

**SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE, 2020**

**OTILO SUPERANNUATION FUND
ABN: 53255728699
ADDRESS: 15 KEILEY STREET, MARSFIELD NSW 2122**

Brian Taylor
Suite 802 Level 8, 309 Pitt Street Sydney NSW 2000
SMSF Auditor Number 100 093 169

To the SMSF trustees of the **Otilo Superannuation Fund**

PART A: FINANCIAL AUDIT

Opinion

I have audited the special purpose financial report of the **Otilo Superannuation Fund** comprising the statement of financial position as at 30 June, 2020, and the operating statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

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. 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.

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 **Otilo Superannuation 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 trustees. My opinion is not modified in respect of this matter.

Responsibilities of SMSF trustees 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.

**SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT (CONT'D)**

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 responsibility 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.

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 may identify during the audit.

**SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT (CONT'D)**

PART B: COMPLIANCE ENGAGEMENT

Opinion

I have undertaken a reasonable assurance engagement on **Otilo Superannuation Fund'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 **Otilo Superannuation Fund** 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 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, 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.

**SELF MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT (CONT'D)**

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.

Brian Taylor
SMSF Approved Auditor

Date 26 February 2021

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: fund members upon their retirement, fund members upon reaching a prescribed age, the dependents of a fund member in the case of a member's death before retirement
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 trustee 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 trustee 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 trustee 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

Superannuation & Corporate Services Pty Ltd

Suite 802 Level 8 309 Pitt Street Sydney NSW 2000

26 February 2021

Private and Confidential

The Trustee,
Otilo Superannuation Fund
15 Keiley Street,
MARSFIELD NSW 2122

Dear Sir / Madam,

RE: AUDIT MANAGEMENT LETTER

I wish to advise that the audit of the **Otilo Superannuation Fund** for the year ended 30 June 2020 has recently been completed.

Auditors are encouraged by the Australian Taxation Office to issue management letters at the completion of each audit as a means of advising the trustee of any matters noted during the course of the audit.

My audit work involves examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report in order to form an opinion as to whether, in all material respects, the financial report is fairly stated in accordance with the accounting policies described in the notes thereto. Further, my audit work involves examination, again on a test basis, of evidence supporting compliance with certain requirements of the Superannuation Industry (Supervision) Act 1993 and the Superannuation Industry (Supervision) Regulations 1994 ("SIS").

I advise that I have not encountered any matters during the course of the audit that I believe should be brought to your attention.

Should you wish to discuss the above, please do not hesitate to contact the undersigned.

Yours faithfully,

Brian Taylor
Auditor

Superannuation & Corporate Services Pty Ltd

Suite 802 Level 8 309 Pitt Street Sydney NSW 2000

30 June 2020

The Trustee,
Otilo Superannuation Fund
15 Keiley Street,
MARSFIELD NSW 2122

Dear Sir / Madam,

RE: APPOINTMENT AS AUDITOR

You have requested I act as auditor of the **Otilo Superannuation Fund** as of, and for the period ended 30 June, 2020. I am pleased to confirm my acceptance of the appointment and would now like to set out my understanding of the terms of this engagement.

Audit of the Financial Report

In accordance with Section 35C of the Superannuation Industry (Supervision) Act 1993 ("SIS"), the financial report of a regulated superannuation fund must be audited by an approved auditor. The auditor must give the trustee a report on the special purpose financial report in the approved form within the prescribed time after the year of income to which the financial report relates.

My responsibilities include obtaining reasonable assurance that the financial report, taken as a whole, is free from material misstatement, whether caused by fraud or error. Notwithstanding this responsibility, due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Australian Auditing Standards.

The work undertaken by me to form an opinion is permeated by judgement, 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 to commit fraud, and the fact that most audit evidence is persuasive rather than conclusive. As a result, my audit can only provide reasonable - not absolute - assurance that the financial report is free from material misstatement.

I am required to establish whether various pre-conditions for the financial report aspect of my audit are present.

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I direct your attention to the fact that each trustee is responsible for the maintenance of adequate accounting records and internal controls, the safeguarding of superannuation fund assets, the selection of accounting policies and the preparation of the special purpose financial reports. The financial report must be prepared using an acceptable financial reporting framework. I note each trustee is responsible for providing access to all information that is relevant to the preparation of the financial report, and any additional information that may be required as part of the financial audit. In particular, I note each trustee is responsible for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error. Your signature below evidences your understanding and acknowledgement of these responsibilities, and confirms these pre-conditions have been met by each fund trustee.

The audit of the financial report does not relieve the trustee of their individual responsibilities.

My audit will be conducted in accordance with Australian Auditing Standards. The objective of the audit is to obtain reasonable assurance about whether the special purpose financial report, as a whole is, free from material misstatement, whether due to fraud or error and to issue an audit report on the financial report.

My responsibilities include ensuring I comply with all relevant ethical requirements. I must ensure I plan and perform my audit with professional scepticism, whilst recognising that circumstances may exist that can cause the financial report to be materially misstated. Whilst undertaking the audit, I am also required to exercise professional judgment in planning and performing my work.

My audit will be planned and conducted primarily to enable me to express my professional opinion as to whether the financial report complies with Australian Accounting Standards and other reporting requirements as adopted by the trustee, but also, so as to have reasonable expectation of detecting material misstatements arising as a result of irregularities which would have a material effect on the financial report. Unless otherwise agreed to, I assume no responsibility to design audit procedures to identify matters that may be appropriate to report to you.

I am required to communicate the planned scope and timing of my audit, and I note the scope of my audit will be sufficient to perform my duties as the auditor of the fund. The timing of the audit will be dictated by the provision of relevant documentation to commence the audit. I am also required to communicate the significant risks identified. Generally speaking, the auditing standards require a presumption that revenue recognition, and the possibility of the trustee overriding internal controls as significant risks. Another example of a significant risk is where the fund enters into a limited recourse borrowing arrangement, where the financier is a related party of the fund. Should any other significant risks be identified as part of my audit, I will communicate these to you.

My audit work involves examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report in order to form an opinion as to whether, in all material respects, the financial report is fairly stated in accordance with the accounting policies described in the notes thereto.

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As the auditor of your fund I note I am not responsible for investment decisions. You should not consider the receipt of an unmodified audit report a validation of investment choices made as the trustee of the fund. Even though I may be required to bring to your attention investment decisions I consider to be unusual, of high risk, or to be out of the ordinary for a self managed superannuation fund, investment decisions, and the resultant outcomes, are the responsibility of the trustee. Your signature below acknowledges each trustee is responsible for investment decisions and outcomes.

As part of my audit, I will request from the trustees written confirmation regarding representations made to me in connection with the audit.

I am required by the Australian Auditing Standards to include an Emphasis of Matter paragraph in my audit report, and I note the anticipated wording will be:

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 Otilo Superannuation 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.

Audit Communications

If my audit report requires an additional Emphasis of Matter paragraph, or an Other Matter paragraph, I am obligated to communicate with you regarding the inclusion of such an additional paragraph, along with the anticipated wording.

Notwithstanding the ATO publish the required wording of the audit report that I am required to use, there may be circumstances in which my report may differ from its expected form and content. An audit opinion may be modified, typically as a qualified opinion, or an adverse opinion may be issued. In extreme cases a disclaimer of opinion may be appropriate. Again, I am obligated to communicate with you regarding any modification to my opinion, along with the anticipated wording.

I am required to inform you of certain uncorrected misstatements identified during the audit, and I must obtain representations from you acknowledging the uncorrected misstatements have been brought to your attention, and that you have considered the effects of these misstatements to be either material or immaterial individually and in aggregate to the financial report.

At the completion of the audit I will prepare an audit management letter to advise you of any matters encountered during the course of the audit that I believe should be brought to your attention. I am required to communicate my views on the accounting policies adopted in the preparation of the financial report, including an explanation as to why I believe an alternative accounting policy may be more appropriate. Further to this I am required to communicate my views on any accounting estimates and financial report disclosures. I am also required to communicate to you any significant difficulties, if any, encountered during the audit.

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Please note you should not assume that matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters that you should be aware of in meeting your responsibilities.

Audit of SIS Compliance

I acknowledge that I am a member of a practice that applies ASQC 1, and that I have the assurance skills and techniques developed through intensive training and practical application, and that I have sufficient competence in the audit of self managed superannuation funds to accept responsibility for the assurance opinion that will be issued.

I acknowledge that during the compliance engagement I will apply professional scepticism, exercise my professional judgment, and apply assurance skills and techniques in the planning and performing of the compliance engagement.

I am required to form an opinion in respect of compliance with certain aspects of the SISA and the Regulations thereto - being the Superannuation Industry (Supervision) Regulations 1994 ("SISR"), referred to as the Listed Provisions below. I direct your attention to the fact that each trustee is responsible for ensuring compliance with SISA and SISR. I note each trustee is responsible for providing access to all information that is relevant to the compliance engagement, and any additional information that may be required as part of the compliance engagement.

I note this is a direct engagement, and the compliance aspect of my audit is considered to be a reasonable assurance engagement, that is, I am required to plan the compliance engagement to reduce the engagement risk to an acceptably low level. The compliance aspect of the assurance report is intended to be used by the trustee of the fund, and the legislative provisions requiring audit are determined by the Australian Taxation Office ("ATO") (the "Listed Provisions"). The assurance report, applicable to the year ended 30 June, 2020 must refer to the following SISA sections and SISR regulations:

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

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

The above Listed Provisions (also known as the applicable criteria) define the scope of the compliance engagement, and are the only compliance requirements being covered by this compliance engagement.

I am also required to establish whether various pre-conditions for the compliance aspect of my audit are present.

The trustee is responsible for complying with the Listed Provisions, including the identification of risks that might threaten fund compliance. The trustee is responsible for designing and maintaining internal controls to mitigate these risks, including the risk of fraud in the hope that these risks do not prevent the fund's ability to comply with the Listed Provisions.

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Your signature below evidences your understanding and acknowledgement of these responsibilities, and confirms the pre-conditions have been met by each trustee.

Audit Communication - Significant Matters

Under Section 129 of the SISA I am required to report to you in writing, if during the course of, or in connection with my audit, I become aware of certain contraventions of the SISA or SISR which I believe has occurred, are occurring or may occur. There are instances where I will be obligated to report the contravention(s) to the ATO. I am also required under section 130 of the SISA to report to you and the ATO if I believe the fund may be about to become, or may be in an unsatisfactory financial position.

There may also be instances where I am obligated to report to the ATO under section 130BA of the SISA.

Audit Communication - Other Matters

At the completion of the compliance audit I will incorporate into my audit management letter details of any non-compliance (unless considered clearly trivial) with laws and regulations not already communicated above under significant matters.

Privacy and Quality Control

The conduct of my audit in accordance with Australian Auditing Standards means that information acquired by me in the course of my audit is subject to strict confidentiality requirements. I am also subject to the Privacy Act 1988 in the handling of personal information. I will not use any personal information obtained during the audit for any purpose other than for the purpose of conducting the audit.

I will keep secure personal information obtained during the audit to ensure it is not misused, lost, or improperly accessed, modified or disclosed. After completing the audit, I will return to you any documents containing personal information that I obtain from you during the course of the audit, except for copies or extracts as required to be retained by auditing standards.

Information will not be disclosed by me to other parties except as required or allowed for by law or professional standards, or with your authority. My audit files may be subject to review as part of the quality control review program of The Chartered Accountants Australia New Zealand ("CAANZ") which monitors compliance with professional standards by its members. My audit files may also be subject to review by the ATO or as part of any review required by the Australian Securities and Investments Commission ("ASIC"). I advise you that by signing this letter you acknowledge that, if requested, my audit files relating to your audit will be made available under any of these review programs. Should this occur I will advise you. The same strict confidentiality requirements apply under the CAANZ, ATO and ASIC reviews that apply to myself as your auditor.

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Fees

Fees, which will be billed as work progresses, are based on the time required to complete the engagement, plus direct out-of-pocket expenses. It is policy that my fees be collected within 14 days from the date the invoice was issued, and I trust that this arrangement is acceptable to you.


This letter will be effective for future years unless I advise you of its amendment or replacement, or if the engagement is terminated. Notwithstanding your (or my) right to terminate this engagement, there may be instances where I am still required to report on significant matters, as noted above, after the date of termination. You acknowledge that any time spent undertaking such obligations are to be paid for by the fund, along with any direct or incidental costs in connection with these obligations, including by not limited to specific legal advice, the cost of any consultations with other professionals, and any other associated costs.

Please also note that this engagement is limited liability engagement. Liability is limited by a scheme approved under Professional Standards Legislation.

Please sign and return this letter to indicate that it is in accordance with your understanding of the arrangements for my audit.

Yours faithfully,

Brian Taylor
Auditor

I understand and agree with the terms of this engagement:	
SIGN HERE	_____
	Giuseppe Ippolito Director
SIGN HERE	
	Salvatrice Ippolito Director
Date:30/06/2020	

Otilo Pty Ltd

ACN {099 698 754}

19 February 2021

Private and Confidential

Brian Taylor
Suite 802 Level 8,
309 Pitt Street Sydney NSW 2000

Dear Sir / Madam,

In connection with your examination of the special purpose financial report of the **Otilo Superannuation Fund** as at 30 June, 2020, we acknowledge our responsibility for ensuring the financial report is prepared in accordance with the accounting standards detailed in Note 1 to the financial statements. We confirm we have fulfilled our responsibility for the preparation of the financial report in accordance with the relevant financial reporting framework, the statutory reporting requirements applicable to the fund, and confirm that the financial report is free of material misstatement, including omissions, and that we have approved the financial report, as evidenced by our signature on the trustee declaration attached to the financial report.

We confirm we are knowledgeable on the matters contained in this representation letter.

The following representations are true to the best of our knowledge and belief:

1. Accounting Policies

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, unless otherwise detailed in the notes to the financial statements.

2. Fund Books / Records / Minutes

As agreed in the terms of the audit engagement, all financial books, records and related data have been made available to you, including relevant minutes of trustee meetings and this information has been retained in the appropriate format for the required period of time.

We confirm all transactions have been recorded and are reflected in the financial report.

With the exception of any data collated with regard to accounting estimates, no experts have been engaged in the preparation of documentation for your audit.

3. Asset Form

The assets of the fund are being held in a form suitable for the benefit of the member(s) of the fund.

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4. Ownership and Pledging of Assets

- a) The fund has satisfactory title to all assets disclosed in the statement of financial position; and
- b) No assets of the fund have been pledged to secure liabilities of the fund (unless the charge is permitted by the legislation) or of others.

5. Custodian Services

Where the fund engages the services of a custodian, we note:

- a) Notwithstanding the custodian is engaged to assist with the holding, safeguarding and administration of certain fund assets, we are responsible for investment decisions and to ensure the fund's investment strategy is complied with;
- b) We are responsible for establishing the terms under which the custodian is engaged;
- c) Investments and other reports are received at least quarterly, or more often as required;
- d) The nature of the relationship between the fund and the custodian engaged is consistent with the general terms of contracts of this nature.

It is noted that it is our responsibility to establish the terms under which the custodian is engaged and to ensure the investments held by the custodian are in accordance with the fund's investment strategy.

In instances where the fund uses a custodian, we confirm we have not been advised of any fraud, non-compliance with laws and regulations or uncorrected mis-statements that would affect the financial report of the fund.

6. Investments

- a) Investments as at year end are carried in the books at market value. If an accounting estimate is used to determine the value to be reported, the trustee confirms a value was selected (based on the evidence collated) that most accurately reflects the market value of the asset. Save for the impact of events subsequent to year end, 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 investments, that have not otherwise been disclosed in the financial report;
- c) The investment strategy, after taking into account the whole of the circumstances of the fund, has been determined with due regard to risk, return, liquidity and diversification. This is so even where investments chosen may be considered risky, may have negative or limited returns, may be illiquid and may not equate to a diversified portfolio;

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- d) In the event the fund does not have a diversified portfolio, the trustee confirms the risks associated with a lack of diversification were considered prior to making and maintaining investments;
 - e) The investments held by the trustee are considered appropriate to meet the needs of the fund member(s); and
 - f) Every effort has been made to ensure investments are acquired, maintained and disposed of on an arm's length basis.

7. Accounting Estimates

We note accounting estimates may be needed where the fund invests in property, unlisted investments, collectable or other tangible assets, or where the fund transacts with related parties.

With regard to the use of any accounting estimates, we confirm we oversee the collation of information needed to evidence the estimate(s) set. We acknowledge that any specialised skill needed with regards to accounting estimates is determined in conjunction with any requests by you as the auditor of the fund. This process assists in the selection of assumptions to be made, methods to be applied and sources of data to be used to determine the accounting estimate.

We do not have a formal process to identify or address the risks relating to accounting estimates. Estimates undertaken for the purpose of compliance with SISA section 109 or SISR regulation 8.02B are supported by appropriate documentation, copies of which have been supplied for audit review.

We acknowledge and understand there is a degree of estimation uncertainty. We do not believe the level of estimation uncertainty needs separate disclosure in the financial report. We confirm the methods, assumptions and data used in the making of any accounting estimates are appropriate for the preparation and presentation of the special purpose financial report.

8. Trust Deed

The fund is being conducted in accordance with its governing rules, and you have been provided with copies of any updates to the governing rules made during the financial year.

9. Legal and Regulatory Framework

Unless otherwise identified during your audit, the fund is in compliance with the requirements of the relevant Income Tax Assessment Act. The fund is being conducted in accordance with the Superannuation Industry (Supervision) Act 1993 ("SISA"), and Superannuation Industry (Supervision) Regulations 1994 ("SISR") (with the exception of any contraventions as identified by you as the auditor) and we specifically confirm:

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- a) We have provided you with all information relevant to the compliance engagement;
 - b) The directors of the corporate trustee have been nominated, have consented to act and may only be removed in such manner and circumstances as are allowed in the governing rules;
 - c) No director of the corporate trustee is a disqualified person;
 - d) The trustee has complied with the investment standards set out in SIS; and
 - e) Information retention obligations have been complied with.

We acknowledge we are responsible for complying with the Listed Provisions (per the audit engagement letter), including the identification of risks that might threaten fund compliance. We are responsible for designing and maintaining internal controls to mitigate these risks, including the risk of fraud in the hope that these risks do not hamper the fund's ability to comply with the Listed Provisions.

All known instances of non-compliance or suspected non-compliance with applicable laws and regulations, whose effects should be considered when preparing the financial report, or that impact your obligation to report certain matters to the Australian Taxation Office have been disclosed to you.

We confirm the fund has complied with the provisions of any laws and regulations that may have a direct effect on the determination of material amounts and disclosures in the financial report, other than those you have advised.

10. Internal Controls

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud. We do not have an internal audit function, however, we have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report and to ensure that the assets of the fund are safeguarded from fraud or error. We have assessed the risk that the financial report may be materially mis-stated as a result of fraud and advise we have no knowledge of any actual, suspected or alleged fraud affecting the fund. There have been no irregularities that could allude to a fraud affecting the fund.

We confirm we have not received any communication from any parties connected to the fund relating to any allegations of, or suspected cases of, fraud, that might affect the financial report of the fund.

There are no specific risks arising from the information technology utilised by the fund that require attention by the trustee.

To monitor internal controls over financial reporting, we review all reports provided by the information technology systems utilised by the fund for accuracy. This assists in determining if the information is sufficiently reliable for financial reporting purposes.

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11. Contributions

Concessional and non-concessional contributions, if any, received by the fund have been reviewed in line with the limits imposed by the legislation, taking into account contributions paid to other superannuation funds.

To the best of our knowledge, non-concessional contributions received are in line with member specific contribution caps.

Any excessive contributions will be dealt with as required by either the legislation or as advised by the ATO.

12. 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.

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

13. Related Parties

All related parties and related party transactions (if any) have been brought to your attention, and have been appropriately accounted for. We confirm the effect of any related party relationships or transactions do not cause the financial report to be misleading.

14. Subsequent Events

The trustee has no formal procedures for the identification of subsequent events, however, we monitor investments and markets information relevant to the fund on an ongoing basis.

Other than those reported, there are no events subsequent to year end, nor any new litigation or claims referred to the fund's legal counsel, that would require adjustment to, or disclosure in, the financial report.

We further note there are no subsequent events that could have significant effect on the fund's compliance and therefore on your opinion for the compliance engagement.


15. Going Concern Assumption

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.

16. Timing of Representations

It is taken that the above representations are applicable to the 2020 audit of the fund. Should this representation letter be signed on a date other than when the audit report is signed, we note that the above representations are still appropriate, relevant and accurate to the date on which your audit report is signed. Should this not be the case, we shall inform you prior to the finalisation of your audit, and the signing of your audit report.

Yours faithfully,


SIGNED
Giuseppe Ippolito
Director


SIGNED
Salvatrice Ippolito
Director