

ENGAGEMENT LETTER

To: The Trustees, **Caporn Superannuation Fund**

Scope

You have requested that we audit the financial report of **Caporn Superannuation Fund** which comprises the balance sheet as at 30 June 2020, and the income statement for the year then ended a summary of significant accounting policies, other explanatory notes and the trustees' declaration. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted with the objective of expressing an opinion on the financial report and compliance with the *Superannuation Industry Supervisory Act 1993*.

We will conduct our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. An 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 of the financial report.

Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered. In making our risk assessments, we consider internal control relevant to the entity'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 entity's internal control.

We take this opportunity to remind you that the responsibility for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Superannuation Industry Supervisory Act 1993* is that of the trustees. Our auditor's report will explain that the trustees are responsible for the preparation and the fair presentation of the financial report in accordance with the applicable financial reporting framework and this responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

As part of our audit process, we will request from the trustees written confirmation concerning representations made to us in connection with the audit.

Other Matters under the *Corporations Act 2001*

Independence

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the *Corporations Act 2001*, we shall notify you on a timely basis.

We look forward to your full cooperation and make available to us whatever records, documentation and other information we request in connection with our audit.

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

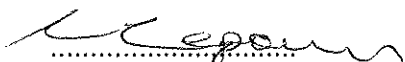
Yours faithfully,

.....

A.W. Boys
Registered Company Auditor 67793
Dated

Acknowledged on behalf of Caporn Superannuation Fund
by

(signed)



C Caporn- Trustee
Dated:



K Caporn-Trustee

Audit Representation Letter from Trustee(s) Caporn Superannuation Fund

Year ended 30 June 2020

To the auditor,

Dear Sir,

With respect to the audit of the financial statements of the above mentioned fund for the year ended stated, the following representations are made which are true and correct to the best of my (our) knowledge and belief that will address the necessary compliance requirements of the *Superannuation Industry (Supervision) Act 1993*.

Preparation of the ATO Income Tax & Regulatory Return

The information disclosed in the annual return is complete and accurate.

Sole Purpose of the Fund

The sole purpose of the Fund is to provide retirement and/or death benefits to its members and/or beneficiaries.

Accounting Policies

All the significant accounting policies of the Fund are adequately described in the Financial Statements and the Notes thereto. These policies are consistently applied unless specifically noted in the Financial Statements and Notes.

Fund Books/Records/Minutes

All financial books, records and relevant material relating to the transactions and activities of the Fund have been made available to you, including minutes of the Trustees' meetings, the Trust Deed (as amended) and the Rules of the Fund. The Financial Statements accurately disclose the Revenue and Expenses and the full extent of the Assets and Liabilities of the Fund.

Asset Form

The assets of the Fund are being held in an acceptable form suitable for the benefit of the members of the Fund, and have been stated at their net market value.

Ownership and Pledging of Assets

1. The Fund has satisfactory title to all assets shown in the Financial Statements
2. Investments are registered in the name of Caporn Superannuation Fund
3. No assets of the Fund have been pledged to secure liabilities of the Fund or of any other fund or entity.

Investments

1. Investments are carried in the books at their net market value.
2. Amounts stated are considered reasonable in the current market condition, and there has not been any permanent diminution in their value below the amounts recorded in the Financial Statements.
3. There are no commitments, fixed or contingent, for the purchase or sale of long term investments.
4. Investment transactions and investments held are in accordance with the Investment Strategy, which has been determined with due regard to risk, return, liquidity and diversity.
5. The Trustee(s) have complied with all the Investment Standards stipulated in the Regulations relating to the SIS Act as amended.

Trust Deed Amendments

All amendments (if any) to the Trust Deed were made in order for the Fund to comply with the SIS Act, Regulations and any other applicable legislation relating to the operation and governance of the Fund.

Governing Rules

The Fund is being conducted in accordance with its Trust Deed and Governing Rules.

Legislative Requirements

The Fund is being conducted in accordance with the *Superannuation Industry (Supervision) Act 1993*, and the Regulations of the said Act.

Trustee Responsibilities

The Trustees are aware of their responsibilities to the Members and the various regulatory bodies.

Trustee Covenants

The Trustee(s) have complied with all the Trustee Covenants set out in section 52 of the *Superannuation (Supervision) Act 1993*.

Disqualified person not to act as a Trustee

There is no reason why any Trustee should be prohibited from acting as a Trustee of this Superannuation Fund.

Information to Members

Information relating to the transactions and activities of the Fund has been supplied in a timely manner.

Meetings

Meetings have been conducted in accordance with the Trust Deed and the requirements of the SIS Act. Resolutions and issues on which the Trustee(s) have voted, or on which they were required to vote have been passed by at least a 2/3rds majority of the Trustees.

Subsequent Events

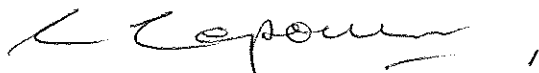
Since the end of the financial year stated in the Financial Statements till the date of this letter, there have been no events or transactions that would have a material effect upon the Fund either financially or operationally.

Yours faithfully

K Caporn
Trustee



C Caporn
Trustee



CAPORN SUPERANNUATION FUND
ABN 40 808 675 720
Trustees' Declaration

The trustees of the CAPORN SUPERANNUATION FUND declare that:

- (i) the financial statements and notes to the financial statements present fairly the financial position of the Fund as at 30 June 2020, and the results of its operations for the year then ended; and
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with applicable Australian Accounting Standards, other mandatory reporting requirements and the provisions of the trust deed, as amended; and
- (iii) the operation of the Fund has been carried out in accordance with its trust deed and in compliance with:
 - (a) the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations; and
 - (b) applicable sections of the Corporations Act 2001 and Regulations; and
 - (c) the requirements under s 13 of the Financial Sector (Collection of Data) Act 2001; and
 - (d) the guidelines issued by the Australian Prudential Regulation Authority on derivative risk statements for superannuation entities investing in derivatives;during the year ended 30 June 2020.

Signed in accordance with a resolution of the trustees by:



Kevin Caporn , (Trustee)



Cheryl Caporn , (Trustee)

Perth

Date

**Trustees Notification to Members of
Caporn Superannuation Fund**

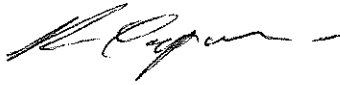
The Administrator

Caporn Superannuation Fund
45 RAVENSWOOD ROAD
MAIDA VALE WA 6057

Re: Expenses payments

We, the Trustees, approve the payment of the following expenses from your pension withdrawal from the fund for the 2020 year :

- Accounting Fees- \$872.00
- ATO Levy - \$259.00
- Audit Fees - \$275.00



Kevin Caporn

Date:30/6/2020



C Caporn

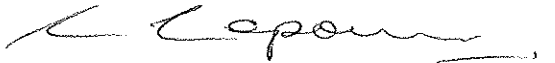
**Trustees Notification to Members of
Caporn Superannuation Fund
Allocated Pension**

The Administrator

Caporn Superannuation Fund
45 RAVENSWOOD ROAD
MAIDA VALE WA 6057

Re: Cheryl Caporn

We, the Trustees, acknowledge your request to continue with your allocated pension for the 2020 year and confirm that \$54,823.00 pensions will be paid to yourself.



Cheryl Caporn

Date: 1/7/2019

**Trustees Notification to Members of
Caporn Superannuation Fund
Allocated Pension**

The Administrator

Caporn Superannuation Fund
45 RAVENSWOOD ROAD
MAIDA VALE WA 6057

Re: Kevin Caporn

We, the Trustees, acknowledge your request to continue with your allocated pension for the 2020 year and confirm that \$54823.00 pensions will be paid to yourself.



Kevin Caporn

Date: 1/7/2019

**Member Notification to Trustees of
Caporn Superannuation Fund
Allocated Pension**

The Administrator


Caporn Superannuation Fund
45 RAVENSWOOD ROAD
MAIDA VALE WA 6057

Re: Cheryl Caporn – Member

I wish to inform the trustees that I would like to continue with an allocated pension on 1 July 2019 with \$196,572.00 leaving \$Nil in the accumulation phase of my fund).).

I also wish to advise the trustees that I will be drawing the amount of \$54823,00 as a pension for the year which is in excess of the minimum required for the 2020 financial year.

My age at pension commencement is 69.


Cheryl Caporn

Date: 1/7/19

**Member Notification to Trustees of
Caporn Superannuation Fund
Allocated Pension**

The Administrator

Caporn Superannuation Fund
45 RAVENSWOOD ROAD
MAIDA VALE WA 6057

Re:Kevin Caporn – Member

I wish to inform the trustees that I would like to continue with an allocated pension on 1July 2019 with \$200,109.00 leaving \$Nil in the accumulation phase of my fund.

I also wish to advise the trustees that I will be drawing the amount of \$54823.00 as a pension for the year, which is in excess of the minimum required for the 2020 financial year.

My age at pension commencement is 73.



Kevin Caporn

Date:1/7/19

Investment Strategy of The Caporn Superannuation Fund

For the year ended 30 June 2020

Objective

This investment strategy of (as amended to from time to time) is created in compliance with the *Superannuation Industry (Supervision) Act 1993*.

The Fund:

1. accepts employer and member contribution and contributions from other persons as the laws allow
2. transfers from other Superannuation funds and from a spouse as the laws allow
3. provides benefits to members upon retirement and as the laws allows
4. provides other activities as allowed by the laws and regulations from time to time
5. allows access to any unrestricted non-preserved benefits (as/when allowed by the laws and regulations)
6. provides for the payment of pension benefits at a rate as determined in the future from time to time.

The fund complies with the current laws and regulations and the rules in the trust deed. It has the following investment objectives:

Risk and Rate of Return

It is recognized that timing (when you get into the investment) and time in the investment (how long you are in the investment) affects returns. Different investments have different returns and volatility.

The Trustee (from time to time) of the fund has a strong emphasis on preserving the fund's capital. However, many sound investments are not capital guaranteed.

Security of capital has to be tempered with the need to achieve the desired rate of return. Therefore, assets that show volatility may be of benefit to the fund.

The Trustee is ever vigilant to balance these two objectives: protecting the capital and growing the value of the fund by obtaining an acceptable rate of return.

Diversity of the Member's Fund

Holding a number of investments is the essence of diversity. This may have the effect of reducing volatility. However, diversification is only one factor to be considered in this strategy.

The Trustee may, in writing, change the spread of investments (even on a daily basis). However, the fund's current investment spread is:

Asset	Range (%) e.g. 0-100%
Cash	0-100%
Australian Fixed Interest	0
International Fixed Interest	0-
Australian Equities	0-100%
International Equities	0
Property	0
Residential property, commercial property, retail property, either direct, listed or unlisted	0-
Other investments (considered on a case by case basis) such as agribusiness, options, futures and foreign currency	0-
Total	100%

Required Rate of Return

The Trustee seeks an overall investment return for the fund in the 3-5 year term (medium term) of 3% above the average rate of inflation over that period.

Trustee's Obligations

The Trustee ensures that the fund meets the legislated standard minimums to continue to obtain concessional taxation status on the income.

It is also incumbent on the Trustee to consider the tax consequences of all investments. Tax-advantaged products may reduce the fund's taxation burden. Tax is one of the Trustee's relevant concerns.

The Trustee acknowledges that members' benefits are a liability of the fund. The Trustee gives thought to the level of benefit required to be paid to the member. However, while no terminations or benefits are expected to be paid out in the short to medium term the Trustee is at liberty to examine investments that are medium term.

However, when the member is in pension phase the time horizon may be far shorter.

Paying Debts

The Trustee is obliged to pay tax, expenses and benefits. It will do so within 31 days. The Trustee ensures that it holds sufficient cash to meet such obligations. Moneys must also be kept in reserve to meet the risk and reward objectives of the fund.

Cost of Investing

The Trustee strives to reduce costs of investing. However, at times upfront investment costs are payable in order to obtain the best investment products that fit into this investment strategy. Exit costs and penalties may also be part of the cost of carrying out this investment strategy.

Investments

Cash

Money can be held in kind, in banks, building societies, lending institutions and cash management accounts.

Australian Shares

After research and due diligence, these include listed and unlisted securities including shares, warrants, derivatives, derivatives securities and managed funds.

Australian Fixed Interest

These include deposits banks, building societies, lending institutions, cash management accounts, government and non-government bonds, bank bills, debentures, corporate notes and specialist fixed interest funds.

International Shares

After research and due diligence, these include investments directly or indirectly in listed and unlisted shares from around the world including listed and unlisted securities including shares, warrants, derivatives, derivatives securities and managed funds.

Property

This includes both direct and indirect investments in listed and unlisted property trusts and property securities funds.

Review

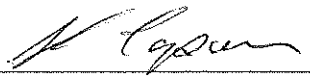
The Trustees may review this strategy as required, but it will be reviewed at least annually.

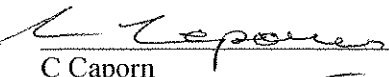
Insurance for members

The trustees have considered if the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

Based on a needs analysis by the trustees, and taking into account the members age and any other insurance the members may already hold, the trustees have concluded that it should not hold the insurance cover for the member:

Signed by the Trustee(s)

 '1 / 07 /2019
K Caporn

 '1 / 07 /2019
C Caporn

Minutes of the Trustees of The Caporn Superannuation Fund

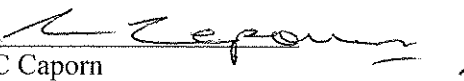
Circulating Resolution of the trustees to approve the Investment Strategy for The Caporn Superannuation Fund

In accordance with the requirements of Section 52(2)(f) of the *Superannuation Industry (Supervision) Act 1993*, and in keeping with the provisions of the Caporn Superannuation Fund trust deed, the trustee(s) are in favour of the following resolutions:

Resolved

1. The implementation of the Investment Strategy is approved.
2. The Investment Strategy is approved for the period 1 July 2019 to 30 June 2020.
3. This resolution is carried from the date of the latest signature below.

Signature 1 
K Caporn

Signature 2 
C Caporn