibility

On the basis of information provided by the Trustees of EASTERN INN EMPLOYEES SUPER SCHEME, we have compiled the accompanying special purpose financial statements in accordance with the same financial reporting framework/basis of accounting used above and **APES 315: *Compilation of Financial Information***.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Trustees provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the Trustees and members of the fund and purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Signature of Accountant

Dated: 05 May 2021

  
.....  
**Name of Signatory:** Mr Robert Grafton

**Address:** 1/366-372  
Sydney Road  
Balgowlah, NSW 2093

<sup>1</sup> Refer to AUASB Standards for the issuance of audit opinions and review conclusions



# **EASTERN INN EMPLOYEES SUPER SCHEME**

**Self-Managed Superannuation Fund Independent Audit Report  
for the period 1 July 2019 to 30 June 2020**

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## **Approved SMSF auditor details**

<b>Name</b>	Richard Holm
<b>Business name</b>	Richard Holm
<b>Business postal address</b>	3/12 Elisabeth St, Noosaville, QLD 4566, Australia
<b>SMSF auditor number (SAN)</b>	100082291

## **Self-managed superannuation fund details**

<b>Self-managed super fund (SMSF) name</b>	EASTERN INN EMPLOYEES SUPER SCHEME
<b>Australian business number (ABN)</b>	60 850 671 421
<b>Address</b>	182 Homestead Rd, ORCHARD HILLS, NSW 2748, Australia
<b>Year of income being audited</b>	2020

## **To the SMSF trustees**

To the SMSF trustees of EASTERN INN EMPLOYEES SUPER SCHEME

## Part A: Financial report

### Opinion

I have audited the special purpose financial report of the EASTERN INN EMPLOYEES SUPER SCHEME comprising the statement of financial position as at 30 June 2020, and the operating statement, a summary of significant accounting policies and other explanatory notes of the EASTERN INN EMPLOYEES SUPER SCHEME for the year ended 30 June 2020.

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 2020 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.

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

### Basis of accounting

Without modifying my opinion, I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist EASTERN INN EMPLOYEES SUPER SCHEME meet the requirements of the SMSF's governing rules, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the *Superannuation Industry (Supervision) Regulations 1994* (SISR). As a result, the financial report may not be suitable for other purposes.

### Responsibilities of SMSF trustees for the financial report

Each SMSF trustee (individual trustee or director of 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 trustees are 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 trustees intend to wind-up the fund or have no realistic alternative but to do so.

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 trustees taken on the basis of this financial report.

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

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 an 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 trustees.
- 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 trustees 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 EASTERN INN EMPLOYEES SUPER SCHEME's compliance, in all material respects, with the applicable provisions of the SISA and the SISR as listed below ("the listed provisions") for the year ended 30 June 2020.

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

In my opinion, each trustee of EASTERN INN EMPLOYEES SUPER SCHEME has complied in all material respects, with the listed provisions for the year ended 30 June 2020.

### **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 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

### **SMSF trustee's 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 2020. ASAE 3100 *Compliance Engagements* requires that I plan and perform my procedures to obtain reasonable assurance about whether the trustee have complied, in all material respects, with the listed provisions for the year ended 30 June 2020.

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 2020.


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 2020 does not provide assurance on whether compliance with the listed provisions will continue in the future.

Signature of approved SMSF auditor

 ..... Dated *20.03.2021*

Name: Richard Holm

## 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><input type="checkbox"/> fund members upon their retirement</li><li><input type="checkbox"/> fund members upon reaching a prescribed age</li><li><input type="checkbox"/> 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 Trustees  
EASTERN INN EMPLOYEES SUPER SCHEME  
182 Homestead Rd  
ORCHARD HILLS, NSW 2748

05 May 2021

Richard Holm  
3/12 Elisabeth St  
Noosaville, QLD 4566

Dear Sir/Madam,

**Representation Letter From the Trustees  
EASTERN INN EMPLOYEES SUPER SCHEME  
Year Ended 30 June 2020**

In connection with your examination of the financial statements of the above Superannuation Fund for the year ended 30 June 2020, the following representations are made which are true to the best of our knowledge and belief.

**Legislative Requirements**

The fund is being conducted in accordance with the *Superannuation Industry (Supervision) Act 1993*, and the *Superannuation Industry (Supervision) Regulations 1994*, (SIS legislation) 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

for the year ended 30 June 2020.

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

**Governing Rules**

The fund has been conducted in accordance with its governing rules at all times during the year and there were no amendments to the same during the financial year except as notified to you.

**Sole Purpose**

The fund is maintained for the sole or primary purpose of providing benefits to members upon their retirement, ill-health, or their dependants in the case of death prior to retirement.

**Trustee Covenants, Trustees and Fund Conduct**

- a) The trustees have complied with all the Trustee Covenants set out in s52 of the SIS legislation.
- b) If the trustee of the fund is a corporate trustee, we as the directors of the trustee company confirm that all members of the fund are directors of the trustee company and all directors of the trustee company are members of the fund. Further, all representations said to be given by the trustees of the fund are given by us in the capacity as directors of the trustee company.
- c) The trustees are not disqualified persons under s126K of the SIS legislation.
- d) No trustee receives any remuneration from the fund.
- e) There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.



## **Accounting Policies**

The trustees have determined that the Fund is not a reporting entity for the financial year ended 30 June 2020 and that the requirement to apply Australian Accounting Standards and other mandatory reporting requirements do not apply to the Fund. Accordingly, the financial report prepared is a special purpose financial report which is for distribution to members of the Fund and to satisfy the requirements of the SIS legislation.

We are responsible for the presentation (in the financial statements) of the operating statement / changes in net assets for the period and the presentation of the statement of financial position / statement of net assets at balance date, in conformity with generally accepted accounting principles and in accordance with the relevant statutory requirements and applicable Accounting Standards.

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

## **Books, Records and Minutes**

All financial books, records and related data have been accurately maintained and made available to you, including minutes of the trustees' meetings, the Trust Deed and Fund Rules.

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

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

## **Contributions**

We confirm that the contributions, if any, received by the fund are within the limits imposed by the legislation, taking into account contributions paid to other superannuation funds.

## **Investment Strategy**

The trustees have formulated and given effect to an investment strategy as perceived by the trustees to be beneficial to the fund in fulfilling its sole objective of providing retirement benefits to its members in accordance with the SIS legislation and the trust deed.

In case the investment strategy has already been formulated and given effect by the trustees in the prior years, the trustees confirm that it has been updated by a resolution of all the members and trustees of the fund. We have provided you with a signed copy of this resolution.

## **Asset Form**

The assets of the fund are being held in a form suitable for the benefit of the members of the fund, and are in conformity with the trust deed and the updated investment strategy perceived by the trustees.

## **Ownership and Pledging of Assets**

- a) The fund has satisfactory title to all assets appearing in the balance sheet. Investments are registered in the name of the Superannuation Fund or in the name of the Trustees of the Superannuation Fund.
- b) In case the investments are registered in the name of the individual trustees or a corporate trustee, the trustees of the fund or the directors of the trustee company confirm that all such investments held by them as appearing on the balance sheet of the fund are held by them in trust for the fund.
- c) No assets of the fund have been pledged to secure liabilities of the fund or of others, or for any other purpose.
- d) All investments, held by the fund or by us in trust for the fund, have not been encumbered during the financial year ending 30 June 2020.

## Investments

- a) Investments are carried in the books at market value. Such amounts are considered reasonable in the light of present circumstances. For investments carried at cost, there has not been any significant permanent diminution in value below the amounts as recorded.
- b) There are no commitments, fixed or contingent, for the purchase or sale of long-term investments.
- c) Investment transactions and investments held are in accordance with the investment strategy, which complies with SIS legislation investment restrictions and has been determined with due regard to risk, return, liquidity, diversification and the insurance needs of fund members.
- d) All rental properties (if any) owned by the fund or held by us in trust for the fund have:
  - i. Not been leased to a member or a related party of the fund, unless the property is a business real estate property and therefore excluded from the definition of an In-House Asset.
  - ii. Been rented out on an arm's length basis
- e) In the event that the fund has made investments in assets such as wines or artwork we as the trustees of the fund confirm that:
  - i. The fund has not contravened the sole purpose test and the in-house asset rules of the SIS Legislation in respect of these investments.
  - ii. These investments are not held or displayed at the residence of the members or their relatives and are stored at external premises such that no related party of the fund derives any personal benefit from these investments.
  - iii. These investments are adequately insured against theft, fire or other form of destruction.
  - iv. The investments exist, are properly valued, and have been acquired in accordance with the investment strategy.
- f) In the event that the fund has investments in unlisted related entities (either companies or unit trusts), which exceed 5% of the funds' total assets we confirm, that the related entities:
  - i. Have not lent any monies or rendered any financial assistance to any related party of the fund.
  - ii. Do not have any borrowings or loans.
  - iii. Do not have any investments in any other entity including the standard employer-sponsor of the fund or an associate of theirs.
  - iv. Do not have any assets with an encumbrance or a charge over them.
  - v. Have not acquired any assets from a related party of the fund except business real properties.
  - vi. Have not entered into a binding lease agreement with a related party of the fund unless the lease relates to business real property.
  - vii. Have conducted all transactions on an arm's length basis.
- g) In the event that the fund has investments in a pre 11 August 1999 related unit trust, we confirm the following:
  - i. The investment in the unit trust was made by the super fund prior to 11 August 1999 and was not an in-house asset then.
  - ii. Reinvestment of earnings or additional investments into the unit trust are made by the super fund in accordance with Sections 71D & 71E of the SIS legislation as applicable.

## Borrowings

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

## Safeguarding Assets

We have considered the importance of safeguarding the assets of the fund, and we confirm we have the following procedures in place to achieve this:

- a) Authorised signatories on bank and investment accounts are regularly reviewed and considered appropriate; and
- b) Tangible assets are, where appropriate, adequately insured and appropriately stored.

## Significant Assumptions

We believe that significant assumptions used by us in making accounting estimates are reasonable.

## Members and Related Parties

- a) No assets have been acquired from a member or a related party other than as permitted under the SIS legislation.
- b) The fund has **not** lent money to, or given financial assistance to a member or relative of a member.
- c) Related party transactions and related amounts receivable or payable have been properly recorded or disclosed in the financial statements.
- d) In case any of the members of the fund are more than 65 years of age we as the trustees of the fund confirm that the provisions of Regulations 7.04 of the SIS legislation relating to the contribution acceptance standards have not been contravened in view of the members' age.

## **Subsequent Events**

No events or transactions have occurred since 30 June 2020 (other than normal movements in the value of listed shares, managed funds, public unit trusts or property investments), or are pending, which would have a material effect upon the fund's state of affairs at the 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 its gains or losses or movement in member's funds.

## **Legal Matters**

We confirm you have been advised of all significant legal matters, and that all known actual or possible litigation and claims have been adequately accounted for, and been appropriately disclosed in the financial report.

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

## **Material Misstatement**

We understand and acknowledge that we did not engage the approved SMSF auditor of the superannuation fund for the purpose of detecting fraud or error. We acknowledge that the work undertaken to form an opinion is permeated by judgment, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include the use of testing, the inherent limitations of any internal control structure, the possibility of collusion and the fact that most audit evidence is persuasive rather than conclusive. As a result, the audit can only provide reasonable, not absolute, assurance that the financial report is free of material misstatement.

## **Risk of Fraud and Procedures for Identifying and Responding to Fraud**

The risk that the financial report is materially misstated due to fraud is considered to be low as a result of the following:

- a) The trustees are signatories on all transactions and no other party has the authority to act on behalf of the trustees and
- b) Reconciliations are undertaken by the fund's accountant for both investments held and all bank accounts maintained by the fund.

We have not identified any specific risks of fraud.

As trustees we believe that the procedures in place reduce the risk of fraud, however should fraudulent activity be identified, the trustees would ensure all trustees are aware of the situation and the fund's accountant and approved SMSF auditor would be informed.

We confirm that we have no knowledge of any actual, suspected or alleged fraud affecting the fund.

## **Going Concern**

We confirm we have no knowledge of any events or conditions that would cast significant doubt on the fund's ability to continue as a going concern.

## **Other**

We, the trustees of EASTERN INN EMPLOYEES SUPER SCHEME acknowledge that during the course of your audit, it is sometimes necessary for you to request information from third parties including share registries, managed fund and wrap account providers, financial institutions etc to verify information required solely to satisfy your audit function. This information will not be disclosed to any other parties. We further acknowledge that by signing this letter we consent to your authority to request and directly receive such information which shall remain confidential.

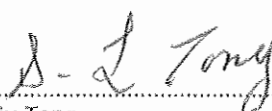
## **Acknowledgement of Outstanding Matters Letter**


We acknowledge that we will be provided with an outstanding matters letter from you stating if any, the outstanding issues, non-compliance with SIS legislation, and the corrected and uncorrected misstatements in the financial report.

We have considered the effect of the uncorrected misstatements (if applicable) in the financial report and confirm that we consider the misstatements to be immaterial both individually and in aggregate to the financial report when taken as a whole.

Yours faithfully,  
EASTERN INN EMPLOYEES SUPER SCHEME

  
.....  
William Tong  
Trustee

  
.....  
Siu Tong  
Trustee

  
.....  
Colin Tong  
Trustee

05 May 2021

Mr Colin Tong  
EASTERN INN EMPLOYEES SUPER SCHEME  
182 Homestead Rd  
ORCHARD HILLS, NSW 2748

**Audit Engagement of  
EASTERN INN EMPLOYEES SUPER SCHEME  
Year / period ended 30 June 2020 and future years**

You have requested that we audit the above named superannuation fund, and we are pleased to confirm our acceptance and understanding of this engagement by means of this letter.

**Objective and scope of the audit**

Our audit will be conducted pursuant to the *Superannuation Industry (Supervision) Act 1993* (SISA) with the objective of expressing an opinion on the financial report and the funds compliance with the specified requirements of the *SIS and SIS Industry (Supervision) Regulations 1994* (SISR).

**Financial report**

**Approved SMSF auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on the audit. We will conduct an independent audit of the financial report in order to express an opinion on it to the trustee. We have complied with the auditor independence requirements prescribed by the SISR and the competency standards set by ASIC. No opinion will be expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the trustee's financial reporting requirements under the superannuation fund's governing rules and regulatory requirements.

We disclaim any assumption of responsibility for any reliance on this report, or on the financial statements to which it relates, to any person other than the members, or for any purpose other than that for which it was prepared.

The Auditing Standards now require that, when reporting on special purpose financial reports with a reporting period commencing from 1 January 2010, an Emphasis of Matter (Basis of Accounting) paragraph is included in the audit report. It must alert users of the auditors report, that the report is prepared in accordance with the special purpose framework and as a result, may not be suitable for another purpose. The inclusion of the required Emphasis of Matter (Basis of Accounting) will not modify our audit opinion.

Our audit will be conducted in accordance with Australian Auditing Standards. These 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 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. In making those risk assessments, the auditor considers internal control relevant to the trustee's preparation and fair presentation 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 of the effectiveness of the trustee's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

**Trustee's responsibility**

The trustee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the SMSF's governing rules, comply with the requirements of the (SISA) and the (SISR) and are appropriate to meet the needs of the members. The trustee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## **Compliance Report**

### **Approved SMSF auditor's responsibility**

Our responsibility is to express an opinion on the trustee's compliance, based on the compliance engagement. We have complied with the auditor independence requirements prescribed by the SISR and the competency standards set by ASIC. Our audit will be conducted in accordance with applicable Standards on Assurance Engagements to provide reasonable assurance that the trustee of the fund has complied, in all material respects, with the relevant requirements of the following provisions (to the extent applicable) of the SISA and the SISR.

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

Our procedures include examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR.

These tests will not be performed continuously throughout the period, are 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. Our procedures with respect to section 62 will include testing that the fund trust deed establishes the fund solely for the provision of retirement benefits for fund members or their dependants in the case of the member's death before retirement; a review of investments to ensure the fund is not providing financial assistance to members, unless allowed under the legislation; and that no preserved benefits have been paid before a condition of release has been met.

Our procedures with respect to regulation 4.09 will include testing that the fund trustee has an investment strategy, that the trustee has given consideration to risk, return, liquidity, diversification, the insurance needs of fund members, and that the fund's investments are made in line with that investment strategy. No opinion will be made on the investment strategy or its appropriateness to the fund members.

### **Trustee's responsibility**

The trustee is responsible for complying with the requirements of the SISA and the SISR.

As part of our audit process, we will request from the trustees written confirmation concerning representations made to us in connection with the audit. This representation letter must be signed and returned to us prior to signing the audit report.

### **Report on significant matters**

Under Section 129 and 130 of the SIS Act 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 or if we believe the fund may be, or may be about to become in an unsatisfactory financial position we are required under Section 130 to report to you in writing. If the contravention affects the interest of the members or beneficiaries of the fund, we are also required to notify the Australian Taxation Office using the prescribed contraventions notice.

Our audit procedures are designed to gather sufficient appropriate audit evidence to form an opinion on the financial report. Unless otherwise agreed with you, we assume no responsibility to design audit procedures to identify matters that may be appropriate to report to you. However, if we encounter matters during the course of our audit, which we believe should be brought to your attention for your consideration or further action; we will communicate these matters to you. If no such matters come to our attention, we will report accordingly.

You cannot assume that any matters reported to you, or that a report indicating that there are no matters to be communicated, indicates that there are no additional matters, or matters that you should be aware of in meeting your responsibilities.

### **Independence**

We confirm that, to the best of our knowledge and belief, the engagement team meets the current independence requirements of APES 110, Code of Ethics for Professional Accountants, in relation to the audit of the fund. In conducting our financial and compliance audit, should we become aware that we have contravened the independence requirements, we shall notify you on a timely basis.

## **Fees**

Our standard fee for providing this service to your superannuation fund in respect of the year ended 30 June 2020 is \$1,622.50

## **Responsibility for loss**

We must take reasonable care in performing services for you under this agreement. If you suffer loss or damage partly as a result of our fault in providing the services, and partly as a result of your own fault, your claim for damages against us for breach of contract will be reduced, as in a negligence claim made by you or the superannuation fund that you are engaging our services on behalf of, to the extent that is just and equitable having regard to your share in the responsibility for that loss or damage.

As a firm participating in a scheme approved under Professional Services Legislation, our liability may be limited under the scheme.

In the event that we do not receive sufficient information more than 4 weeks prior to the due lodgement date to complete our audit and in the event that our outstanding queries resulting from our audit are not resolved within 2 weeks of us issuing our outstanding matters letter, we accept no responsibility for any interest, penalties or losses incurred.

Further the responsibility to lodge the Self-managed superannuation fund annual return, other forms and statements statutorily required by the Australian Taxation Office is that of the trustees of the fund or its accountants / fund administrators. We accept no responsibility for late lodgement or failure of these lodgements.

## **Other**

### *Engagement of Sub-contractors*

We may engage sub-contractors to provide some of the services offered in connection with this agreement.

### *Professional Standards and Confidentiality*

The conduct of our audit in accordance with 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 express consent. Our audit files may, however, be subject to review as part of the quality control review program of the ICAA, or the Australian Taxation Office. We advise that by signing this letter you acknowledge that, if requested, our audit file relating to this audit will be made available under this program. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

During the course of our audit, it is sometimes necessary for us to request information from third parties including share registries, managed fund and wrap account providers, financial institutions etc to verify information required solely to satisfy our audit function. This information will not be disclosed to any other parties. We advise that by signing this letter you consent to our authority to request and directly receive such information which shall remain confidential.

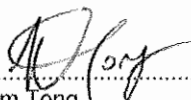
This letter will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated.

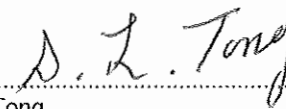
Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial statements and SIS compliance.

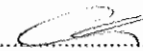
Yours faithfully  
Richard Holm

Richard Holm

The above terms of your engagement are confirmed and accepted on behalf of the EASTERN INN  
EMPLOYEES SUPER SCHEME by:

  
.....  
William Tong  
Trustee

  
.....  
Siu Tong  
Trustee

  
.....  
Colin Tong  
Trustee