

Bilney Super Fund

Dear Trustees

Bilney Super Fund
Audit Engagement Letter

Objectives and Scope of the Audit

You have requested that we audit the financial statements of the SMSF for the year ended 30 June 2021. We are pleased to confirm our acceptance and understanding of this engagement by means of this letter.

Our audit will be performed in accordance with Australian Auditing Standards, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the *Superannuation Industry (Supervision) Regulations* (SISR) with the objective of expressing an opinion on the financial report and the fund's compliance with the specified requirements of the SISA and the SISR.

Our Responsibilities

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 as to 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 implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error, as well as evaluating the overall presentation of the financial report.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatement may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

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 will, however, communicate to you in writing any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

Trustees' Responsibilities

Our audit will be conducted on the basis that the trustee(s) acknowledge and understand that they have responsibilities:

- For the preparation of the financial report that gives a true and fair view in accordance with the Australian Auditing Standards, other mandatory reporting requirements and the SIS Act and SIS Regulations is that of the trustee(s);
- For such internal control as the trustee(s) determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error; and
- To provide us with:
 - Access to all information of which the trustees are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;

Our audit files may, however, be subject to review as part of the quality control review program of Regulators and or Professional Bodies which monitors compliance with professional standards by its members.

We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

Independence/Conflict of Interest

We have established policies and procedures designed to ensure our independence, including policies on holding financial interests in the superannuation fund and other related parties, rotation of audit partners, business relationships, employment relationships, and the provision of non-audit services in accordance with professional statement APES 110 – Code of Ethics for Professional Accountants.

Outsourced Services

We do not use any outsourced services in overseas locations when conducting client assignments.

Data Storage

We use data storage located in the office but it may be replicated to other locations.

Accepting our services as part of this engagement agreement indicates your acceptance of the use of outsourced services, cloud hosted software and outsourced data storage under the conditions outlined above.

Limitation of Liability

Our firm's liability to you or any other user of the audit report is limited by a Scheme approved under Professional Standards Legislation.

Other

We would appreciate acknowledgement of terms and conditions set out in this letter. Please note that this letter will be effective for future years unless the terms of the engagement are altered by future correspondence.

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.

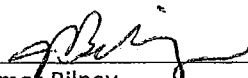
If you have any queries in relation to this please contact me.

To: MR ANTHONY BOYS

I/We hereby confirm your appointment as Auditor under the above terms of engagement.

For and on behalf of Bilney Super Fund as trustee for the Bilney Super Fund

**Signed &
Dated**


James Bilney

Yours sincerely
ANTHONY BOYS – REGISTERED COMPANY AUDITOR

DATED:
Signed document to be returned to P.O. Box 3376 Rundle Mall 5000

ANTHONY BOYS
PO BOX 3376,
RUNDLE MALL 5000

Dear Antony,

James and Deborah Bilney atf Bilney Super Fund
Superannuation Fund Management/Trustee Representation Letter

In connection with your audit examination of the financial report of James and Deborah Bilney atf Bilney Super Fund for the year ended 30 June 2021, hereby confirm, at your request that to best of our knowledge and belief, the following representation relating to the accounts are correct.

Financial Report

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report.

The management/trustee have determined that the fund is not a reporting entity for the year ended 30 June 2021 and that the requirement to apply Australian Accounting Standards and other mandatory reporting requirements do not apply to the fund. Accordingly, the financial report prepared is a special purpose financial report, which is for distribution to members of the fund and to satisfy the requirement of the SISA and the SISR, and to confirm that the financial report is free of material misstatements, including omissions.

Sole Purpose

The fund has been maintained for the sole purpose of providing superannuation benefits to its members and their dependents.

Superannuation Fund Books/Records/Minutes

- (a) We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit.
- (b) We have made available to you Minutes of all trustee(s)' meetings and the Trust Deed.
- (c) We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- (d) We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
- (e) Records maintained during the period were in accordance with the Australian Taxation Office requirements.

Asset Form

The assets of the superannuation 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.

- (j) All contributions accepted and benefits paid have been in accordance with the governing rules of the fund and relevant provisions of the SISA and the SISR.

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.

Commitments

- (a) There are no material commitments for construction or acquisition of property, plant and equipment to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
- (b) There were no commitments for purchase or sale of securities or assets or any options given by the fund including options over share capital.

Taxation

- (a) We have calculated income tax expense, current tax liability, deferred tax liability and deferred tax asset according to the definitions of taxable income and allowable deductions. We have calculated and recognised all other applicable taxes according to the relevant tax legislation.
- (b) There are no activities that invoke the anti-avoidance provisions of any applicable tax legislation.

Borrowings

The trustees have not borrowed money on behalf of the superannuation fund with the exception of borrowings which were allowable under the SIS Act and the SIS Regulations.

Related Parties

- (a) The fund has not made any loans to, or provided financial assistance to members of the fund or their relatives.
- (b) No asset has been acquired from a member or related party other than as permitted under the SISA and the SISR.
- (c) Related party transactions and related amounts receivable or payable have been properly disclosed in the financial statements.
- (d) All related party transactions have been conducted on commercial terms as if the transaction was undertaken on an arms length basis in accordance with section 109 of the SIS Act, **AND** those related party transactions do not contravene *practical Compliance Guidelines* issued by the Regulator regarding non arms length Income and non arms length expenditure.

Accounting Misstatement Detected by Audit

There has been no misstatement noted by audit during the course of the current year audit.

Insurance

The superannuation fund has an established procedure whereby an officer reviews at least annually the adequacy of insurance cover on all assets and insurable risks where relevant. This review has been

Legal Matters

We confirm that all matters that may result in legal action against the fund or the trustees in respect of the fund, have been discussed with a solicitor and brought to the attention of the auditor so that a solicitor's representation letter may be obtained.

General

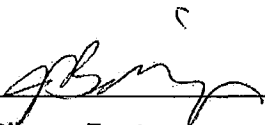
- (a) Neither the superannuation fund nor any Trustees have any plans or intentions that may materially affect the book value or classification of assets and liabilities at balance sheet date.
- (b) The superannuation fund accepts responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error. We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
- (c) There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
- (d) The superannuation fund has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

We understand that your examination was made in accordance with the Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the fund taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

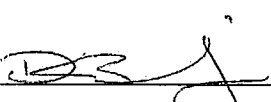
Additional Matters

There are no additional matters.

Signed by James and Deborah Bilney as Trustee for Bilney Super Fund



James Bilney – Trustee



Deborah Bilney - Trustee

Bilney Super Fund

Trustees Declaration

The trustees have 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 trustees:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2021 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2021 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;
- (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 2021.

Signed in accordance with a resolution of the trustees by:


.....
James Jonathan Bilney

Trustee


.....
Deborah Karen Bilney

Trustee

Dated this day of

Bilney Super Fund

Minutes of a meeting of the Trustee(s)

held on / / at 25 Conservatory Circuit, Oakden, South Australia 5086

PRESENT:

James Jonathan Bilney and Deborah Karen Bilney

MINUTES:

The Chair reported that the minutes of the previous meeting had been signed as a true record.

FINANCIAL STATEMENTS OF SUPERANNUATION FUND:

It was resolved that the financial statements would be prepared as special purpose financial statements as, in the opinion of the trustee(s), the Superannuation Fund is a non-reporting entity and therefore is not required to comply with all Australian Accounting Standards.

The Chair tabled the financial statements and notes to the financial statements of the Superannuation Fund in respect of the year ended 30 June 2021 and it was resolved that such statements be and are hereby adopted as tabled.

TRUSTEE'S DECLARATION:

It was resolved that the trustee's declaration of the Superannuation Fund be signed.

ANNUAL RETURN:

Being satisfied that the Fund had complied with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and Regulations during the year ended 30 June 2021, it was resolved that the annual return be approved, signed and lodged with the Australian Taxation Office.

INVESTMENT STRATEGY:

The allocation of the Fund's assets and the Fund's investment performance over the financial year were reviewed and found to be within the acceptable ranges outlined in the investment strategy. After considering the risk, rate of return, diversification and liquidity of the investments and the ability of the Fund to discharge its existing liabilities, it was resolved that the investment strategy continues to reflect the purposes and circumstances of the Fund and its members. Accordingly, no changes in the investment strategy were required.

CONTRIBUTIONS RECEIVED:

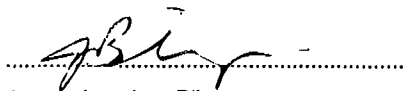
It was resolved that the contributions during the year be allocated to members on the basis of the schedule provided by the principal Fund employer.

CLOSURE:

All resolutions for this meeting were made in accordance with the SISA and Regulations.

There being no further business the meeting then closed.

Signed as a true record –



James Jonathan Bilney

Chairperson

Bilney Super Fund

Projected Investment Strategy

Overview

The aim of this strategy is to provide the Members with an income on retirement.

Investment Objectives

The Trustee(s) will at all times ensure the funds assets are invested in accordance with the trust deed and comply with the applicable legislative requirements.

The Trustee(s) will act prudently to maximise the rate of return, subject to acceptable risk parameters whilst maintaining an appropriate diversification across a broad range of assets whilst assessing the risks where it is determined the fund's portfolio lacks diversification and / or has elected to implement a sector bias.

Having considered the risk profile of the fund and the member's needs and circumstances, the trustee has adopted the following objectives for the investment of assets of the fund;

- to achieve an investment return (based on market values and net of tax and charges) that exceeds the CPI by at least 3% per annum when measured over a rolling 5 year period.
- to have a probability of zero or negative returns in any 12 Month period of less than one in five years; and
- have sufficient liquidity to meet liabilities as and when they fall due.
- to consider the need to hold a policy of insurance for one or more members of the fund.

Investment Strategy

The fund will invest in a portfolio of assets according to market conditions and within the ranges specified below:

Asset Allocation

The targeted asset allocation will be in the following ranges:

<u>Asset Class</u>	<u>Target Range</u>	<u>Benchmark</u>
Australian Shares	1 - 90 %	90 %
International Shares	0 - 0 %	0 %
Cash	0 - 15 %	10 %
Australian Fixed Interest	0 - 0 %	0 %
International Fixed Interest	0 - 0 %	0 %
Mortgages	0 - 0 %	0 %
Direct Property	0 - 0 %	0 %
Listed Property	0 - 0 %	0 %
Other	0 - 0 %	0 %

Quality companies and trusts as supported by research and fundamental analysis will be selected. Direct investments in property, artwork and lease equipment may form part of the strategy provided there is sufficient basis for the decision.

Insurance

The Trustees have considered and consulted Professional Advice where necessary to ensure that all fund members have the correct type and level of insurance. Insurance may be held within or outside the SMSF.

Review and Monitoring

The trustees will monitor and review the fund's investment activities on a regular basis and to communicate with the members should they feel that any change in strategy is necessary in order to achieve the fund's objective.

Date: 01 July 2020

Bilney Super Fund
Projected Investment Strategy


James Jonathan Bilney


Deborah Karen Bilney