

## ENGAGEMENT LETTER

To: The Trustee, Toomey Superannuation Fund

### Scope

You have requested that we audit the financial report of Toomey 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,

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A.W. Boys  
Registered Company Auditor 67793

Acknowledged on behalf of, Toomey Superannuation Fund by

.....  
  
J Toomey- Director trustee Company  
Trustee

**Toomey Superannuation Fund**  
**10 Waterford Drive, GIDGEGANNUP WA 6083**

05 May 2021

**Private and Confidential**

**D Baker and Associates**

PO Box 310  
Midland WA 6936

Dear Sir / Madam,

In connection with your examination of the special purpose financial report of the **Toomey Superannuation Fund** as at 30 June, 2020, we acknowledge our responsibility for ensuring the financial report is in accordance with the accounting standards and UIG Consensus Views detailed in Note 1 to the financial statements, and confirm that the financial report is free of material misstatement, including omissions, and that we have approved the financial report, as evidenced by our signature on the trustee declaration attached to the financial report.

The following representations are made which are true to the best of our knowledge and belief.

**1. Accounting Policies**

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

**2. Fund Books / Records / Minutes**

All financial books, records and related data have been made available to you, including minutes of the trustee's meetings and this information has been retained in the appropriate format for the required period of time.

**3. Asset Form**

The assets of the fund are being held in a form suitable for the benefit of the members of the fund, and have been held in accordance with the fund's investment strategy.

**4. Ownership and Pledging of Assets**

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

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## 5. Investments

- a) Investments are carried in the books at market value, unless otherwise noted in the financial report. Such amounts are considered reasonable in the light of present circumstances;
- b) There are no commitments, fixed or contingent, for the purchase or sale of long-term investments, that have not been disclosed in the financial report;
- c) The investment strategy has been determined with due regard to risk, return, liquidity and diversification; and
- d) All investments are acquired, maintained and disposed of on an arm's length basis.

## 6. Trust Deed

The fund is being conducted in accordance with its governing rules.

## 7. Superannuation Industry (Supervision) Act and Regulations

The fund is being conducted in accordance with the Superannuation Industry (Supervision) Act 1993, and Regulations ("SIS") and we specifically confirm:

- a) The individual trustees have been nominated and may only be removed in such manner and circumstances as are allowed in the trust deed;
- b) The trustee has complied with all the trustee standards set out in the regulations and the covenants prescribed by SIS Section 52;
- c) No individual trustee is a disqualified person;
- d) The trustee has complied with the investment standards set out in SIS; and
- e) Information retention obligations have been complied with.

There are no breaches or possible breaches of the SIS legislation whose effects should be considered for disclosure in the financial report or to the Australian Taxation Office, other than those already reported.

## 8. Contributions

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

## 9. Internal Controls

We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report and to ensure that the assets of the fund are safeguarded from fraud or error. We advise we have no knowledge or any actual, suspected or alleged fraud affecting the fund.

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**10. Legal Matters**

We confirm you have been advised of all significant legal matters, and that the probability of any material revenue or expenses arising from such legal matters has been adequately accounted for, and been appropriately disclosed in the financial report.

**11. Related Parties**

All related party transactions have been brought to your attention.

**12. Subsequent Events**

No events have occurred subsequent to year end that would require adjustment to, or disclosure in, the financial report.


**13. Going Concern Assumption**

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

**14. Uncorrected Misstatements**

We note there were no uncorrected misstatements identified by the auditor.

Yours faithfully,

  
\_\_\_\_\_  
J Toomey - Director trustee company

# TOOMEY SUPERANNUATION FUND

Trading As

ABN 79 146 494 652

Trustee's Declaration


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The director of Windfall Holdings Pty Ltd has determined that the fund is not a reporting entity and that the special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the director of the trustee company:

- (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 then ended in accordance with the accounting policies described in Note 1 to the financial statements; and
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the trust deed; and
- (iii) the operation of the 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.

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

  
\_\_\_\_\_  
John Toomey, (Director)

Perth

Date 21/5/21

## **MINUTES OF THE MEETING OF THE TRUSTEE**

**Windfall holdings Pty Ltd atf  
THE TOOMEY SUPERANNUATION FUND**

### **INVESTMENT STRATEGY**

**Venue: 10 Waterford Drive, GIDGEGANNUP WA 6083**

**Date: 1/7/2019**

**Trustees: John Toomey**

**Present: John Toomey**

**Chair: John Toomey**

The trustees have resolved that the following Investment Strategy be adopted, regularly reviewed, and implemented for the Toomey Superannuation Fund.

### **Investment Strategy**

As per Regulation 4.09 of the Superannuation Industry Supervision (SIS) Regulations, this investment strategy has been formulated by the trustees with specific regard to:

- the risk and likely return from its investments having regard to the objectives of the fund and its cash flow requirements;
- the composition of the fund's investments as a whole, including the extent to which they are diverse or involve exposure of the fund to risks from inadequate diversification;
- the liquidity of the fund's investments, having regard to its expected cash flow requirements;
- the ability of the fund to discharge its existing and prospective liabilities;
- whether the trustees of the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

### **Investment Objectives:**

The investment objectives of the Toomey Superannuation Fund are as follows:

- To target a total annual real return of 3% per annum above the Australian inflation rate. For example, if the Australian inflation rate for the financial year is 3%, the return objective for the year would be 6%.
- To preserve the capital of the fund as much as possible through the investment cycle, whilst paying out income streams to members in the pension phase of the fund.

## Cash Flow Requirements:

The cash flow requirements of the fund will include Loan repayments and the expenses of the fund. This is estimated in total to be approximately 2% of the value of the fund at the start of the financial year.

## Composition of Investments:

### Asset Allocation:

The trustees will invest in a diversified portfolio of assets from across three broad types of investments, according to the trustee's assessment of risk and likely returns from each asset at any point in time, and taking into account the objectives and cash flow requirements of the fund:

- **Secure assets:** these are highly secure with a very low risk of capital loss such as Cash and Term Deposits.
- **Defensive assets:** these are defensive assets with fixed income characteristics, however with added price and/or default risks of varying degrees. This includes Government bonds, investment grade corporate bonds & subordinated debt, mortgage trusts etc.
- **Risk assets:** these offer the highest potential returns but also the highest volatility and risk of permanent capital loss. This includes Australian and international equities, property trusts, direct property, commodities, currencies, collectibles, and derivatives.

Diversification between asset classes and within each asset class will reduce concentration and underperformance risk.

The trustees will use an active strategic approach to allocating to the different types of assets to take advantage of positive market conditions where they exist, but also to attempt to actively manage risk in negative market conditions (particularly in Risk assets).

However this is managed within the framework of the following asset allocation limits, and long-term benchmarks:

	<b>Benchmark</b>	<b>Min</b>	<b>Max</b>
<b>Secure Assets</b>	0%	0%	100%
<b>Defensive Assets</b>	0%	0	0%
<b>Risk Assets</b>	0%	0	100%



Further to this, the trustees will limit investment in the various Risk assets to the following maximum limits:

	<b>Maximum fund investment</b>
<b>Equities</b>	<b>0- 100%</b>
<b>Property</b>	<b>0</b>
<b>Collectibles</b>	<b>0</b>
<b>Commodities</b>	<b>0</b>
<b>Cash</b>	<b>0-100%</b>

Exposure to any asset class includes both Australian and International based assets, and can be either via direct investments (either listed on an exchange or not), managed investments, or via derivative contracts (either exchange traded or over-the-counter). Derivative exposures are calculated as:

- *“Buy to open” options & warrants:* Market value of the position.
- *“Sell to open” options:* The profit or loss of the open position plus any cash margin covering the position.
- *All futures & CFD contracts to open:* The profit or loss of the open position plus any cash margin covering the position.

#### Investment Selection:

The trustees will draw on a range of research sources to generate individual investment ideas.

The trustees will invest in a portfolio of medium to long-term core positions that it considers to be of high asset quality, and are priced at or below what it considers ‘fair value’. Given all the members are in the pension phase, the income yield potential of each investment will be a key consideration.

This is combined with some shorter-term trading opportunities (predominantly in Risk assets) based on shorter-term indicators of price appreciation potential.

#### **Liquidity to meet cash flow requirements**

The trustees will maintain a sufficient cash balance in the fund’s bank account to meet its outgoing cash flow requirements when they fall due.

Further to this, the trustees will also ensure that the liquidity of the vast majority of underlying individual investments is sufficient such that any unexpected cash flow requirements can easily be met by selling assets.

### **Ability of the fund to discharge its existing and prospective liabilities**

As the fund has borrowings on the investment property, the liabilities of the fund will include:

- Monthly Mortgage repayments paid on a regular basis; and
- expenses that are paid on a semi regular basis; and
- death benefits from the unexpected death of a member where a death benefit nomination requires benefit payments to beneficiaries.

The composition and liquidity of all investments will ensure that all existing and prospective liabilities of the fund can easily be met.

### **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 trustee, and taking into account the members age and other insurance the members already hold, the trustee have concluded that it should not hold insurance cover for the member:

<b>Member</b>	<b>Insurance Type</b>	<b>Amount</b>
<b>J Toomey</b>	<b>Death</b>	<b>\$0</b>
	<b>Total &amp; Permanent Disablement</b>	<b>\$0</b>
	<b>Income Protection</b>	<b>\$0</b>

**Signed :**

A handwritten signature in black ink, appearing to read 'John Toomey', is written over a horizontal line.

**John Toomey**

**Director of Trustee co of the Toomey Superannuation Fund**

**Date : 1/7/2019**

**Trustee Notification to Member  
Continuation of an Income stream**

The Administrator

Toomey Superannuation Fund  
10 WATERFORD DRIVE  
GIDGEGANNUP WA 6083

Re: J Toomey - Member

We wish to acknowledge your request to continue in Pension phase for 2020 year, leaving nil in my accumulation phase of my fund.  
We further confirm you will be drawing \$11,300.00 as a pension for the 2020 tax year.

  
\_\_\_\_\_  
John Toomey

\_\_\_\_\_  
Date: 1/7/2019

**Member Notification to Trustees  
Continuation of an Income stream**

The Administrator

Toomey Superannuation Fund  
10 WATERFORD DRIVE  
GIDGEGANNUP WA 6083

Re: J Toomey - Member

I wish to inform the trustees that I would like to continue with my income stream for the June 2020 year, leaving nil in my accumulation phase of my fund.

I will be drawing the amount of \$11,300.00 as a pension for the 2020 tax year which is in excess of the minimum required.

  
\_\_\_\_\_  
John Toomey

\_\_\_\_\_  
Date: 1/7/2019

**Toomey Superannuation Fund**  
**10 Waterford Drive, GIDGEGANNUP WA 6083**

5 May 2021

**D Baker & Associates Pty Ltd**  
PO Box 310  
Midland WA 6936

Dear Sir / Madam,

In preparation for your examination of the special purpose financial report of the **Toomey Superannuation Fund** as at **30 June 2020**, the following representations are made which are true to the best of our knowledge and belief:

**1. Risk of Fraud**

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

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

We have not identified any specific risks of fraud, however we acknowledge that if fraud existed within the fund, the most likely areas of concern would be investments or cash being mis-appropriated or contributions being intercepted prior to being banked into the fund's bank account.

**2. Procedures for Identifying and Responding to Fraud**

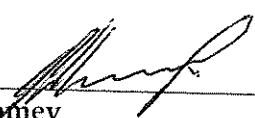
As trustee we believe the procedures in place reduce the risk of fraud, however should fraudulent activity be identified, the trustee would ensure all trustees are aware of the situation and the fund's accountant and auditor would be informed.

Depending on the situation, steps would be implemented to cease the fraudulent activity and controls would be put in place to limit any future activity from affecting the fund.

**3. Existence of Fraud**

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

Yours faithfully,

  
\_\_\_\_\_  
**J Toomey**  
Director Trustee company