

# **Audit Representation Letter from Trustee(s)**

## **Priceless Trust Superannuation Fund**

**Year ended 30 June 2022**

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 Priceless Trust 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

Mary R. Price x EPA for Nicholas Price.

N Price  
Trustee

Mary R. Price.

M Price  
Trustee

## ENGAGEMENT LETTER

To: The Trustees, **Priceless trust Superannuation Fund**

### Scope

You have requested that we audit the financial report of **Priceless Trust Superannuation Fund** which comprises the balance sheet as at 30 June 2022, 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  
Dated

Acknowledged on behalf of, Priceless Trust Superannuation Fund  
by

(signed)

*Harry R. Price* ✓

N Price- Trustee

Dated:

*EPA for Nicholas Price*

*Harry R. Price*

M Price- Trustee

**Member Notification to Trustees  
Continuation of an Allocated Pension**

The Administrator

Priceless Trust Superannuation Fund  
29 Opal Way  
Mount Richon WA 6112

Re: Mary Price - Member

I wish to inform the trustees that I would like to continue with my Term Allocated pension on 1 July 2021 with \$176,511.00, leaving \$Nil in the accumulation phase of my fund.

At this time, I am comfortable drawing the minimum level of income for the 2021/2022 of \$9000.00 financial year.

Mary R. Price x  
M Price

Date: 1/7/21

**Member Notification to Trustees  
Continuation of a LifeTime Defined Benefit Pension**

The Administrator

Priceless Trust Superannuation Fund  
29 Opal Way  
Mount Richon WA 6112

Re: Nicholas Price - Member

I wish to inform the trustees that I would like to continue with my lifetime defined benefit pension on 1 July 2021 with \$77,366.00, leaving \$Nil in the accumulation phase of my fund.

At this time, I am comfortable drawing a pension of \$13,800.00 for the 2021/2022 financial year.

Mary R. Price x  
N Price

EPA for Nicholas Price.

\_\_\_\_\_  
Date: 1/7/21

## **MINUTES OF THE MEETING OF THE TRUSTEES FOR THE Priceless Trust SUPERANNUATION FUND.**

**Venue: 29 OPAL WAY, MOUNT RICHON WA**

**Date: 01/07/2021**

**Trustees: N Price, M Price,**

**Present: N Price, M Price**

**Chair: N Price**

The trustees have resolved that the following Investment Strategy be adopted, regularly reviewed, and implemented for the Sample 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 Priceless trust 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 Mr. Nic Price and Mrs. Mary price only in the pension phase of the fund.

### **Cash Flow Requirements:**

As Mr. N Price and Mrs. M Price are the only members of the fund in the Pension Phase , the cash flow requirements of the fund will include pension payments and the expenses of the fund. This is estimated in total to be approximately 5% 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>	<b>20%</b>	<b>10%</b>	<b>100%</b>
<b>Defensive Assets</b>	<b>50%</b>	<b>0</b>	<b>60%</b>
<b>Risk Assets</b>	<b>30%</b>	<b>0</b>	<b>40%</b>

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>10%</b>
<b>Property</b>	<b>0%</b>
<b>Collectibles</b>	<b>0%</b>
<b>Commodities</b>	<b>70%</b>
<b>Cash</b>	<b>20 %</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**

As only Mr. N Price and Mrs. M Price are the members in the Pension phase, the cash flow requirements of the fund (as stated above) are approximately 5% per annum of their fund balances at beginning of the year.

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 members of the fund are in the Pension phase, the existing and prospective liabilities of the fund will include:

- pension liabilities 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 trustees, and taking into account the members age and any other insurance the members may already hold, the trustees have concluded that it should hold the following insurance cover for the members:

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

**Signed:**

Mary R. Pricey  
EPA for Nicholas Price  
**Mr N Price**

Mary R. Price  
**Mrs M Price**

**Trustees of the Priceless Trust Superannuation Fund**

**Date: 01/07/2021**

**PRICELESS TRUST SELF MANAGED SUPERANNUATION FUND  
MEMBERS STATEMENT**

**Mary Rhiannon Price**  
29 Opal Way  
MOUNT RICHON WA 6112

**Your Details**

Date of Birth:	14/08/1945	Nominated Beneficiaries:	N/A
Age:	76	Vested Benefits:	\$ 175,687.65
Date Joined Fund:	1/07/2003	Total Death Benefit:	\$ 175,687.65
Service Period Start Date:		Current Salary:	
Date Left Fund:		Previous Salary:	
Member Code:		Disability Benefit:	
Account Start Date:			
Account Type:	Term Allocated Pension		
Account Description:	Term Allocated Pension		

**Your Balance**

Total Benefits: \$ 175,687.65

Preservation Components

Preserved \$ 175,687.65  
Unrestricted Non Preserved  
Restricted Non Preserved

Tax Components

Tax Free \$ 175,687.65  
Taxable

**Your Detailed Account Summary**

Opening balance at 01/07/2021 \$ 176,511.32

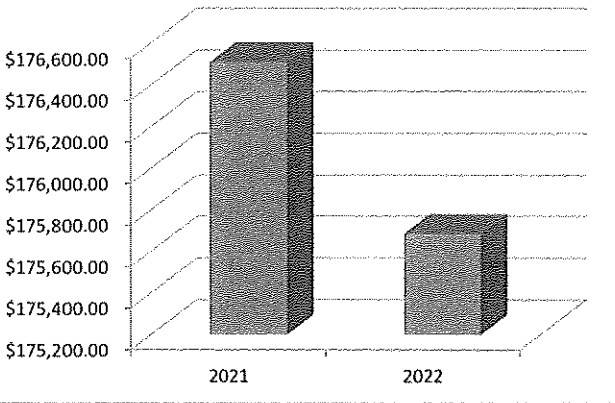
Increases to Member account during the period

Employer Contributions	
Personal Contributions (concessional)	
Personal Contributions (non concessional)	
Government Co-Contributions	
Other Contributions	
Proceeds of Insurance Policies	
Transfers In	
Net Earnings	\$ 8,176.33
Internal Transfer In	

Decreases to Member account during the period

Pensions paid	-\$ 9,000.00
Contributions Tax	
Income Tax	
No TFN Excess Contributions Tax	
Excess Contributions Tax	
Refund Excess Contributions	
Division 293 Tax	
Insurance Premiums Paid	
Management Fees	
Member Expenses	
Benefits Paid/Transfers Out	
Superannuation Surcharge Tax	
Internal Transfer Out	

Closing balance at 30/06/2022 \$ 175,687.65



Signed by Member-

**Mary Rhiannon Price**

Signature: *Mary R Price*

**PRICELESS TRUST SELF MANAGED SUPERANNUATION FUND  
MEMBERS STATEMENT**

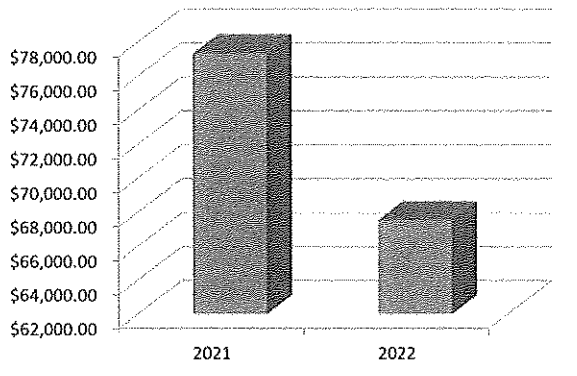
**Nicholas Aubrey Price**  
29 Opal Way  
MOUNT RICHON WA 6112

**Your Details**

Date of Birth:	30/07/1939	Nominated Beneficiaries:	N/A
Age:	82	Vested Benefits:	\$ 67,569.32
Date Joined Fund:	1/07/2003	Total Death Benefit:	\$ 67,569.32
Service Period Start Date:		Current Salary:	
Date Left Fund:		Previous Salary:	
Member Code:		Disability Benefit:	
Account Start Date:			
Account Type:	Lifetime Defined Benefit Pension		
Account Description:	Lifetime Defined Benefit Pension		

**Your Balance**

	\$
Total Benefits:	\$ 67,569.32
<u>Preservation Components</u>	
Preserved	
Unrestricted Non Preserved	\$ 67,569.32
Restricted Non Preserved	
<u>Tax Components</u>	
Tax Free	\$ 67,569.32
Taxable	



**Your Detailed Account Summary**

	\$
Opening balance at 01/07/2021	\$ 77,365.86
<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	\$ 4,003.46
Internal Transfer In	
<u>Decreases to Member account during the period</u>	
Pensions paid	-\$ 13,800.00
Contributions Tax	
Income Tax	
No TFN Excess Contributions Tax	
Excess Contributions Tax	
Refund Excess Contributions	
Division 293 Tax	
Insurance Premiums Paid	
Management Fees	
Member Expenses	
Benefits Paid/Transfers Out	
Superannuation Surcharge Tax	
Internal Transfer Out	
Closing balance at 30/06/2022	\$ 67,569.32

Signed by Member-

**Nicholas Aubrey Price**

Signature: *Mary R. Price & EPA for Nicholas Price*