
Financial statements and reports for the year ended
30 June 2020

Begs O'Donnell Superannuation Fund

Begs O'Donnell Superannuation Fund

Operating Statement

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Investment Income			
Interest Received		547.73	982.25
Property Income	7	16,010.00	16,727.14
Investment Gains			
Changes in Market Values	8	20,936.40	0.00
Contribution Income			
Employer Contributions		14,086.78	14,364.13
Transfers In		0.00	9,426.20
Total Income		<u>51,580.91</u>	<u>41,499.72</u>
Expenses			
Accountancy Fees		2,090.00	2,706.00
Administration Costs		137.50	137.50
ATO Supervisory Levy		259.00	259.00
Auditor's Remuneration		550.00	0.00
ASIC Fees		321.00	316.00
Borrowing Expense		866.24	866.24
Property Expenses - Agents Management Fees		1,056.66	1,582.28
Property Expenses - Council Rates		1,432.17	1,755.75
Property Expenses - Insurance Premium		412.26	404.91
Property Expenses - Interest on Loans		12,638.02	14,057.59
Property Expenses - Repairs Maintenance		99.00	467.27
Property Expenses - Strata Levy Fees		1,200.00	1,200.00
Property Expenses - Sundry Expenses		66.00	0.00
Property Expenses - Water Rates		712.36	688.19
		<u>21,840.21</u>	<u>24,440.73</u>
Member Payments			
Life Insurance Premiums		1,139.42	5,504.28
Income Protection Premiums		2,153.84	0.00
Total and Permanent Disability Premiums		733.28	0.00
Total Expenses		<u>25,866.75</u>	<u>29,945.01</u>
Benefits accrued as a result of operations before income tax		<u>25,714.16</u>	<u>11,554.71</u>
Income Tax Expense	9	205.95	0.00
Benefits accrued as a result of operations		<u>25,508.21</u>	<u>11,554.71</u>

Begs O'Donnell Superannuation Fund

Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Investments			
Real Estate Properties (Australian - Residential)	2	400,000.00	379,063.60
Total Investments		<u>400,000.00</u>	<u>379,063.60</u>
Other Assets			
Prepaid Expenses		866.24	1,732.48
Sundry Debtors		0.00	515.30
CBA Accel AC		65,703.34	63,922.94
Total Other Assets		<u>66,569.58</u>	<u>66,170.72</u>
Total Assets		<u>466,569.58</u>	<u>445,234.32</u>
Less:			
Liabilities			
Income Tax Payable		205.95	0.00
Limited Recourse Borrowing Arrangements		247,240.49	251,619.39
Total Liabilities		<u>247,446.44</u>	<u>251,619.39</u>
Net assets available to pay benefits		<u>219,123.14</u>	<u>193,614.93</u>
Represented by:			
Liability for accrued benefits allocated to members' accounts	4, 5		
O'Donnell, Eliot - Accumulation		166,249.01	143,399.11
O'Donnell, Sarah - Accumulation		52,874.13	50,215.82
Total Liability for accrued benefits allocated to members' accounts		<u>219,123.14</u>	<u>193,614.93</u>

Begs O'Donnell Superannuation Fund

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

The trustees have prepared the financial statements on the basis that the Superannuation Fund is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations, the trust deed of the Fund and the needs of members.

The financial statements have been prepared on a cash basis and are based on historical costs, except for investments which have been measured at market value.

The following significant accounting policies, which are consistent with the policies applied in the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

The financial statements were authorised for issue by the Director(s).

a. Measurement of Investments

The Fund initially recognises:

- (i) an investment when it controls the future economic benefits expected to flow from the asset. For financial assets, the trade date is considered to be the date on which control of the future economic benefits attributable to the asset passes to the Fund; and
- (ii) a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Investments of the Fund have been measured at market value, which refers to the amount that a willing buyer could reasonably be expected to pay to acquire an asset from a willing seller if the following assumptions were made:

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

Market value has been determined as follows:

- (i) shares and other securities listed on the Australian Securities Exchange by reference to the relevant market quotations at the end of the reporting period;
- (ii) units in managed funds by reference to the unit redemption price at the end of the reporting period;
- (iii) fixed-interest securities by reference to the redemption price at the end of the reporting period;
- (iv) unlisted investments are stated at trustees' assessment based on estimated market value at balance date or where necessary, an external valuer's opinion; and
- (v) investment properties at the trustees' assessment of the market value or where necessary a qualified independent valuer's opinion at the end of reporting period.

Financial liabilities, such as trade creditors and other payables, are measured at the gross value of the outstanding balance at the end of the reporting period. The trustees have determined that the gross values of the Fund's financial liabilities is equivalent to their market values. Any remeasurement changes in the gross values of non-current financial liabilities (including liabilities for members' accrued benefits) are recognised in the operating statement in the periods in which they occur.

b. Cash and Cash Equivalents

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

c. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is recognised at the fair value of the consideration received or receivable.

Notes to the Financial Statements

For the year ended 30 June 2020

Interest revenue

Interest revenue is recognised in respect of fixed-interest securities, and cash and cash equivalent balances. Interest revenue is recognised upon receipt.

Dividend revenue

Dividend revenue is recognised when the dividend has been paid or, in the case of dividend reinvestment schemes, when the dividend is credited to the benefit of the fund.

Rental revenue

Rental revenue arising from operating leases on investment properties is recognised upon receipt.

Distribution revenue

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

Remeasurement changes in market values

Remeasurement changes in the market values of assets are recognised as income and determined as the difference between the market value at year-end or consideration received (if sold during the year) and the market value as at the prior year-end or cost (if acquired during the period).

Contributions

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

d. Liability for Accrued Benefits

The liability for accrued benefits represents the Fund's present obligation to pay benefits to members and beneficiaries, and has been calculated as the difference between the carrying amount of the assets and the carrying amount of the other payables and income tax liabilities as at the end of the reporting period.

e. Critical Accounting Estimates and Judgements

The preparation of financial statements requires the trustees to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

Note 2: Real Estate Properties (Australian - Residential)

	2020 \$	2019 \$
9/57 Campbell Street WOLLONGONG	400,000.00	379,063.60
	<hr/> 400,000.00	<hr/> 379,063.60

Note 3: Banks and Term Deposits

	2020 \$	2019 \$
Banks		

Begs O'Donnell Superannuation Fund
Notes to the Financial Statements

For the year ended 30 June 2020

CBA Accel AC	65,703.34	63,922.94
	<hr/>	<hr/>
	65,703.34	63,922.94
	<hr/>	<hr/>

Note 4: Liability for Accrued Benefits

	2020	2019
	\$	\$
Liability for accrued benefits at beginning of year	193,614.93	182,060.22
Benefits accrued as a result of operations	25,508.21	11,554.71
Current year member movements	0.00	0.00
	<hr/>	<hr/>
Liability for accrued benefits at end of year	219,123.14	193,614.93
	<hr/>	<hr/>

Note 5: Vested Benefits

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

	2020	2019
	\$	\$
Vested Benefits	<hr/>	<hr/>
	219,123.14	193,614.93
	<hr/>	<hr/>

Note 6: Guaranteed Benefits

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

Note 7: Rental Income

	2020	2019
	\$	\$
9/57 Campbell Street WOLLONGONG	16,010.00	16,727.14
	<hr/>	<hr/>
	16,010.00	16,727.14
	<hr/>	<hr/>

Note 8: Changes in Market Values

Unrealised Movements in Market Value

	2020	2019
	\$	\$
Real Estate Properties (Australian - Residential)		
9/57 Campbell Street WOLLONGONG	20,936.40	0.00
	<hr/>	<hr/>
	20,936.40	0.00
	<hr/>	<hr/>

Notes to the Financial Statements

For the year ended 30 June 2020

Total Unrealised Movement	20,936.40	0.00
<hr/>		
Realised Movements in Market Value	2020	2019
	\$	\$
Total Realised Movement	0.00	0.00
<hr/>		
Changes in Market Values	20,936.40	0.00
<hr/>		
Note 9: Income Tax Expense	2020	2019
	\$	\$
The components of tax expense comprise		
Current Tax	205.95	0.00
<hr/>		
Income Tax Expense	205.95	0.00
<hr/>		
The prima facie tax on benefits accrued before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on benefits accrued before income tax at 15%	3,857.12	1,733.21
Less:		
Tax effect of:		
Non Taxable Transfer In	0.00	1,413.93
Increase in MV of Investments	3,140.46	0.00
Tax Losses Deducted	510.75	319.50
Add:		
Tax effect of:		
Rounding	0.04	0.22
Income Tax on Taxable Income or Loss	205.95	0.00
<hr/>		
Less credits:		
<hr/>		
Current Tax or Refund	205.95	0.00
<hr/>		

Begs O'Donnell Superannuation Fund

Members Statement

Eliot O'Donnell
23 Mountview Avenue
GWYNNEVILLE, New South Wales, 2500, Australia

Your Details

Date of Birth : Provided
Age: 44
Tax File Number: Provided
Date Joined Fund: 02/02/2016
Service Period Start Date:
Date Left Fund:
Member Code: O'DELI00001A
Account Start Date: 02/02/2016
Account Phase: Accumulation Phase
Account Description: Accumulation

Nominated Beneficiaries N/A
Vested Benefits 166,249.01

Your Balance

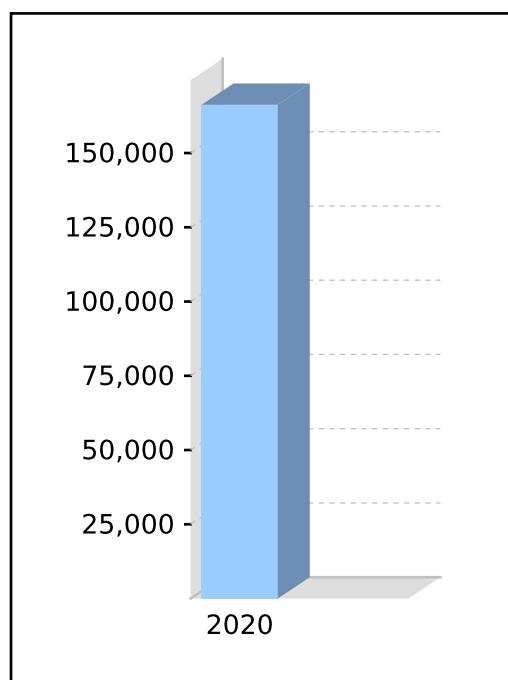
Total Benefits 166,249.01

Preservation Components

Preserved 165,306.44
Unrestricted Non Preserved 942.57
Restricted Non Preserved

Tax Components

Tax Free 2,557.80
Taxable 163,691.21



Your Detailed Account Summary

	This Year
Opening balance at 01/07/2019	143,399.11
<u>Increases to Member account during the period</u>	
Employer Contributions	14,086.78
Personal Contributions (Concessional)	
Personal Contributions (Non Concessional)	
Government Co-Contributions	
Other Contributions	
Proceeds of Insurance Policies	
Transfers In	
Net Earnings	11,680.96
Internal Transfer In	
<u>Decreases to Member account during the period</u>	
Pensions Paid	
Contributions Tax	2,113.02
Income Tax	(1,285.97)
No TFN Excess Contributions Tax	
Excess Contributions Tax	
Refund Excess Contributions	
Division 293 Tax	
Insurance Policy Premiums Paid	2,090.79
Management Fees	
Member Expenses	
Benefits Paid/Transfers Out	
Superannuation Surcharge Tax	
Internal Transfer Out	
Closing balance at 30/06/2020	166,249.01

Begs O'Donnell Superannuation Fund

Members Statement

Sarah O'Donnell
23 Mountview Avenue
GWYNNEVILLE, New South Wales, 2500, Australia

Your Details

Date of Birth :	Provided
Age:	38
Tax File Number:	Provided
Date Joined Fund:	02/02/2016
Service Period Start Date:	12/11/1998
Date Left Fund:	
Member Code:	O'DSAR00001A
Account Start Date	02/02/2016
Account Phase:	Accumulation Phase
Account Description:	Accumulation

Nominated Beneficiaries	N/A
Vested Benefits	52,874.13

Your Balance

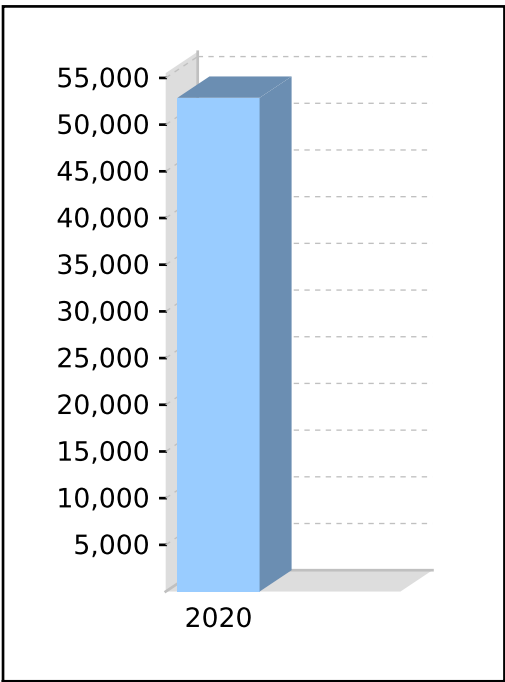
Total Benefits	52,874.13
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Preservation Components

Preserved	52,874.13
Unrestricted Non Preserved	
Restricted Non Preserved	

Tax Components

Tax Free	989.17
Taxable	51,884.96



Your Detailed Account Summary

		This Year
Opening balance at	01/07/2019	50,215.82
<u>Increases to Member account during the period</u>		
Employer Contributions		
Personal Contributions (Concessional)		
Personal Contributions (Non Concessional)		
Government Co-Contributions		
Other Contributions		
Proceeds of Insurance Policies		
Transfers In		
Net Earnings		3,972.96
Internal Transfer In		
<u>Decreases to Member account during the period</u>		
Pensions Paid		
Contributions Tax		
Income Tax		(621.10)
No TFN Excess Contributions Tax		
Excess Contributions Tax		
Refund Excess Contributions		
Division 293 Tax		
Insurance Policy Premiums Paid		1,935.75
Management Fees		
Member Expenses		
Benefits Paid/Transfers Out		
Superannuation Surcharge Tax		
Internal Transfer Out		
Closing balance at	30/06/2020	52,874.13

Begs O'Donnell Superannuation Fund

Trustees Declaration

Begs O'Donnell Investments Pty Ltd ACN: 610559110

The directors of the trustee company have determined that the Fund is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the trustee company declare that:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2020 present fairly, in all material respects, the financial position of the Superannuation Fund at 30 June 2020 and the results of its operations for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- (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 superannuation fund has been carried out in accordance with its trust deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations during the year ended 30 June 2020.

Specifically, the directors of the trustee company declare that:

- in accordance with s120 of the Superannuation Industry (Supervision) Act 1993, no individual trustee has been or is a disqualified person;
- the Fund has satisfactory title to all assets, all assets are unencumbered and free from charge as prescribed by s50 of the Superannuation Industry (Supervision) Act 1993 and reg13.14 of the Superannuation Industry (Supervision) Regulations 1994; and
- to the knowledge of the directors of the trustee company, there have been no events or transactions subsequent to the balance date which could have a material impact on the Fund. Where such events have occurred, the effect of such events has been accounted and noted in the Fund's financial statements.

Signed in accordance with a resolution of the directors of the trustee company by:

.....
Eliot O'Donnell
Begs O'Donnell Investments Pty Ltd
Director

.....
Sarah O'Donnell
Begs O'Donnell Investments Pty Ltd
Director

19 April 2021

Self-managed superannuation fund annual return **2020**

Who should complete this annual return?

Only self-managed superannuation funds (SMSFs) can complete this annual return. All other funds must complete the *Fund income tax return 2020* (NAT 71287).

- ❗ The *Self-managed superannuation fund annual return instructions 2020* (NAT 71606) (the instructions) can assist you to complete this annual return.
- ⊖ The SMSF annual return cannot be used to notify us of a change in fund membership. You must update fund details via ABR.gov.au or complete the Change of details for superannuation entities form (NAT 3036).

To complete this annual return

- Print clearly, using a BLACK pen only.
- Use BLOCK LETTERS and print one character per box.

S M I T H S T

- Place X in ALL applicable boxes.

- Postal address for annual returns:

Australian Taxation Office
GPO Box 9845
[insert the name and postcode
of your capital city]

For example;

Australian Taxation Office
GPO Box 9845
SYDNEY NSW 2001

Section A: Fund information

1 Tax file number (TFN)

- ❗ The ATO is authorised by law to request your TFN. You are not obliged to quote your TFN but not quoting it could increase the chance of delay or error in processing your annual return. See the Privacy note in the Declaration.

- To assist processing, write the fund's TFN at the top of pages 3, 5, 7 and 9.

2 Name of self-managed superannuation fund (SMSF)

3 Australian business number (ABN) (if applicable)

4 Current postal address

Suburb/town

State/territory

Postcode

5 Annual return status

Is this an amendment to the SMSF's 2020 return?

A No Yes

Is this the first required return for a newly registered SMSF?

B No Yes

6 SMSF auditor

Auditor's name

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

SMSF Auditor Number

Auditor's phone number

Postal address

Suburb/town

State/territory

Postcode

Date audit was completed **A** Day / Month / Year

Was Part A of the audit report qualified? **B** No Yes

Was Part B of the audit report qualified? **C** No Yes

If Part B of the audit report was qualified, have the reported issues been rectified? **D** No Yes

7 Electronic funds transfer (EFT)

We need your self-managed super fund's financial institution details to pay any super payments and tax refunds owing to you.

A Fund's financial institution account details

This account is used for super contributions and rollovers. Do not provide a tax agent account here.

Fund BSB number

Fund account number

Fund account name

I would like my tax refunds made to this account.  Go to C.

B Financial institution account details for tax refunds

This account is used for tax refunds. You can provide a tax agent account here.

BSB number

Account number

Account name

C Electronic service address alias

Provide the electronic service address alias (ESA) issued by your SMSF messaging provider.
(For example, SMSFdataESAAlias). See instructions for more information.

8 Status of SMSF	Australian superannuation fund	A No	Yes	Fund benefit structure	B	Code
	Does the fund trust deed allow acceptance of the Government's Super Co-contribution and Low Income Super Amounts?	C No	Yes			

9 Was the fund wound up during the income year?

No	Yes	<input type="checkbox"/> If yes, provide the date on which the fund was wound up <div style="display: inline-block; vertical-align: middle; margin-left: 10px;"> Day / Month / Year </div>	<input type="checkbox"/> Have all tax lodgment and payment obligations been met? <div style="display: inline-block; vertical-align: middle; margin-left: 10px;"> No Yes </div>
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10 Exempt current pension income

Did the fund pay retirement phase superannuation income stream benefits to one or more members in the income year?

☐ To claim a tax exemption for current pension income, you must pay at least the minimum benefit payment under the law. Record exempt current pension income at Label **A**.

No ☐ Go to Section B: Income.

Yes ☐ Exempt current pension income amount **A** \$

Which method did you use to calculate your exempt current pension income?

Segregated assets method **B**

Unsegregated assets method **C** ☐ Was an actuarial certificate obtained? **D** Yes

Did the fund have any other income that was assessable?

E **Yes** ☐ Go to Section B: Income.

No ☐ Choosing 'No' means that you do not have any assessable income, including no-TFN quoted contributions. Go to Section C: Deductions and non-deductible expenses. (Do **not** complete Section B: Income.)

☐ If you are entitled to claim any tax offsets, you can list these at Section D: Income tax calculation statement.

Section B: Income

Do not complete this section if all superannuation interests in the SMSF were supporting superannuation income streams in the retirement phase for the **entire year**, there was **no** other income that was assessable, and you **have not** realised a deferred notional gain. If you are entitled to claim any tax offsets, you can record these at Section D: Income tax calculation statement.

11 Income

Did you have a capital gains tax (CGT) event during the year?

G No Yes

If the total capital loss or total capital gain is greater than \$10,000 or you elected to use the transitional CGT relief in 2017 and the deferred notional gain has been realised, complete and attach a *Capital gains tax (CGT) schedule 2020*.

Have you applied an exemption or rollover?

M No Yes

Code

Net capital gain **A** \$

Gross rent and other leasing and hiring income **B** \$

Gross interest **C** \$

Forestry managed investment scheme income **X** \$

Gross foreign income	Loss
D1 \$	Net foreign income D \$

Australian franking credits from a New Zealand company **E** \$

Transfers from foreign funds **F** \$

Number

Gross payments where ABN not quoted **H** \$

Gross distribution from partnerships **I** \$

Loss

Calculation of assessable contributions

Assessable employer contributions

R1 \$

plus Assessable personal contributions

R2 \$

plus [#]No-TFN-quoted contributions

R3 \$

(an amount must be included even if it is zero)

less Transfer of liability to life insurance company or PST

R6 \$

*Unfranked dividend amount **J** \$

*Franked dividend amount **K** \$

*Dividend franking credit **L** \$

*Gross trust distributions **M** \$

Code

Assessable contributions
(**R1** plus **R2**
plus **R3** less **R6**) **R** \$

Calculation of non-arm's length income

*Net non-arm's length private company dividends

U1 \$

plus *Net non-arm's length trust distributions

U2 \$

plus *Net other non-arm's length income

U3 \$

*Other income **S** \$

*Assessable income due to changed tax status of fund **T** \$

Code

Net non-arm's length income
(subject to 45% tax rate)
(**U1** plus **U2** plus **U3**) **U** \$

[#]This is a mandatory label.

*If an amount is entered at this label, check the instructions to ensure the correct tax treatment has been applied.

GROSS INCOME **W** \$
(Sum of labels **A** to **U**)

Loss

Exempt current pension income **Y** \$

TOTAL ASSESSABLE INCOME (**W** less **Y**) **V** \$

Loss

Section C: Deductions and non-deductible expenses

12 Deductions and non-deductible expenses

- Under 'Deductions' list all expenses and allowances you are entitled to claim a deduction for. Under 'Non-deductible expenses', list all other expenses or normally allowable deductions that you cannot claim as a deduction (for example, all expenses related to exempt current pension income should be recorded in the 'Non-deductible expenses' column).

DEDUCTIONS		NON-DEDUCTIBLE EXPENSES	
Interest expenses within Australia	A1 \$		A2 \$
Interest expenses overseas	B1 \$		B2 \$
Capital works expenditure	D1 \$		D2 \$
Decline in value of depreciating assets	E1 \$		E2 \$
Insurance premiums – members	F1 \$		F2 \$
SMSF auditor fee	H1 \$		H2 \$
Investment expenses	I1 \$		I2 \$
Management and administration expenses	J1 \$		J2 \$
Forestry managed investment scheme expense	U1 \$		U2 \$
Other amounts	L1 \$	Code	L2 \$
Tax losses deducted	M1 \$		

TOTAL DEDUCTIONS N \$ (Total A1 to M1)

TOTAL NON-DEDUCTIBLE EXPENSES Y \$ (Total A2 to L2)
--

#TAXABLE INCOME OR LOSS O \$ (TOTAL ASSESSABLE INCOME less TOTAL DEDUCTIONS)	Loss
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TOTAL SMSF EXPENSES Z \$ (N plus Y)

#This is a mandatory label.

Section D: Income tax calculation statement

#Important:

Section B label **R3**, Section C label **O** and Section D labels **A, T1, J, T5** and **I** are mandatory. If you leave these labels blank, you will have specified a zero amount.

13 Calculation statement

Please refer to the *Self-managed superannuation fund annual return instructions 2020* on how to complete the calculation statement.

#Taxable income	A \$	<i>(an amount must be included even if it is zero)</i>
#Tax on taxable income	T1 \$	<i>(an amount must be included even if it is zero)</i>
#Tax on no-TFN-quoted contributions	J \$	<i>(an amount must be included even if it is zero)</i>

Gross tax **B \$**

(T1 plus J)

Foreign income tax offset	C1 \$	
Rebates and tax offsets	C2 \$	
Non-refundable non-carry forward tax offsets	C \$	<i>(C1 plus C2)</i>

SUBTOTAL 1

T2 \$

(B less C – cannot be less than zero)

Early stage venture capital limited partnership tax offset	D1 \$	
Early stage venture capital limited partnership tax offset carried forward from previous year	D2 \$	
Early stage investor tax offset	D3 \$	
Early stage investor tax offset carried forward from previous year	D4 \$	
Non-refundable carry forward tax offsets	D \$	<i>(D1 plus D2 plus D3 plus D4)</i>
SUBTOTAL 2	T3 \$	<i>(T2 less D – cannot be less than zero)</i>

Complying fund's franking credits tax offset	E1 \$	
No-TFN tax offset	E2 \$	
National rental affordability scheme tax offset	E3 \$	
Exploration credit tax offset	E4 \$	
Refundable tax offsets	E \$	<i>(E1 plus E2 plus E3 plus E4)</i>

#TAX PAYABLE **T5 \$**

(T3 less E – cannot be less than zero)

Section 102AAM interest charge

G \$

Credit for interest on early payments – amount of interest	
H1 \$	
Credit for tax withheld – foreign resident withholding (excluding capital gains)	
H2 \$	
Credit for tax withheld – where ABN or TFN not quoted (non-individual)	
H3 \$	
Credit for TFN amounts withheld from payments from closely held trusts	
H5 \$	
Credit for interest on no-TFN tax offset	
H6 \$	
Credit for foreign resident capital gains withholding amounts	
H8 \$	
	Eligible credits
	H \$
	(H1 plus H2 plus H3 plus H5 plus H6 plus H8)

#Tax offset refunds (Remainder of refundable tax offsets)	I \$	(unused amount from label E – an amount must be included even if it is zero)
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PAYG instalments raised

K \$

Supervisory levy

L \$

Supervisory levy adjustment for wound up funds

M \$

Supervisory levy adjustment for new funds

N \$

AMOUNT DUE OR REFUNDABLE A positive amount at S is what you owe, while a negative amount is refundable to you.	S \$	(T5 plus G less H less I less K plus L less M plus N)
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#This is a mandatory label.

Section E: **Losses**

14 Losses

! If total loss is greater than \$100,000, complete and attach a *Losses schedule 2020*.

Tax losses carried forward to later income years **U \$**

Net capital losses carried forward to later income years **V \$**

Section F: Member information

MEMBER 1

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

Member's TFN

See the Privacy note in the Declaration.

Date of birth

Contributions

OPENING ACCOUNT BALANCE \$

I Refer to instructions for completing these labels.

Employer contributions

A \$

ABN of principal employer

A1

Personal contributions

B \$

CGT small business retirement exemption

C \$

CGT small business 15-year exemption amount

D \$

Personal injury election

E \$

Spouse and child contributions

F \$

Other third party contributions

G \$

Proceeds from primary residence disposal

H \$

Receipt date Day / Month / Year

H1

Assessable foreign superannuation fund amount

I \$

Non-assessable foreign superannuation fund amount

J \$

Transfer from reserve: assessable amount

K \$

Transfer from reserve: non-assessable amount

L \$

Contributions from non-complying funds and previously non-complying funds

T \$

Any other contributions (including Super Co-contributions and Low Income Super Amounts)

M \$

TOTAL CONTRIBUTIONS N \$

(Sum of labels **A** to **M**)

Other transactions

Allocated earnings or losses **O** \$

Loss

Accumulation phase account balance

S1 \$

Retirement phase account balance – Non CDBIS

S2 \$

Retirement phase account balance – CDBIS

S3 \$

Inward rollovers and transfers **P** \$

Outward rollovers and transfers **Q** \$

Lump Sum payments **R1** \$

Income stream payments **R2** \$

Code

Code

TRIS Count

CLOSING ACCOUNT BALANCE S \$

(**S1** plus **S2** plus **S3**)

Accumulation phase value **X1** \$

Retirement phase value **X2** \$

Outstanding limited recourse borrowing arrangement amount **Y** \$

MEMBER 2

Title: Mr Mrs Miss Ms Other

Family name

First given name


Other given names

Member's TFN

See the Privacy note in the Declaration.

Date of birth**Contributions**

OPENING ACCOUNT BALANCE \$

 Refer to instructions for completing these labels.

Employer contributions

A \$

ABN of principal employer

A1

Personal contributions

B \$

CGT small business retirement exemption

C \$

CGT small business 15-year exemption amount

D \$

Personal injury election

E \$

Spouse and child contributions

F \$

Other third party contributions

G \$

Proceeds from primary residence disposal

H \$

Receipt date Day / Month / Year

H1

Assessable foreign superannuation fund amount

I \$

Non-assessable foreign superannuation fund amount

J

Transfer from reserve: assessable amount

K \$

Transfer from reserve: non-assessable amount

L \$Contributions from non-complying funds
and previously non-complying funds**T \$**Any other contributions
(including Super Co-contributions and
Low Income Super Amounts)**M \$****TOTAL CONTRIBUTIONS N \$**(Sum of labels **A** to **M**)**Other transactions**Allocated earnings
or losses **O \$**

Loss

Accumulation phase account balance

S1 \$Inward
rollovers and
transfers **P \$**Retirement phase account balance
– Non CDBIS**S2 \$**Outward
rollovers and
transfers **Q \$**Retirement phase account balance
– CDBIS**S3 \$**Lump Sum
payments **R1 \$**Income
stream
payments **R2 \$**

Code

Code

TRIS Count

CLOSING ACCOUNT BALANCE S \$

(S1 plus S2 plus S3)

Accumulation phase value **X1 \$**Retirement phase value **X2 \$**Outstanding limited recourse
borrowing arrangement amount **Y \$****Sensitive** (when completed)

Section H: Assets and liabilities

15 ASSETS

15a Australian managed investments

Listed trusts **A** \$Unlisted trusts **B** \$Insurance policy **C** \$Other managed investments **D** \$

15b Australian direct investments

Cash and term deposits **E** \$

Limited recourse borrowing arrangements

Australian residential real property

J1 \$

Australian non-residential real property

J2 \$

Overseas real property

J3 \$

Australian shares

J4 \$

Overseas shares

J5 \$

Other

J6 \$

Property count

J7Debt securities **F** \$Loans **G** \$Listed shares **H** \$Unlisted shares **I** \$Limited recourse borrowing arrangements **J** \$Non-residential real property **K** \$Residential real property **L** \$Collectables and personal use assets **M** \$Other assets **O** \$

15c Other investments

Crypto-Currency **N** \$

15d Overseas direct investments

Overseas shares **P** \$Overseas non-residential real property **Q** \$Overseas residential real property **R** \$Overseas managed investments **S** \$Other overseas assets **T** \$
TOTAL AUSTRALIAN AND OVERSEAS ASSETS U \$
(Sum of labels **A** to **T**)

15e In-house assets

Did the fund have a loan to, lease to or investment in, related parties (known as in-house assets) at the end of the income year?

A No

Yes

}

\$

15f Limited recourse borrowing arrangements

If the fund had an LRBA were the LRBA borrowings from a licensed financial institution? **A** No Yes

Did the members or related parties of the fund use personal guarantees or other security for the LRBA? **B** No Yes

16 LIABILITIES

Borrowings for limited recourse borrowing arrangements

V1 \$

Permissible temporary borrowings

V2 \$

Other borrowings

V3 \$

Borrowings **V \$**

Total member closing account balances (total of all **CLOSING ACCOUNT BALANCES** from Sections F and G) **W \$**

Reserve accounts **X \$**

Other liabilities **Y \$**

TOTAL LIABILITIES Z \$

Section I: Taxation of financial arrangements**17 Taxation of financial arrangements (TOFA)**

Total TOFA gains **H \$**

Total TOFA losses **I \$**

Section J: Other information**Family trust election status**

If the trust or fund has made, or is making, a family trust election, write the four-digit **income year specified** of the election (for example, for the 2019-20 income year, write **2020**). **A**

If revoking or varying a family trust election, print **R** for revoke or print **V** for variation, and complete and attach the *Family trust election, revocation or variation 2020*. **B**

Interposed entity election status

If the trust or fund has an existing election, write the earliest income year specified. If the trust or fund is making one or more elections this year, write the earliest income year being specified and complete an *Interposed entity election or revocation 2020* for each election. **C**

If revoking an interposed entity election, print **R**, and complete and attach the *Interposed entity election or revocation 2020*. **D**

Section K: Declarations

 Penalties may be imposed for false or misleading information in addition to penalties relating to any tax shortfalls.

Important

Before making this declaration check to ensure that all income has been disclosed and the annual return, all attached schedules and any additional documents are true and correct in every detail. If you leave labels blank, you will have specified a zero amount or the label was not applicable to you. If you are in doubt about any aspect of the annual return, place all the facts before the ATO.

Privacy

The ATO is authorised by the **Taxation Administration Act 1953** to request the provision of tax file numbers (TFNs). We will use the TFN to identify the entity in our records. It is not an offence not to provide the TFN. However if you do not provide the TFN, the processing of this form may be delayed.

Taxation law authorises the ATO to collect information and disclose it to other government agencies. For information about your privacy go to ato.gov.au/privacy

TRUSTEE'S OR DIRECTOR'S DECLARATION:

I declare that, the current trustees and directors have authorised this annual return and it is documented as such in the SMSF's records. I have received a copy of the audit report and are aware of any matters raised therein. The information on this annual return, including any attached schedules and additional documentation is true and correct.

Authorised trustee's, director's or public officer's signature

Day / Month / Year
Date

Preferred trustee or director contact details:

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

Phone number

Email address

Non-individual trustee name (if applicable)

ABN of non-individual trustee

Time taken to prepare and complete this annual return

Hrs

 The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this annual return to maintain the integrity of the register. For further information, refer to the instructions.

TAX AGENT'S DECLARATION:

I declare that the **Self-managed superannuation fund annual return 2020** has been prepared in accordance with information provided by the trustees, that the trustees have given me a declaration stating that the information provided to me is true and correct, and that the trustees have authorised me to lodge this annual return.

Tax agent's signature

Day / Month / Year
Date

Tax agent's contact details

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

Tax agent's practice

Tax agent's phone number

Reference number

Tax agent number

Capital gains tax (CGT) schedule

2020

When completing this form

- Print clearly, using a black or dark blue pen only.
- Use BLOCK LETTERS and print one character in each box.

S M I T H S T

- Do not use correction fluid or covering stickers.
- Sign next to any corrections with your **full signature** (not initials).

- Use in conjunction with company, trust, fund income tax return or the self-managed superannuation fund annual return.
- Refer to the *Guide to capital gains tax 2020* available on our website at ato.gov.au for instructions on how to complete this schedule.

Tax file number (TFN)

- !** We are authorised by law to request your TFN. You do not have to quote your TFN. However, if you don't it could increase the chance of delay or error in processing your form.

Australian business number (ABN)

Taxpayer's name

1 Current year capital gains and capital losses

	Capital gain	Capital loss
Shares in companies listed on an Australian securities exchange	A \$	K \$
Other shares	B \$	L \$
Units in unit trusts listed on an Australian securities exchange	C \$	M \$
Other units	D \$	N \$
Real estate situated in Australia	E \$	O \$
Other real estate	F \$	P \$
Amount of capital gains from a trust (including a managed fund)	G \$	
Collectables	H \$	Q \$
Other CGT assets and any other CGT events	I \$	R \$
Amount of capital gain previously deferred under transitional CGT relief for superannuation funds	S \$	
Total current year capital gains	J \$	

Add the amounts at labels **K** to **R** and write the total in item **2** label **A – Total current year capital losses**.

2 Capital losses

Total current year capital losses **A \$**

Total current year capital losses applied **B \$**

Total prior year net capital losses applied **C \$**

Total capital losses transferred in applied
(only for transfers involving a foreign bank branch or
permanent establishment of a foreign financial entity) **D \$**

Total capital losses applied **E \$**

Add amounts at **B**, **C** and **D**.

3 Unapplied net capital losses carried forward

Net capital losses from collectables carried forward to later income years **A \$**

Other net capital losses carried forward to later income years **B \$**

Add amounts at **A** and **B** and transfer the total
to label **V – Net capital losses carried forward
to later income years** on your tax return.

4 CGT discount

Total CGT discount applied **A \$**

5 CGT concessions for small business

Small business active asset reduction **A \$**

Small business retirement exemption **B \$**

Small business rollover **C \$**

Total small business concessions applied **D \$**

6 Net capital gain

Net capital gain **A \$**

1J less **2E** less **4A** less **5D** (cannot be less than
zero). Transfer the amount at **A** to label **A – Net
capital gain** on your tax return.

7 Earnout arrangements

Are you a party to an earnout arrangement? **A** Yes, as a buyer Yes, as a seller No
(Print ☒ in the appropriate box.)

! If you are a party to more than one earnout arrangement, copy and attach a separate sheet to this schedule providing the details requested here for each additional earnout arrangement.

How many years does the earnout arrangement run for? **B**

What year of that arrangement are you in? **C**

If you are the seller, what is the total estimated capital proceeds from the earnout arrangement? **D** \$

Amount of any capital gain or loss you made under your non-qualifying arrangement in the income year. **E** \$ / LOSS

! **Request for amendment**

If you received or provided a financial benefit under a look-through earnout right created in an earlier income year and you wish to seek an amendment to that earlier income year, complete the following:

Income year earnout right created **F**

Amended net capital gain or capital losses carried forward **G** \$ / LOSS

8 Other CGT information required (if applicable)

Small business 15 year exemption – exempt capital gains **A** \$ / CODE

Capital gains disregarded by a foreign resident **B** \$

Capital gains disregarded as a result of a scrip for scrip rollover **C** \$

Capital gains disregarded as a result of an inter-company asset rollover **D** \$

Capital gains disregarded by a demerging entity **E** \$

Taxpayer's declaration

 If the schedule is not lodged with the income tax return you are required to sign and date the schedule.

Important

Before making this declaration check to ensure that all the information required has been provided on this form and any attachments to this form, and that the information provided is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the ATO. The income tax law imposes heavy penalties for false or misleading statements.

Privacy

Taxation law authorises the ATO to collect information and disclose it to other government agencies. This includes personal information of the person authorised to sign the declaration. For information about your privacy go to ato.gov.au/privacy

I declare that the information on this form is true and correct.

Signature

Date

Day

Month

Year

/ /

Contact name

Daytime contact number (include area code)

Losses schedule

2020

Companies and trusts that do not join consolidated groups should complete and attach this schedule to their 2020 tax return. Superannuation funds should complete and attach this schedule to their 2020 tax return.

Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only. Print one letter or number in each box. Do not use correction fluid or tape.

Place in all applicable boxes.

Refer to *Losses schedule instructions 2020*, available on our website ato.gov.au for instructions on how to complete this schedule.

Tax file number (TFN)

Name of entity

Australian business number

Part A – Losses carried forward to the 2020–21 income year – excludes film losses

1 Tax losses carried forward to later income years

Year of loss	
2019–20	B
2018–19	C
2017–18	D
2016–17	E
2015–16	F
2014–15 and earlier income years	G
Total	U

Transfer the amount at **U** to the **Tax losses carried forward to later income years** label on your tax return.

2 Net capital losses carried forward to later income years

Year of loss	
2019–20	H
2018–19	I
2017–18	J
2016–17	K
2015–16	L
2014–15 and earlier income years	M
Total	V

Transfer the amount at **V** to the **Net capital losses carried forward to later income years** label on your tax return.

Part B – Ownership and business continuity test – company and listed widely held trust only

Complete item 3 of **Part B** if a loss is being carried forward to later income years and the business continuity test has to be satisfied in relation to that loss.

Do not complete items 1 or 2 of **Part B** if, in the 2019–20 income year, no loss has been claimed as a deduction, applied against a net capital gain or, in the case of companies, losses have not been transferred in or out.

1 Whether continuity of majority ownership test passed

Note: If the entity has deducted, applied, transferred in or transferred out (as applicable) in the 2019–20 income year a loss incurred in any of the listed years, print **X** in the **Yes** or **No** box to indicate whether the entity has satisfied the continuity of majority ownership test in respect of that loss.

Year of loss

2019–20 **A** Yes No

2018–19 **B** Yes No

2017–18 **C** Yes No

2016–17 **D** Yes No

2015–16 **E** Yes No

2014–15 and earlier income years **F** Yes No

2 Amount of losses deducted/applied for which the continuity of majority ownership test is not passed but the business continuity test is satisfied – excludes film losses

Tax losses **G**

Net capital losses **H**

3 Losses carried forward for which the business continuity test must be satisfied before they can be deducted/applied in later years – excludes film losses

Tax losses **I**

Net capital losses **J**

4 Do current year loss provisions apply?

Is the company required to calculate its taxable income or tax loss for the year under Subdivision 165-B or its net capital gain or net capital loss for the year under Subdivision 165-CB of the *Income Tax Assessment Act 1997* (ITAA 1997)?

K Yes No

Part C – Unrealised losses – company only

Note: These questions relate to the operation of Subdivision 165-CC of ITAA 1997.

Has a changeover time occurred in relation to the company after 1.00pm by legal time in the Australian Capital Territory on 11 November 1999?

L Yes No

If you printed **X** in the **No** box at **L**, do not complete **M**, **N** or **O**.

At the changeover time did the company satisfy the maximum net asset value test under section 152-15 of ITAA 1997?

M Yes No

If you printed **X** in the **No** box at **M**, has the company determined it had an unrealised net loss at the changeover time?

N Yes No

If you printed **X** in the **Yes** box at **N**, what was the amount of unrealised net loss calculated under section 165-115E of ITAA 1997?

O

Part D – Life insurance companies

Complying superannuation class tax losses carried forward to later income years **P**

Complying superannuation net capital losses carried forward to later income years **Q**

Part E – Controlled foreign company losses

Current year CFC losses **M**

CFC losses deducted **N**

CFC losses carried forward **O**

Part F – Tax losses reconciliation statement

Balance of tax losses brought forward from the prior income year **A**

ADD Uplift of tax losses of designated infrastructure project entities **B**

SUBTRACT Net forgiven amount of debt **C**

ADD Tax loss incurred (if any) during current year **D**

ADD Tax loss amount from conversion of excess franking offsets **E**

SUBTRACT Net exempt income **F**

SUBTRACT Tax losses forgone **G**

SUBTRACT Tax losses deducted **H**

SUBTRACT Tax losses transferred out under Subdivision 170-A
(only for transfers involving a foreign bank branch or a PE of a foreign financial entity) **I**

Total tax losses carried forward to later income years **J**

Transfer the amount at J to the Tax losses carried forward to later income years label on your tax return.
--

If the schedule is not lodged with the income tax return you are required to sign and date the schedule.

Important

Before making this declaration check to ensure that all the information required has been provided on this form and any attachments to this form, and that the information provided is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the ATO. The income tax law imposes heavy penalties for false or misleading statements.

Privacy

Taxation law authorises the ATO to collect information and disclose it to other government agencies. This includes personal information of the person authorised to sign the declaration. For information about your privacy go to ato.gov.au/privacy

Taxpayer's declaration

I declare that the information on this form is true and correct.

Signature

Date Day / Month / Year

Contact person

Daytime contact number (include area code)

SCHEDULE

A

Other Attachments Schedule

2020

Tax file No

Taxpayer name

Signature.....

SENSITIVE (when completed)

*****NOTE*****
THIS SCHEDULE CANNOT BE LODGED WITH THE ATO AS A PAPER REPRESENTATION OF THE SCHEDULE.
FOR PAPER LODGEMENT PLEASE USE THE PRE PRINTED FORMAT ISSUED BY THE ATO.

RESOLUTION OF DIRECTORS OF THE TRUSTEE COMPANY OF
THE BEGS O'DONNELL SUPERANNUATION FUND

Held On:

At: 23 Mountainview Avenue, Gwynneville NSW 2500

Present: Eliot O'Donnell
Sarah O'Donnell

The directors of the trustee company, Begs O'Donnell as trustee for the Begs O'Donnell Superannuation Fund (the Fund) hereby resolve that:

COMPLIANCE

The Fund continues to be a complying superannuation fund under Part IX of the *Income Tax Assessment Act 1936* and Section 45 of the *Superannuation Industry (Supervision) Act 1993* and as pursuant to the Fund's trust deed prepared by SuperCentral and established on 2 February 2016.

TRUSTEES DUTIES

The directors of the trustee company are aware of, and continue to accept the responsibilities and duties of a trustee in accordance with the SIS Act and ATO guidelines.

No changes have been made to the Fund's trustee in the current year.

The trustee prepared and signed the Trustee Representation letter for the year ended 30 June 2020 and provided to the Fund auditor, following the completion of the financial statements.

INVESTMENT STRATEGY

Pursuant to Section 52(2)(f) of the *Superannuation Industry (Supervision) Act 1993*, and after considering:

- (i) the risk involved in making, holding and realizing, and the likely return from, the Fund's investments having regard to its objectives and its expressed cash flow requirements;
- (ii) 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;
- (iii) the liquidity of the Fund's investments, having regard to its expected cash flow requirements; and
- (iv) the ability of the Fund to discharge its existing and prospective liabilities;
- (v) that the Fund has established a suitable investment strategy for the next financial year.

ACCEPTANCE OF ROLLOVERS & CONTRIBUTIONS

The trustee has ensured that any rollovers and contributions made to the Fund meet the requirements of the Fund's deed and does not breach the superannuation laws. As such the trustee has accepted the contributions on behalf of the members and allocated the funds in, to that member's account in accordance with the member contribution remittance statements.

ALLOCATION OF NET INCOME

The net income of the Fund received for the year ended 30 June 2020 has been proportionally allocated to members based on the member's daily fund balance.

MEMBER STATEMENTS

The member statements are approved by the trustee and are hereby signed by the directors, to be provided to all members for the year ended 30 June 2020.

No member benefits have been approved to be paid during the current financial year.

FINANCIAL REPORTS & STATEMENTS

The Balance Sheet, Income Statement and Notes thereto, completed by Your Start Accounting Pty Ltd, are approved by the trustee for the year ended 30 June 2020 and the directors hereby sign the Trustee's Declaration.

The Income Tax Return, completed by Your Start Accounting Pty Ltd for the year ended 30 June 2020, is approved by the trustee and the directors hereby sign the Electronic Lodgment Declaration and Trustee's Declaration.

The trustee notes that tax payable of \$464.95 (including SMSF levy) is due upon lodgment of the income tax return.

APPROVED AUDITOR

The trustee has provided the trust deed, financial statements and all other relevant documentation of the Fund, as required by the SIS Act and Regulations, to an approved SMSF auditor for the year ended 30 June 2020.

The Independent Audit Report is confirmed as unqualified for the year ended 30 June 2020, as prepared by Lance Infante of iSMSF Audit at 11 Waterview Avenue, Haywards Bay NSW 2530.

The trustee of the Fund appoints iSMSF Audit to act as approved auditor for the next financial year.

TAX AGENT

The trustee of the Fund appoints Matthew Groznik at Your Start Accounting Pty Ltd to act as tax agent for the next financial year.

CLOSURE

There being no further business the meeting was closed.

Signed by the directors on behalf of the Fund's trustee, Begs O'Donnell Investments Pty Ltd;

Sarah O'Donnell
Director

Eliot O'Donnell
Director

INVESTMENT STRATEGY FOR
BEGS O'DONNELL SUPERANNUATION FUND
AS AT 30 JUNE 2020

SUMMARY OF FUND RELEVANT CIRCUMSTANCES

	Member 1	Member 2
Name	Eliot O'Donnell	Sarah O'Donnell
Date of Birth	28 June 1976	20 February 1982
Current Age	44 Years Old	38 Years Old
Expected Retirement Age	67 Years Old	67 Years Old
Years until Retirement	23 Years Remain	29 Years Remain
Employment Status	Full-Time	Full-Time
Employer	Construction Sciences	Wollongong Diocese
Phase	Accumulation	Accumulation
Member Balance – Accumulation	\$166,249	\$52,874
Concessional Contribution Limit	\$25,000	\$25,000
Expected Contributions (12 mths)	\$14,500	NIL

Total Value of Fund as at 30 June 2020	\$219,123
--	-----------

Estimated ongoings for the year ended 30 June 2021 (next 12 months)

Estimated annual contributions	\$14,500
Estimated annual investment income	\$16,500
Estimated annual benefit payments	NIL
Estimated annual admin expenses	\$3,000

GENERAL OBJECTIVES

The directors of the trustee company of the Begs O'Donnell Fund (the Fund) aim to:

- Provide retirement benefits for the members, or in the event of the members' death before retirement, to provide benefits for the dependents of the members.
- Ensure that the Fund holds sufficient assets, with liquidity, to meet benefit payments to members or any other payment obligation as and when those payments are due to be paid. The Fund will be able to meet its obligations to its members and any other parties at all times.
- Achieve real medium to long term growth, while maintaining a low level of capital volatility.

SPECIFIC OBJECTIVES

The trustee of the Fund aims to:

- Achieve a minimum investment return rate of approx. 3.5% above the current RBA inflation rate of 0.9% in the short term (next 1 – 3 years)
- Achieve capital growth of 5 – 10% compounded in the medium to long term (next 4 – 10 years)
- It is expected investment returns will fluctuate due to circumstances beyond the control of the Fund's trustees such as global economic conditions or legislation introduced and that the Fund may incur occasional negative returns, however the trustee plans to minimise negative returns through diversification.

ACCEPTABLE ASSETS

To achieve these objectives, the trustee has determined that the Fund will have the ability to invest member funds in the following investment areas:

- Equities and stocks including the participation in dividend reinvestment plans, rights issues and other related investment offers;
- Property trusts and associated investments;
- Direct property investments, including commercial and residential;
- Managed investments and associated products;
- Warrant investments and associated products;
- Cash and fixed or variable interest-bearing securities;
- Geared investments which can generate income and capital returns, and access the Limited Recourse Borrowing Arrangements; and
- Any other investment legally able to be made that satisfies the above noted objectives.

POLICIES

The policies adopted by the trustee to adhere to these objectives are:

- Regular monitoring of the performance of the funds investments, rates of return, risk analysis and expected cash flow requirements (at least on an annual basis or when a new fund asset is purchased)
- Balancing the asset portfolio as a result of adjustments to market conditions.
- Request the services of investment professionals to review specific investments prior to investing monies of the Fund.

The trustee will ensure investments continue to comply with this strategy, however, the trustee reserves the right to alter this strategy at any time.

INVESTMENT RISK PROFILE

The trustee of the Fund has considered the above circumstances and objectives to determine a “growth” investment risk profile for the Fund. A growth risk profile has a primary investment goal of long-term growth and as such can tolerate substantial fluctuations in the short term in anticipation of the highest possible long-term growth over a period of more than 10 years. It has been deemed that this investment profile is suitable due to the time until retirement of the members (more than 20 years) and its current requirement for cash flow to pay fund liabilities and expenses. It is noted by the trustee that investment risk is borne by the members, as fluctuation in investment returns will affect the level of the members’ vested benefit. The trustee of the Fund is aware of the higher risks involved to achieve higher investment returns and will employ a plan of diversification amongst the investments held.

DIVERSIFICATION

The Fund is primarily invested in real property. The trustee recognises that the Fund is subject to a high level of property specific risks. The trustee considers that real property is a secure investment with the prospect of long-term capital appreciation while generating steady income growth.

LIQUIDITY

The Fund has entered into a Limited Recourse Borrowing Arrangement (LBRA) with Better Choice. The trustee will monitor the liquidity of the Fund to ensure that there will be sufficient liquid assets to meet loan repayments in accordance with the terms and conditions of the lender.

The liquidity requirement of the Begs O'Donnell Superfund to meet its expense and liability requirements for the next financial year is approximately 8 – 11% of the value of the Fund.

ASSET MIX

After due consideration of the level of risk, diversity, liquidity, the ages of the members and the ability of the fund to discharge the Fund's existing and prospective liabilities, the following asset mix was deemed appropriate for the Begs O'Donnell Super Fund for the year commencing from 1 July 2020:

Investment Type	Low	High
Cash	5%	20%
Direct Australian Equities	0%	40%
Direct Australian Property	70%	90%

DERIVATIVES RISK STATEMENT

The Fund trust deed has a clause which allows the Fund to invest in derivatives; however the fund does not currently invest in derivatives and will not be investing in any derivatives during the next financial year.

RESERVES MANAGEMENT STRATEGY

The Fund trust deed has a clause which allows the Fund to operate reserves; however the fund does not currently operate any type of reserve and will not be setting up any reserves during the next financial year.

INSURANCE REVIEW

Assets

The direct property held is a strata titled property and as such building insurance is covered through the strata levies paid.

The direct property held is covered for landlord insurance with Vero insurance paid on an annual basis.

Members

NAME	POLICY	COVER	INSURER	PAYMENT
Eliot O'Donnell	Life TPD Income Protection	\$800,000 \$800,000 \$3,850/m	OnePath	Monthly
Sarah O'Donnell	Life TPD Income Protection	\$800,000 \$800,000 \$3,850/m	OnePath	Monthly

Following discussions with members the above coverage is considered sufficient to fulfil member's insurance requirements.

Insurance needs of the Fund's assets and its members will be reviewed on an annual basis.

REVIEW OF CURRENT ASSETS

Fund Assets held as at 30 June 2020

Asset Name	Value	Income & Capital Rate of Return %
Cash	\$65,703	
Direct Residential Property	\$400,000	Refer to investment report
Less: Loan Value	(\$247,240)	

The Fund assets held at year end had average rate of returns percentages similar to the returns noted in the investment strategy specific objectives.

The current asset mix of the Fund is consistent with the Fund's "growth" risk profile.

All Fund assets are held on commercial terms, valued at market value and held in the name of the trustee, Begs O'Donnell Investments Pty Ltd.

A declaration of trust has been completed for the property which is held in the name of a holding company, Begs O'Donnell Holding Fund Pty Limited.

The direct property will be valued annually by a professional valuer.

The property is currently rented to an unrelated third party tenant at a market rate through an estate agent, with a binding lease agreement. Rent is paid in advance, on a monthly basis.

No investment will be made by the Fund into any personal use or collectable assets.

No Fund monies will be lent onto members, trustees or any other related party.

The Fund currently has entered into a complying Limited Recourse Borrowing Arrangement (LRBA) on the property with Better Choice. The trustee will ensure sufficient cash is available for the monthly repayments as and when they are due in accordance with the loan agreement.

Any excess cash funds accumulated in the Fund's bank account will be utilised to reduce the loan liability in accordance with the Fund's investment strategy.

Fund assets will be monitored to ensure that the in-house asset legislation is adhered to.

Assets will be reviewed upon purchase and on an annual basis to assess their appropriateness in relation to the Fund's objectives and investment profile. The investment objectives and risk profile of the Begs O'Donnell Superfund will change over time due to changes in economic and member circumstances. Assistance from a qualified financial planner will be sought to make this assessment, if required.

COMPLIANCE

The directors of the corporate trustee are required to prepare an investment strategy that provides a framework for making investment decisions for allocating the Fund's capital to increase members' withdrawal benefits for their retirement. This duty is codified in section 52(2)(f) of the Superannuation Industry (Supervision) Act 1993 ("SIS Act") and is an operating standard set out in SIS Regulation 4.09, which applied to all trustees.

This investment strategy report considers, at the fund level:

- the risk and likely return from investments;
- the diversification of the investments;
- the liquidity and cash flow requirements;
- the ability of the fund to discharge its liabilities; and
- whether a contract of insurance that provides cover for one or more members is required

This written investment strategy has been prepared to demonstrate that investment decisions comply with the strategy and the various superannuation laws including:

- Sole Purpose test;
- Restrictions on investments and acquisitions from members;
- Ownership and protection of assets;
- Lending to members;
- Placing charges over fund assets (with limited exceptions);
- Investing in collectables and personal use assets
- Investments being made on an arm's length basis; and
- Restrictions on holdings of in-house assets

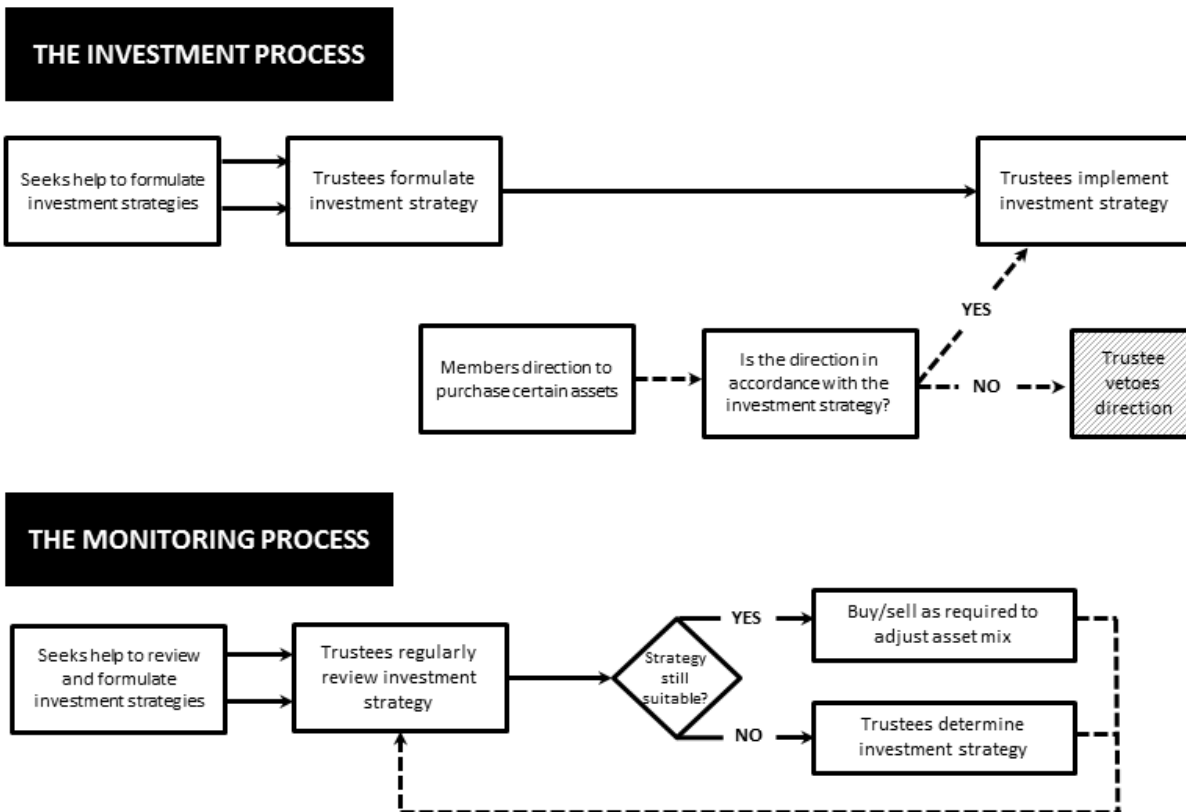
Complying Status

The Fund is an Australian Superannuation Fund as defined in subsection 295-95(2) of the Income Tax Assessment Act 1997 and Section 45 of the Superannuation Industry (Supervision) Act 1993 ("SIS Act").

ONGOING MONITORING

The obligation for the trustee to formulate and implement an investment strategy also requires the trustee to monitor and regularly review the investment strategy on an ongoing basis to help ensure that the investments made by the trustee continue to be consistent with the Fund's investment strategy. Where this is not the case, the trustee will be required to amend the investment strategy to reflect the change in the investment approach.

The following diagram illustrates the initial and ongoing process of the trustee:



Signed as a true record of the Fund by the directors of the trustee company, Begs O'Donnell Investments Pty Ltd;

Sarah O'Donnell
Director

Eliot O'Donnell
Director

Begs O'Donnell Superannuation Fund

23 Mountview Avenue GWYNNEVILLE NSW 2500

Mr Lance Infante
Lance Infante
Lance Infante
HAYWARDS BAY NSW 2530

Dear Sir / Madam,

Trustee Representation Letter

This representation letter is provided in connection with your audit of the financial report of Begs O'Donnell Superannuation Fund (the Fund) and the Fund's compliance with the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR) and the requirements of the relevant Income Tax Assessment Act, for the year ended 30 June 2020, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with the accounting policies adopted by the Fund and the Fund has complied, in all material respects, with the governing rules of the Fund, relevant requirements of SISA and SISR.

The trustees have determined the Fund is not a reporting entity for the year ended 30 June 2020 and 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 SISA and SISR.

We acknowledge our responsibility for ensuring the financial report is in accordance with the accounting policies as selected by ourselves and requirements of SISA and SISR, and confirm the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. Sole purpose test

The Fund is maintained for the sole purpose of providing benefits for each member on their retirement, death, termination of employment or ill-health.

2. Trustees are not disqualified

No disqualified person acts as a director of the trustee company or as an individual trustee. Further, no trustee is an undischarged bankrupt or has been convicted of an offence concerning dishonesty.

3. Trust deed, trustees' responsibilities and fund conduct

The Fund meets the definition of a self-managed superannuation fund under SISA, including no member is an employee of another member, unless they are relatives and no trustee [or director of the corporate trustee] receives any remuneration for any duties or services performed by the trustee [or director] in relation to the Fund.

The Fund has been conducted in accordance with its constituent trust deed at all times during the year and there were no amendments to the trust deed during the year, except as notified to you.

We understand our duties as a Trustee or Director of the trustee company. We understand by law we must act honestly in all matters concerning the Fund and act in the best interests of all members. Accordingly, the trustees have complied with all aspects of the trustee requirements of SISA and SISR.

The trustees are not subject to any contract or obligation which would prevent or hinder the trustees in properly executing their functions and powers.

The Fund has been conducted in accordance with SISA, SISR and the governing rules of the Fund.

The Fund has complied with investment standards set out in SISA, SISR and the governing rules of the Fund.

The Fund has complied with the requirements of SISA and SISR specified in the approved form auditor's report as issued by the ATO, which are sections 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82–85, 103, 104, 104A, 105, 109, 126K of SISA 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 and 13.18AA of SISR.

All contributions accepted and benefits paid have been in accordance with the governing rules of the Fund and relevant provisions of SISA and SISR.

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.

4. Australian resident superannuation fund

During the period and all times during the year, the Fund met the definition of an Australian resident fund. The Trustees specifically confirm:

- a) The Fund was established in Australia or at least one asset of the Fund is situated in Australia; and
- b) The central management and control of the Fund is ordinarily in Australia; and
- c) Either the Fund had no active member, or at least 50% of the following is attributable to superannuation interests held by active members who are Australian residents:
 - The total market value of the Fund's assets attributable to superannuation interests held by active members, or
 - The sum of the amounts that would be payable to or in respect of active members if they voluntarily ceased to be members

5. Investment strategy

The investment strategy has been determined with due regard to risk, return, liquidity and diversity, and the assets of the Fund are in line with this strategy. The investment strategy is reviewed on a regular basis. We have considered whether the Fund should hold insurance cover for members of the Fund. We have also considered whether fund assets are adequately insured from all types of risks.

6. Accounting policies

All the significant accounting policies of the Fund are adequately described in the financial report and the notes attached thereto. These policies are consistent with the policies adopted last year. We are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Fund's governing rules, SISA and SISR.

If the preparation of accounting records is outsourced, we are responsible for overseeing the Fund's financial reporting process.

7. Fund books and records

We acknowledge our responsibility for the fair presentation of the financial report, Statement of financial

position, Operating statement and the appropriate disclosures of all information required by statute.

In preparation of the financial report we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made. We have evaluated 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.

We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and minutes of all meetings of the trustees. We confirm all copies of Fund documents provided (either provided in paper or electronically via email or otherwise) to conduct your audit are true representations of the original documents.

We also 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.

We monitor internal controls over financial reporting by reviewing all reports provided by the information technology systems utilised by the Fund, for accuracy.

We advise the Fund does not have a formal process for identifying, estimating or assessing business risks relevant to the financial reporting objectives. We consider this to be appropriate for the Fund.

We are not aware of any specific risks, arising from the use of information technology by the Fund that should be brought to your attention.

There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

Where a custodian is used by the Fund, we confirm we have not been advised of any fraud, non-compliance with laws and/or regulations or uncorrected misstatements that would affect the financial report of the Fund.

All accounting records and financial reports have been kept for 5 years, minutes and records of trustees' [or directors of the corporate trustee] meetings [or for sole trustee: decisions] 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.

8. Fraud, error and non-compliance

We consider the risk the financial report is materially misstated due to fraud to be low due to the nature of the Fund. We confirm trustees are signatories on all transactions and no transaction can be executed without the consent of trustees. Additionally, the trustees and/or our administrator conduct regular reconciliation of the Fund's transactions, accounts and investments.

While we have not identified any specific risks, we acknowledge any potential fraudulent risk areas include investment or cash being misappropriated and/or contributions being intercepted prior to being banked into the Fund's bank account.

We believe we have adequate procedures in place to detect, reduce the risk of fraud and rectify any fraudulent activities. We will ensure any fraudulent activities are brought to your attention for your consideration.

We confirm there have been no:

- a) Frauds, error or non-compliance with laws and regulations involving any member of management or employees that could have a material effect on the financial report.
- b) Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

- c) Violations or possible violations of laws or regulations whose effects should have been considered for disclosure in the financial report or as a basis for recording an expense.

We are aware 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. We are aware each trustee is responsible for complying with the requirements of SISA and SISR and for identifying, designing and implementing internal controls as they determine necessary to meet compliance requirements and monitor ongoing compliance.

We as trustees understand and acknowledge that it is the trustee's responsibility to make all investment decisions (including investment in crypto currency - if any), we have considered investment risk, and responsibility of risks of return of capital, capital gains and investment income and you as an auditor cannot be held responsible if we make wrong or risky decisions or lose capital of the fund.

We understand all the investment risks for each investment lies with the trustees of the fund and not with the auditor of the fund, including loss of capital. In conducting your audit we are aware you will not be checking the liquidity of the Fund assets, the nature or class of investments, nor their suitability to our investment strategy.

If any assets of the fund fail and capital is lost, we will not be taking any action for damages against you under section 12GF of Australian Securities and Investments Commission Act 2001. However, as an auditor, we understand it is your duty of care to inform us, if you notice any investments are not recoverable.

In conduct of your audit, it is not expected you form an opinion and report to us if the Fund is making or likely to make an economic loss or the Fund's assets are getting damaged or likely to get damaged due to conduct of any other person who we rely for investment decisions or appoint as custodians or investment manager. We understand your appointment is to audit the Fund's financial report and not to audit entities where this Fund invests, for example custodian services, unrelated trusts, companies or other entities.

9. Asset form and valuation

The assets of the Fund are being held in a form suitable for the benefit of the members of the Fund and are in accordance with our investment strategy.

Investments are valued at net market value at the financial year end. Market value is determined by us by using a 'fair and reasonable' process, where it meets the following:

- it takes into account all relevant factors and considerations likely to affect the value of the asset;
- it has been undertaken in good faith;
- it uses a rational and reasoned process;
- it is capable of explanation to a third party.

In preparing the financial statement, we have used a qualified independent valuer, where the value of the asset represents a significant proportion of the fund's value or the nature of the asset indicates that the valuation is likely to be complex.

In valuation of listed shares and listed managed units, we have used the closing price on each listed security's approved stock exchange or licensed market at the end of the financial year.

Real property valuation at the yearend in the financial statement is based on objective and supportable data. We have used external valuation where we have found it to be prudent and where we expect the valuation is materially inaccurate or a significant event (such as a natural disaster , macro-economic events , market volatility or changes to the character of the asset) has occurred since it was last valued.

When valuing any investment in unlisted security for end of the year financial year statement, for example, a share in a private company, or a unit in an unlisted trust, we have taken into account a number of factors that may affect its value, including both the:

- value of the assets in the entity
- consideration paid on acquisition of the unlisted securities or units.

Whilst finalizing the financial statement at the year end, we have used market values that are based on either published exit price from the fund or trust manager or company director. In any case, we are aware of the value of these assets held by the fund in these unlisted assets (managed funds or private company) on balance date. We are satisfied with its valuation and where ever we had doubts on valuation, we have used an external independent valuer, that is, where ever we were of the opinion that the nature of the asset indicates that the valuation is likely to be complex.

We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.

We have considered the importance of safeguarding the assets of the Fund and we have implemented appropriate procedures that include the regular review of the appropriateness of the authorised signatories on bank and investment accounts and arranging adequate insurance and storage for assets where necessary.

There are no commitments, fixed or contingent, for the purchase or sale of long term investments.

10. Uncorrected misstatements

We believe the effects of those uncorrected financial report misstatements aggregated by the auditor during the audit are immaterial, both individually and in aggregate, to the financial report taken as a whole.

11. Ownership and pledging of assets

The Fund has satisfactory title to all assets appearing in the statement of financial position / net assets. All investments are registered in the name of the Fund, where possible, and are in the custody of the respective manager/trustee. In situations where the Trustee of the fund, in their legal capacity as Trustee of the fund were not able to be registered as the beneficial owner or beneficiary of the assets, procedures and documentation are in place to ensure the asset is held by a custodian or a custodial trustee for and on behalf of the Fund.

The trustees have signed a declaration of trust for the benefit of the fund for any real estate held by the Fund (if any) is held (title of real estate) by the individual trustees/corporate trustee in trust for the Fund.

There are no liens or encumbrances on any assets or benefits as at the date of financial report other than those reflected in the financial report and no assets, benefits or interests in the Fund have been pledged or assigned to secure liabilities of others.

All assets of the Fund are held separately from the assets of the members, employers and the trustees. All assets are acquired, maintained and disposed of on an arm's length basis and appropriate action is taken to protect the assets of the Fund.

12. Related parties

Related party transactions and related amounts receivable or payable, (such as sales, purchases, loans, transfers, leasing arrangements, off-market transfers and guarantees - written or oral), where applicable, have been properly recorded or disclosed in the financial report. Acquisitions from, loans to, leasing of assets to and investments in related parties have not exceeded the in-house asset restrictions in SISA at the time of the investment, acquisition or at year end.

The Fund has not made any loans or provided financial assistance to members of the Fund or their relatives.

13. Leases or Loans to Related parties

No non business used property is leased to a related party of the members of the Fund. All business use property if leased to related party, the rent is set at market rates and proper commercial leasing arrangement is in place including a lease document executed in a commercial manner.

All the units or shares owned in related trusts or related companies or investment in related trust and companies or loans to related parties or entities controlled by related parties, we the trustees have followed the in-house asset rules and none of the related trusts where the fund has invested has borrowed.

14. Borrowings

The Fund has not borrowed money or maintained any borrowings during the period, with the exception of borrowings which were allowable under SISA. If any permitted borrowing has occurred, any borrowing is appropriately documented and compliant with SISA and SISR. To the best of the trustee's knowledge, if the Fund has invested in a limited recourse borrowing arrangement (LRBA), it is compliant with SISA. Any borrowings from any related party complies with Practice Compliance Guideline 2016/5 issued by ATO and any loan from a related party meets the requirements of a loan obtained from a commercial lender.

15. Contributions and Pensions

Taking into consideration all contributions to other funds, contributions to the Fund are in accordance with any contribution caps applicable to members. Any work test or similar qualifying criteria has been met to facilitate contributions. Likewise, any pension or lump sum payments are within payment restrictions, if any are applicable, and that a condition of release has been met and satisfied to permit payment.

All contributions in the financial year are made to this fund and we confirm that we have not made any contributions to any other superannuation fund.

16. Subsequent events

All events or transactions which are non-adjusting event as per Australian Accounting Standards (AASB 110), that occurred since the date of the financial report and us providing you information to conduct your audit, or are pending, which would have a significant adverse effect on the Fund's financial position at that date, or which are of such significance in relation to the Fund as to require mention in the notes to the financial statements in order to ensure they are not misleading as to the financial position of the Fund or its operations have been disclosed as a note to the financial statements. We are aware that you are not responsible for any events that occur after signing your audit report. There were no events which existed at the date of the financial report which require adjustment to the financial statement.

17. Outstanding legal action

We confirm there is no outstanding legal action or claims against the Fund. The Fund has complied with all aspects of any contractual agreement that would have a material effect on the financial report in the event of non-compliance. There have been no communications from the ATO concerning a contravention of SISA or SISR which has occurred, is occurring, or is about to occur.

Any minutes of meetings with the Fund's legal counsel have been provided for your attention.

18. Going Concern

We confirm we are not aware of any matters, whether individually or collectively, that will cast significant doubt over the Fund's ability to continue as a going concern. In preparing the financial report, we 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. We understand the going concern basis of accounting is appropriate when it is reasonably foreseeable the Fund will be able to meet its liabilities as they fall due.

19. Trust Deed(s) and deeds of change of trustee

We have sought our own legal advice to establish the Fund and have properly executed the trust deed as applied at establishment of the Fund by signing the original deed and having it stamped and witnessed as applicable. Any modification or updates to the trust deed and governing rules have been appropriately made and executed in a legally binding manner and copies of deeds have been retained to ensure a complete history of the Fund's trustees and members is maintained.

20. Additional matters

We understand your examination will be made in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements and will therefore be designed primarily for the purpose of expressing an opinion on the financial report of the Fund taken as a whole, and on the compliance of the Fund with specified requirements of SISA and SISR. Further, your tests of the financial and compliance records and other auditing procedures will be limited to those which you consider necessary for that purpose. We know that you are not a licensed financial advisors and we have not asked you to provide us any financial advice as trustees of the fund.

We are aware this engagement is in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board and your firm applies Australian Standard on Quality Control 1 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 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are also aware you will comply with the competency standards set by ASIC, the auditor independence requirements prescribed by SISR and the ethical requirements relating to assurance engagements which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Should you find any records or reports deficient, please write to us.

Yours faithfully,

Mr Eliot O'Donnell
Director of Corporate Trustee

Mrs Sarah O'Donnell
Director of Corporate Trustee

[Date]

[Date]

15 September 2019

The Trustee
Begs O'Donnell Superannuation Fund
23 Mountview Avenue
GWYNNEVILLE NSW 2500

Dear Sir / Madam,

RE: AUDIT ENGAGEMENT LETTER
Begs O'Donnell Superannuation Fund

The objective and scope of the audit

You have requested we audit Begs O'Donnell Superannuation Fund (the Fund):

1. Special purpose financial report, which comprises the statement of financial position as at 30 June 2020 and the operating statement for the year/period then ended and the notes to the financial statements; and
2. Compliance during the same period with the requirements of the *Superannuation Industry (Supervision) Act 1993 (SISA)* and *SIS Regulations (SISR)* specified in the approved form auditor's report as issued by the Australian Taxation Office (ATO), which are
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

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. This letter will be effective for future years unless we are required to revise it per ATO requirements, or the engagement is terminated. Our audit will be conducted pursuant to SISA with the objective of our expressing an opinion on the financial report and the fund's compliance with the specified requirements of SISA and SISR.

The responsibilities of the auditor

We will conduct our financial audit in accordance with Australian Auditing Standards and our compliance engagement in accordance with applicable Standards on Assurance Engagements, issued by the Auditing and Assurance Standards Board (AUASB). These standards require we comply with relevant ethical requirements relating to audit and assurance engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and you have complied, in all material respects, with the specified requirements of SISA and SISR and the governing rules of the fund.



Lance Infante
ABN 25 732 186 850
Lance Infante, HAYWARDS BAY NSW 2530
Mobile: 0444587261 Email: smsf4audit@gmail.com

We will conduct our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

In performing our audit procedures, we will obtain audit evidence about the compliance activity of the fund and controls implemented to meet the various SISA and SISR compliance requirements. The procedures selected will depend on our judgement, including the identification and assessment of risks of material non-compliance.

The timing of the audit will be dictated by the provision of relevant documentation to commence the audit. In accordance with section 35C of SISA, we are required to provide to the trustees of the Fund an auditor's report in the approved form within the prescribed time as set out in SISR, being a day before the latest date stipulated by the ATO for lodgement of the fund's Annual Return.

We apply Australian Standard on Quality Control 1 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 and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal & regulatory requirements.

We comply with the competency standards set by the Australian Securities & Investment Commission (ASIC), the auditor independence requirements prescribed by in accordance with the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) as required by SISR and the ethical requirements relating to assurance engagements which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our audit will be conducted on a third party online audit program which offers various audit methodologies and processes including storing of audit evidence and reports on their secured server. We have satisfied ourselves your fund data is secured on their servers and will be protected with highest level of online security possible.

Financial audit

Our financial audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depends on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

Our audit objective is 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 our opinion. These audit procedures may include to 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.

Our financial audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating 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 of the financial report.

Due to the test nature and other inherent limitations of an assurance audit engagement and the inherent limitations of any accounting and internal control systems, the possibility of collusion to commit fraud, and the possibility that some audit evidence are persuasive and not conclusive, there is an unavoidable risk even some material misstatements due to fraud, error or due to non-compliance with SISA and SISR may remain undiscovered.

A reasonable assurance engagement does not provide assurance on whether compliance with all SISA and SISR provisions will continue in the future. As a result, our audit can only provide reasonable, not absolute, assurance that the financial report is free from any material misstatement.

In making our risk assessments, we consider internal controls relevant to the fund's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls. However, we expect to provide you with a separate letter concerning any significant deficiencies in the Fund's system of accounting and internal controls that come to our attention during the audit of the financial report. This will be in the form of a trustee letter.

Our procedures do not include a review of the Fund's self-managed superannuation fund annual return, although we may peruse it to identify areas that require our close attention. Accordingly, no opinion will be given, and no responsibility taken for any issues arising from any inaccuracies in the annual return lodged. We also do not audit the member statements, however we do complete an audit of the movements in the member account during the financial year. Accordingly, we are unable to provide an opinion as to the accuracy of historical components and eligible service date information that relate to transactions that occurred in prior years.

Going Concern Concept

In our audit report, we will 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 we conclude a material uncertainty exists, we are 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 our opinion.

Our 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.

Compliance engagement

A compliance engagement involves performing audit procedures to obtain audit evidence about the Fund's compliance with the provisions of SISA and SISR specified in the ATO's approved auditor's report.

Our compliance engagement with respect to investments includes determining whether the investments are made for the sole purpose of funding members' retirement, death or disability benefits and whether you have an investment strategy for the Fund, which gives due consideration to risk, return, liquidity, diversification, insurance policies for members and review regularity of the investment strategy. Our procedures will include testing whether the investments are made for the allowable purposes in accordance with the investment strategy, but not for the purpose of assessing the appropriateness of those investments to the members.

Engagement restricted only to provision of audit opinion and compliance conclusion

Our engagement is restricted to the provision of an audit opinion on the financial statement and provision of a conclusion on each trustee's compliance with the specified sections and regulations of SISA and SISR as mentioned in the ATO recommended audit report.

We are not engaged to provide any financial advice. If we make any comments on any asset, should not be construed as financial advice and each trustee should consider seeking professional assistance with respect to any comments made. We are not licensed financial advisers and do not provide financial advice. We do not provide any opinion or otherwise on the suitability of the trustee selected or third party recommended and implements investments.

It is not expected that we will form an opinion on any investment or investment strategy or trustee action. We take no responsibility for and provide no warranty or assurance the investment strategy and fund's investments and trustee actions are appropriate or suitable for the Fund and its members and or their beneficiaries as the case may be.

Our audit does not guarantee any investment performance, return of capital, income payment, tax effectiveness, minimization of stamp duty or land taxes or other taxation measures or otherwise from any investment of the Fund or any investment strategy or trustee action.

The responsibilities of the trustees

We take this opportunity to remind you it is the responsibility of the trustees to ensure the Fund, at all times, complies with SISA and SISR as well as any other legislation relevant to the Fund. Each trustee is responsible for the preparation and fair presentation of the financial reporting requirements of the Fund's governing rules, SISA and SISR.

Our auditor's report will explain the trustees are responsible for the preparation and the fair presentation of the financial report and for determining the accounting policies used are consistent with the financial reporting requirements of the Funds governing rules, comply with the requirements of SISA and SISR and are appropriate to meet the needs of the members.

This responsibility includes:

- Establishing and maintaining controls relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error. The system of accounting and internal control should be adequate in ensuring all transactions are recorded and the recorded transactions are valid, accurate, authorised, properly classified and promptly recorded, so as to facilitate the preparation of reliable financial information.
- This responsibility to maintain adequate internal controls also extends to the Fund's compliance SISA including any Circulars and Guidelines issued by a relevant regulator to the extent applicable. The internal controls should be sufficient to prevent and/or detect material non-compliance with such legislative requirements.
- Identifying, designing and implementing internal controls as they determine necessary to meet compliance requirements of SISA and SISR and monitor ongoing compliance.
- 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. The going concern basis of accounting is appropriate when it is reasonably foreseeable the fund will be able to meet its liabilities as they fall due.

- Ensuring that there were no events which existed at the date of the financial report which require adjustment to the financial statement and applying appropriate accounting policies including disclosing all events or transactions which are non-adjusting event as per Australian Accounting Standards (AASB 110), that occurred since the date of the financial report, or are pending, which would have a significant adverse effect on the Fund's financial position at that date, or which are of such significance in relation to the Fund as to require mention in the notes to the financial statements in order to ensure that financial position of the Fund or its operations are not misleading.
- If the preparation of financial report is outsourced, then each trustee is responsible for overseeing the fund's financial reporting process.
- Making accounting estimates that are reasonable in the circumstances.
- Reviewing on a regular basis a compliant investment strategy, taking into account all investment risks/decisions in making Fund investments (and assessment of recoverability of Fund investments).
- Ensure that restrictions on contributions are followed where a member's Total Superannuation Balance exceeds the cap amount (currently \$1.6 million).
- Making available to us all the books of the Fund, including any registers and general documents, minutes and other relevant papers of all Trustee meetings and giving us any information, explanations and assistance we require for the purposes of our audit. Section 35C(2) of SISA requires Trustees must give to the auditor any document the auditor requests in writing within 14 days of the request.

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 will be in the form of a Trustee Representation Letter.

Valuing all investments at market value.

Investments are valued at net market value at the financial year end.

It is the trustees responsibility to use qualified independent valuer, where the value of the asset represents a significant proportion of the fund's value or the nature of the asset indicates that the valuation is likely to be complex.

In valuation of listed shares and listed managed units, the trustees should use the closing price on each listed security's approved stock exchange or licensed market at the end of the financial year.

Trustees while valuing real property must base it on objective and supportable data or use external valuation where they expect the valuation is materially inaccurate or a significant event (such as a natural disaster , macro-economic events , market volatility or changes to the character of the asset) has occurred since it was last valued.

When valuing any investment in unlisted security for end of the year financial year statement, for example, a share in a private company, or a unit in an unlisted trust, Trustees must take into account a number of factors that may affect its value, including both the:

- value of the assets in the entity
- consideration paid on acquisition of the unlisted securities or units.

Trustees must use market values that are based on either published exit price from the unit trust register or unit trust manager or company director of the private company. Trustees at the time of

signing the financial statements of the fund agree that they are aware of the value of all the assets funds and agree that their valuation is correct specially unlisted assets (such as units in unlisted managed funds, syndicates or private company). Trustees have ensured that they are satisfied with valuation of all assets and where ever they had doubts on valuation, they have used an external independent valuer specially where ever they were of the opinion that the nature of the asset indicates that the valuation is likely to be complex.

Trust Deed and deeds of change of Trustee

Trustees should seek appropriate legal advice to execute, amend or modify the Trust deed and establish the Trust on an ongoing and compliant basis.

We, as auditors, do not examine whether the Trust deed or modifications or amendments to the Trust deed are validly executed and will not be responsible if there legal dispute between trustees. We will not be responsible if any documents are not legally executed and specifically exclude all liability for damages associated with an incorrectly executed or amended or changed trust deed or new Trustee appointment or removal.

Reliance on audit report by external parties

Our audit report is prepared for the members of the Fund and we disclaim any assumption of responsibility for any reliance on our report, or on the financial report to which it relates, to any person other than the members of the Fund, or for any purpose other than that for which it was prepared.

Borrowings by the Fund

If the fund invests in a limited recourse borrowing arrangement (LRBA) or similar investment, we specifically make no warranty or assurance regarding whether potential stamp duty and capital gains taxation liabilities are minimized, now or into the future. We provide no assurances on the compliance or otherwise of such LRBA arrangements to parties involved in providing finance to the fund.

Communication with SMSF trustees/directors

We will communicate with you if we have any concerns during the course of the audit. Since you have chosen an accountant / administrator to provide us documents and financial statements of the fund for audit, you agree that all communications to your accountant / administrator are deemed to also be communications to you. If your Fund has more than one trustee/director, you agree communications with one trustee/director are deemed to be communications with all trustees/directors.

We may want to communicate directly with you in relation to audit of your fund regarding:

- recoverability of a loan investment by the Fund; or
- value of the asset in the financial statements may be overstated.

In these circumstances, you agree that we should directly contact and communicate with your accountant in relation to any our concerns and we do not need to notify you before directly

contacting and communicating with the your accountant / administrator and we have discretion to decide whether to include you in any direct communication with your accountant / administrator.

Independence

We confirm 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 (as amended), issued by the Accounting Professional & Ethical Standards Board in relation to the statutory audit engagement (an audit required by legislation) of the Fund. Hence no member of the engagement team can provide any accounting, legal or financial advice. Our engagement as an auditor of the fund is limited to obligations imposed on us by SISA (e.g. section 129).

In conducting our financial audit and compliance engagement, should we become aware we have contravened these independence requirements, we shall notify you on a timely basis. However, please note we are not engaged to provide any financial advice and none will be provided, including an opinion, if a self managed superannuation fund is appropriate for trustees or they have taken responsibility of where member funds are invested or trustees understand their legal and taxation obligations.

We have complied with the competency standards set by ASIC.

Our engagement does not include us forming an opinion nor advising trustees on the following:

- the members have sufficient funds to establish the Fund or continue to manage the Fund;
- investment restriction on underlying assets;
- rollover to the Fund or transferring assets to the Fund;
- level and type of contributions by each member of the Fund;
- monitor members eligibility to make contributions in respect of Total Superannuation Balance;
- acquiring or disposing any particular financial product or class of financial product;
- initial and ongoing costs of administering the Fund;
- if they are prepared and able to allocate the time and skill needed to administer the Fund;
- if they have adequate insurance cover for all members of the Fund;
- limited government protections in the event of fraud or theft or dispute;
- limited access to superannuation complaints tribunal; or
- advantages and disadvantages of a self-managed superannuation fund (SMSF).

Report on matters identified

Under section 129 of SISA, we are required to report to you in writing, if during the course of, or in connection with, our audit, we become aware of any contravention of SISA or SISR which we believe has occurred, is occurring or may occur. Furthermore, you should be aware we are also required to notify the ATO of certain contraventions of SISA and SISR we become aware of during the audit, which meet the tests stipulated by the ATO, irrespective of materiality of the contravention or action taken by the trustees to rectify the matter, even if you terminate the engagement. Finally, under section 130, we are required to report to you and the ATO if we believe the financial position of the Fund may be, or may be about to become unsatisfactory.

You should not assume any matters reported to you, or a report that there are no matters to be communicated, indicates there are no additional matters, or matters you should be aware of in meeting your responsibilities. The completed audit report may be provided to you as a signed printed copy or a signed electronic version via email or any other electronic means.

As you aware each investment has multiple risks, including loss of capital. In conducting our audit, we will not be checking the liquidity of the Fund's assets, the nature or class of investments, nor their suitability to the Fund's investment strategy. If any asset's capital is lost, due to any reason, we will not be responsible for any damages under section 12GF of Australian Securities and Investments Commission Act 2001. You are responsible for investing the Fund's assets and you should take full care of those investments. However, as an auditor, it is our duty of care to inform you, if in our opinion, we notice any investments are not recoverable. Please note many investments are complex in nature and we are not trained as SMSF auditors to analyse each investment, hence you should not entirely rely on our opinion.

In conduct of our audit, we are not required to form an opinion and report to you if the Fund is making or likely to make an economic loss or the Fund's assets are getting damaged or likely to get damaged due to conduct of any other person who you rely for investment decisions or appoint as custodians or investment manager. We are appointed to audit the Fund's financial report and not to audit entities where this Fund invests such as custodian services, unrelated trusts, companies or other entities.

Compliance program

The conduct of our engagement in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements means information acquired by us in the course of our engagement 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 compliance program of a professional accounting body, the ATO, or ASIC. We advise you by signing this letter you acknowledge, if requested, our audit files relating to this audit will be made available under these programs. Should this occur, we will advise you. The same strict confidentiality requirements apply under these programs as apply to us as your auditor.

Limitation of liability

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

Fees

We look forward to full co-operation with you / your administrator and we trust you will make available to us whatever records, documentation and other information are requested in connection with our audit.

Our fee will be billed as work in progress or once the audit has been completed and will be based on the time required to complete the engagement. Any out of pocket expenses will be billed separately.

Further, where a contravention report needs to be lodged with the ATO, an additional fee will be charged for the preparation and lodgement of the contravention report.

Use of a specialist

In some limited circumstances, It may be necessary for us to seek legal, Actuarial or valuer advice in relation to the audit of your Fund. We will first seek to obtain a fee quote from a law firm/legal adviser for your approval before incurring any fees. Such fees will be billed to you as disbursements.

Other

Please sign and return the attached copy of this letter to indicate it is in accordance with your understanding of the arrangements for our financial audit and compliance engagement of Begg O'Donnell Superannuation Fund.

Yours faithfully,

Lance Infante



Mr Lance Infante
SMSF Auditor

I/We understand, consent to and agree with all the terms of this engagement:
Acknowledged on behalf of the trustees of Begg O'Donnell Superannuation Fund

Mr Eliot O'Donnell
Director of Corporate Trustee

Mrs Sarah O'Donnell
Director of Corporate Trustee

[Date]

[Date]

SELF-MANAGED SUPERANNUATION FUND INDEPENDENT AUDITOR'S REPORT

Approved SMSF auditor details

Name: Mr Lance Infante

Business name: Lance Infante

Business postal address: Lance Infante, HAYWARDS BAY, NSW 2530

SMSF Auditor Number (SAN) : 100116434

Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name: Begs O'Donnell Superannuation Fund

Australian Business Number (ABN) or tax file number (TFN): 64775653942

Address: 23 Mountview Avenue, GWYNNEVILLE, NSW 2500

Year of income being audited: 2020

To the SMSF trustees

of the Begs O'Donnell Superannuation Fund

Part A: Financial report

Approved SMSF auditor's Opinion

I have audited the special purpose financial report of the Begs O'Donnell Superannuation Fund comprising:-

1. Statement of financial position as at 30th June 2020,
2. Operating statement,
3. Notes to the financial statements, significant accounting policies and other explanatory notes,
4. Members Statements

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.¹ 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 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist Begs O'Donnell 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

¹The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

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

In preparing the financial report, the 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 not 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.

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.

Part B: Compliance Engagement

Approved SMSF Auditor's Opinion

I have undertaken a reasonable assurance engagement on Begs O'Donnell 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 Begs O'Donnell 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.

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.

Mr Lance Infante

A handwritten signature in black ink, appearing to read 'Lance Infante', with a stylized, cursive script.

Date audit completed : 19 April 2021

Lance Infante

Lance Infante, HAYWARDS BAY, NSW 2530

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	<p>The fund must be maintained for the sole purpose of providing benefits to any or all of the following:</p> <ul style="list-style-type: none"> • fund members upon their retirement • fund members upon reaching a prescribed age • the dependants of a fund member in the case of the 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 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

19 April 2021

The Trustee,
Begs O'Donnell Superannuation Fund,
23 Mountview Avenue
GWYNNEVILLE NSW 2500

Dear Sir / Madam,

RE: AUDIT MANAGEMENT LETTER
Begs O'Donnell Superannuation Fund

I wish to advise I have conducted an independent audit of the financial report of Begs O'Donnell Superannuation Fund (the Fund) for the year ended 30 June 2020 in order to express an opinion on it.

I have complied with the ethical responsibilities and independence requirements in accordance with the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) as required by the *Superannuation Industry (Supervision) Act 1993* (SISA) and *SIS Regulations* (SISR).

Auditors are encouraged by the Australian Taxation Office (ATO) 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.

Audit Procedure

My audit has been conducted in accordance with Australian Auditing Standards. My assurance engagement to report on the fund's compliance with the applicable requirements of SISA and SISR involved performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements.

My audit work comprises of examination of evidence supporting the amounts and other disclosures in the financial report, on a test basis, 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.

Audit Methodology

My audit team applied Australian Standard on Quality Control 1 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.

My audit work involved examination, again on a test basis, of evidence supporting compliance with requirements of SISA and SISR. These tests have not been performed continuously throughout the



Lance Infante

ABN 25 732 186 850

Lance Infante, HAYWARDS BAY NSW 2530
Mobile: 0444587261 Email: smsf4audit@gmail.com

period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of SISA and SISR apart from those specified in the audit report.

My audit of the financial report was to evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures and to 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.

Internal Controls, Materiality & Reasonable Assurance

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 exercise professional judgment and maintain professional scepticism throughout the audit. My audit work also involved the review and obtain an understanding of internal controls and systems in order to design my audit plan and procedures that are appropriate in the circumstance. Accordingly, my examination may not have identified all the weaknesses that may exist in the Fund.

My audit objective was to obtain, reasonable assurance about whether the financial report as a whole is free from material misstatement and identify and assess the risks, whether due to fraud or error of any material misstatement. I designed and performed audit procedures in response to those risks, and obtained audit evidence that were sufficient and appropriate to provide a basis for my opinion.

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 audited provisions of SISA and SISR may occur and not be detected.

Fund Investments

In conducting my audit, I have not checked liquidity of any of the Fund's assets, the nature or class of investments, nor their suitability to the Fund's investment strategy. If any asset's capital is lost, I will not be responsible for any damages under section 12GF of Australian Securities and Investments Commission Act 2001.

You are responsible for investing the Fund's assets and you should take full care of those investments. It is my duty of care to inform you, if in my opinion, I notice any investments are not recoverable. Please note many investments are complex in nature and I am not trained to analyse each investment, hence you should not entirely rely on my opinion.

I am not required to form an opinion and report to you if the Fund is making or likely to make an economic loss or the Fund's assets are getting damaged or likely to get damaged due to conduct of any other person who you rely for investment decisions or appoint as custodians or investment manager. My audit was limited to this Fund's financial report and not to entities where this Fund invests such custodian services, unrelated trusts and companies, or other similar entities.

Going Concern

My audit procedure included appropriate 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.

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.

Member Statements

I note the member statements attached to the financial report have not been audited, as this is outside the scope of our audit engagement. Whilst I do complete an audit of the movements in the member account during the financial year being audited, I am unable to provide an opinion as to the accuracy of historical components and eligible service date information that relates to transactions that occurred in prior years.

Conclusion

I advise that the following matters were encountered during the course of my audit that I believe should be brought to your attention:

I note that over 80% of the fund's assets are currently held in real property. There are liquidity and diversification issues to consider however, as stated in the Trustee's Investment Strategy, the Trustee is aware of the high level of property specific risk and has considered the investment strategy is suitable after considering factors such as period until retirement, cash flow for future and current liabilities and expenses and the member has stated awareness of the risks involved in such an investment. I would like to enforce that Trustees and members of the fund be vigilant and keep a close eye on the property market and the global share & interest earnings investment market, especially in today's environment where natural disasters and viruses are heavily impacting society, and if an opportunity should arise, reconsider to amend the current investment mix to meet the objectives of this fund.

I am obliged by Section 129 & 130 of SISA to report any contravention to the ATO and a separate notice under Section 129 to be sent to you with a list of all contraventions reported to the ATO. There is nothing being reported to the ATO.

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

Yours faithfully,
Lance Infante



Mr Lance Infante