



14 August 2019

The Trustees
David Urquhart Swim School Pty Ltd Superannuation Fund
46 Sunshine Boulevard
BROADBEACH WATERS QLD 4218

Dear David and Patricia,

Audit finalisation report
David Urquhart Swim School Pty Ltd Superannuation Fund

We have completed our audit of your superannuation fund for the year ended 30 June 2019. Subject to the financial statements being approved by the trustee, we will issue our audit opinion, which will be a qualified report.

Please read the following carefully with regards to the breaches that were identified during the audit.

Matters for the Trustee's attention

As indicated in our engagement letter, as part of the audit process we report to you any findings arising from our audit including any identified contraventions of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) or Regulations, together with any potential weaknesses in administrative procedures or systems of the fund. Our audit tests discovered breaches of SIS and which we have detailed below.

Breach	Event	Breach Detected	Relevant SIS legislation	Has breach been rectified	Reportable Contravention
1	The Trustees failed to lodge the Fund's tax return with the ATO within the reporting period	Failure to lodge tax return within the reporting period	Section 35D(1)(2)	Not at date of this report	No. Not a reportable breach.
2	The Fund has loaned \$14,000 to David Urquhart during the year with \$85,221.31 outstanding at 30/06/2019. No loan agreement was in place.	In-house assets greater than 5% of total Fund assets Financial assistance to members Failure to keep assets of the Fund separate from personal assets Sole purpose	Sections 82(2) & 83 Section 65 Reg 4.09A Section 62	Not at date of this report	Yes. ATO contravention report lodged.



It should be noted that our audit tests did not cover every provision of the SIS Act nor would they necessarily detect all instances of non-compliance. The matters raised for your attention are those detected in the course of our audit procedures.

This does not mean that there are no further matters that you should be aware of in meeting your responsibilities as trustees, nor does this report absolve you from taking appropriate action to meet these responsibilities. We are also obliged to advise you of any significant misstatements identified during the audit and which were corrected prior to the financial report being finalised. We advise that there were no significant misstatements identified.

Rectification of Breaches

The trustees should take action to rectify the breaches noted above. Suggested actions should be:

Breach	Suggested actions
1	The Trustees should ensure that the tax return is lodged within the prescribed time frame set by the ATO.
2	The Trustees should repay the amount borrowed together with commercial interest for the period that the money was outstanding.

As trustees you are responsible for the rectification of these breaches.

As auditor, where I am required to lodge a contravention report with the ATO, your action plan to rectify these breaches and any mitigating circumstances can be included in this report. This will assist the regulator when considering the consequences to the fund.

If you provide me with your rectification plan and details of any mitigating circumstances I will include this in the contravention report. Please provide this to me by 11 September 2019.

Summary

The financial statements should be returned to us after you have approved and signed them. On receipt of these statements, we will sign our audit opinion and provide you with a copy of the signed report.

This report is provided solely for the information and use of the trustee and should not be used for any other purpose.

If we can assist you with any questions about the information contained in our audit finalisation report, please contact our office.

Yours sincerely,

Tim Davis
Howe Ford & Boxer
SMSF Auditor No. 100115106