

Vestnet Pty Ltd
ABN 17 091 384 431



"Vestnet Pty Ltd " is a CPA Practice.

21 June 2020

The Trustees,
GABOR SUPERANNUATION FUND,
11 Hazeldean Place
KENTHURST NSW 2156

Dear Trustees,

**RE: AUDIT MANAGEMENT LETTER
GABOR SUPERANNUATION FUND**

I wish to advise I have conducted an independent audit of the financial report of GABOR SUPERANNUATION FUND (the Fund) for the year ended 30 June 2019 in order to express an opinion on it.

I have complied with the ethical responsibilities and independence requirements in accordance with the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) as required by the *Superannuation Industry (Supervision) Act 1993* (SISA) and *SIS Regulations* (SISR).

Auditors are encouraged by the Australian Taxation Office (ATO) to issue management letters at the completion of each audit as a means of advising the trustee of any matters noted during the course of the audit.

Audit Procedure

My audit has been conducted in accordance with Australian Auditing Standards. My assurance engagement to report on the fund's compliance with the applicable requirements of SISA and SISR involved performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements.

My audit work comprises of examination of evidence supporting the amounts and other disclosures in the financial report, on a test basis, in order to form an opinion as to whether, in all material respects, the financial report is fairly stated in accordance with the accounting policies described in the notes thereto.

Audit Methodology

My audit team applied Australian Standard on Quality Control 1 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

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My audit work involved examination, again on a test basis, of evidence supporting compliance with requirements of SISA and SISR. 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 SISA and SISR apart from those specified in the audit report.

My audit of the financial report was to evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures and to evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Internal Controls, Materiality & Reasonable Assurance

I have conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

I exercise professional judgment and maintain professional scepticism throughout the audit. My audit work also involved the review and obtain an understanding of internal controls and systems in order to design my audit plan and procedures that are appropriate in the circumstance. Accordingly, my examination may not have identified all the weaknesses that may exist in the Fund.

My audit objective was to obtain, reasonable assurance about whether the financial report as a whole is free from material misstatement and identify and assess the risks, whether due to fraud or error of any material misstatement. I designed and performed audit procedures in response to those risks, and obtained audit evidence that were sufficient and appropriate to provide a basis for my opinion.

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with audited provisions of SISA and SISR may occur and not be detected.

Fund Investments

During the course of my audit, I found that there is a material change related to events or conditions, subsequent to balance date but before finalizing my audit. Due to COVID - 19 significant change in asset values of the fund may occur after the balance date. This potential change in asset value may materially impact the assets of the fund. Due to the rapid and ongoing changes, the extent of any decline cannot be determined at this time.

The aforementioned events may impact on the future income capacity, and the capacity of the fund to meet future obligations. We recommend that Trustees review the investment strategy of the fund in the light of COVID-19.

In conducting my audit, I have not checked liquidity of any of the Fund's assets, the nature or class of investments, nor their suitability to the Fund's investment strategy. If any asset's capital is lost, I will not be responsible for any damages under section 12GF of Australian Securities and Investments Commission Act 2001.

You are responsible for investing the Fund's assets and you should take full care of those investments. It is my duty of care to inform you, if in my opinion, I notice any investments are not recoverable. Please note many investments are complex in nature and I am not trained to analyse each investment, hence you should not entirely rely on my opinion.

I am not required to form an opinion and report to you if the Fund is making or likely to make an economic loss or the Fund's assets are getting damaged or likely to get damaged due to conduct of any other person who you rely for investment decisions or appoint as custodians or investment manager. My audit was limited to this Fund's financial report and not to entities where this Fund invests such custodian services, unrelated trusts and companies, or other similar entities.

Going Concern

My audit procedure included appropriate use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern.

My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

Member Statements

I note the member statements attached to the financial report have not been audited, as this is outside the scope of our audit engagement. Whilst I do complete an audit of the movements in the member account during the financial year being audited, I am unable to provide an opinion as to the accuracy of historical components and eligible service date information that relates to transactions that occurred in prior years.

Conclusion

I advise I have the following matters during the course of my audit which require urgent attention by the trustees to correct.

1 Investments in PM Capital Asian Opportunities Fund (PAF) have their dividends being paid into a bank account which is not one owned by the superannuation fund. Under SIS S65 a fund must not lend money to a related party. These dividends deposited to a personal account and not being reported immediately as a pension payment, leaves the trustees exposed to what could be interpreted as a loan and reportable. Accordingly, it is imperative that the bank details be updated immediately at the share registry.

2 The fund's tax file number has not been stated at the share registry for PAF so unless you attend to this withholding tax may apply. Please attend to this.

3 Guvera Australia Pty Ltd is now under the control of a Liquidator. Please contact the company to ascertain whether a Liquidator's Declaration has been issued.

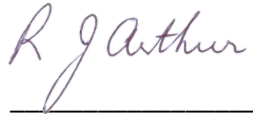
These matters were raised in my management letter to the trustees after the 2018 audit. **I will not sign off on this audit until item 1 above has been corrected and evidence is provided in the form of a report from the share registry.**

I am obliged by Section 129 & 130 of SISA to report any contravention to the ATO and a separate notice under Section 129 to be sent to you with a list of all contraventions reported to the ATO. **There is nothing being reported to the ATO at this stage.**

Please do not ignore the requirement that all investments must be correctly held in the name of the trustees ATF Gabor Superannuation Fund. All income must be deposited into the fund's bank account directly from the share registry.

Should you wish to discuss anything regarding the above, please do not hesitate to contact the undersigned.

Yours faithfully,
Vestnet Pty Ltd

A handwritten signature in cursive script that reads "R J Arthur". The signature is written in a dark ink and is positioned above a horizontal line.

Mrs Roslyn Arthur