

Self Managed Superannuation Fund Independent Auditor's Report

Auditor Details

Name: JIE JIAO

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Business Name: JIE JIAO T/AS MING.JIE PROFESSIONAL ACCOUNTING

Business Postal Address: PO BOX 3791 ROBINA TOWN CENTRE QLD 4230

Professional Organisation: CHARTERED ACCOUNTANTS

SMSF Auditor Number: 100 163 915

Self Managed Superannuation Fund Details

Self managed superannuation fund (SMSF) name: MAD AS BRO GRANT SMSF

Australian business number (ABN) 52 455 621 252or tax file number (TFN): 953 966 882

Address:

32 KARAMA CRESENT
KARAMA NT 0812

Year of Income Being Audited: 2017

To the Trustees

To the Trustees of MAD AS BRO GRANT SMSF

Part A: Financial Report

I have audited the special purpose financial report comprising the statement of financial position and the operating statement, statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes of MAD AS BRO GRANT SMSF for the year ended 30 June 2017.

Trustee's Responsibility for the Financial Report

The 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 Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision) Regulations 1994 (SISR), and for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. I have conducted an independent audit of the financial report in order to express an opinion on it to the trustee.

My audit has been conducted in accordance with Australian Auditing Standards. These standards require that I comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

An audit involves performing 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. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation 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 of the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's Opinion

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 statements, the financial position of the fund at 30 June 2017 and the results of its operations for the year then ended.

Part B: Compliance Report

Trustee's Responsibility for Compliance

The Trustee is responsible for complying with the requirements of the SISA and the SISR.

Auditor's Responsibility

My responsibility is to express a conclusion on the trustee's compliance, based on the compliance engagement. My audit has been conducted in accordance with applicable Standards on Assurance Engagements, to provide reasonable assurance that the trustee of the fund has complied, in all material respects, with the relevant requirements of the following provisions (to the extent applicable) of the SISA and the SISR.

Sections: 17A, 35A, 35B, 35C(2), 52(2)(d), 52(2)(e), 62, 65, 66, 67, 67A, 67B, 69-71E, 73-75, 80-85, 103, 104A, 109, 126K

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

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR for the year ended 30 June 2017.

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. My procedures with respect to section 62 included testing that the fund trust deed establishes the fund solely for the provision of retirement benefits for fund members or their dependants in the case of the member's death before retirement; a review of investments to ensure the fund is not providing financial assistance to members, unless allowed under the legislation; and testing that no preserved benefits have been paid before a condition of release has been met.

My procedures with respect to regulation 4.09 included testing that the fund trustee has an investment strategy, that the trustee has given consideration to risk, return, liquidity and diversification and that the fund's investments are made in line with that investment strategy. No opinion is made on the investment strategy or its appropriateness to the fund members.

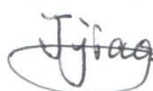
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit conclusion.

Auditor's Opinion

In my opinion, the trustee of MAD AS BRO GRANT SMSF has complied, in all material respects, with the requirements of the SISA or the SISR specified above, for the year ended 30 June 2017.

Signature

Signature of approved Auditor:



Date:

20/09/2018

Appendix 1 – Explanation of listed sections and regulations in compliance report

This appendix is included to assist trustees with the meaning of the legislation and regulations listed above.

Section or Regulation	Explanation
S17A	The fund must meet the definition of an SMSF
S35A	The trustees must keep and maintain accounting records for a minimum of five years
S35B	The trustees must prepare and maintain proper accounting records
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
S52(2)(d)	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
S52 (2)(e)	The trustee must not enter into a contract that would prevent / hinder them from exercising the powers of a trustee
S62	The fund must be maintained for the sole purpose of providing benefits to fund members upon their retirement, or upon reaching a prescribed age, or to the dependents in the case of a member's death before retirement
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year
S66	The trustees must not acquire any assets (not listed as an exemption) 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 exemption)
S67A-67B	Limited recourse borrowing arrangements
S69-71E	Outline of the in-house asset rules that trustees must follow. (These relate to transactions of any kind with a related party of the fund)

S73-75	Outline of the manner in which in-house assets must be valued by trustees (arms length market value)
S80-85	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
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration
S109	All investment transactions must be made and maintained at arms length - ie 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 clause 2 of Schedule 7
Reg 4.09	Trustees must have an investment strategy for the fund
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member benefits must be maintained in the fund until transferred or cashed out in a permitted fashion
Reg 6.17	Payments must be made in accordance with Part 6 of the regulations and be permitted by the trust deed
Reg 7.04	Contributions must be accepted in accordance with the applicable rules for the year being audited
Reg 8.02B Commenced 7/08/12	When preparing accounts and statements required by subsection 35B(1) of the Act, 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.