
Financial statements and reports for the year ended
30 June 2021

Terzo Superannuation Fund

Terzo Superannuation Fund

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Terzo Superannuation Fund

Detailed Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Investments			
Other Assets	2		
Pool Allocated Silver		222,209.82	167,217.86
Real Estate Properties (Australian - Residential)	3		
7 Normanby Court, Heidelberg West VIC, Australia		807,000.00	80,000.00
Total Investments		<u>1,029,209.82</u>	<u>247,217.86</u>
Other Assets			
Bank Account	4		
Macquarie Cash Management Account		16,431.96	114,278.38
Property Borrowing Cost			
7 Normanby Court, Heidelberg West VIC, Australia		2,418.11	0.00
Income Tax Refundable		1,347.55	0.00
Total Other Assets		<u>20,197.62</u>	<u>114,278.38</u>
Total Assets		<u>1,049,407.44</u>	<u>361,496.24</u>
Less:			
Liabilities			
Income Tax Payable - Prior Years		5,676.25	0.00
Income Tax Payable		0.00	5,417.25
Limited Recourse Borrowings			
7 Normanby Court, Heidelberg West VIC, Australia		640,721.88	0.00
PAYG Payable		1,384.00	0.00
Sundry Creditors		0.00	2,079.00
Total Liabilities		<u>647,782.13</u>	<u>7,496.25</u>
Net assets available to pay benefits		<u>401,625.31</u>	<u>353,999.99</u>
Represented By :			
Liability for accrued benefits allocated to members' accounts	5, 6		
Terzo, Mauro - Accumulation		401,625.31	353,999.99
Total Liability for accrued benefits allocated to members' accounts		<u>401,625.31</u>	<u>353,999.99</u>

Terzo Superannuation Fund

Detailed Operating Statement

For the year ended 30 June 2021

	2021	2020
	\$	\$
Income		
Interest Received		
Macquarie Cash Management Account	27.71	670.96
	<u>27.71</u>	<u>670.96</u>
Contribution Income		
Employer Contributions - Concessional		
Mauro Terzo	0.00	50,000.00
	<u>0.00</u>	<u>50,000.00</u>
Personal Contributions - Concessional		
Mauro Terzo	25,000.00	7,031.98
	<u>25,000.00</u>	<u>7,031.98</u>
Personal Contributions - Non Concessional		
Mauro Terzo	77,721.00	0.00
	<u>77,721.00</u>	<u>0.00</u>
Total Income	<u>102,748.71</u>	<u>57,702.94</u>
Expenses		
Accountancy Fees	6,380.00	1,430.00
ASIC Fees	55.00	54.00
ATO Supervisory Levy	518.00	259.00
Auditor's Remuneration	605.00	649.00
General Expenses	0.00	690.88
	<u>7,558.00</u>	<u>3,082.88</u>
Investment Expenses		
Pool Allocated Silver	976.61	0.00
	<u>976.61</u>	<u>0.00</u>
Member Payments		
Life Insurance Premiums		
Terzo, Mauro - Accumulation (Accumulation)	16,250.61	10,666.98
	<u>16,250.61</u>	<u>10,666.98</u>
Investment Losses		
Unrealised Movements in Market Value		
Other Assets		
Pool Allocated Silver	(54,991.96)	0.00
	<u>(54,991.96)</u>	<u>0.00</u>
Real Estate Properties (Australian - Residential)		
7 Normanby Court, Heidelberg West VIC, Australia	55,250.07	0.00
Normanby Holding Costs	30,043.61	0.00
	<u>85,293.68</u>	<u>0.00</u>
Other Revaluations	0.00	(27,116.54)
	<u>0.00</u>	<u>(27,116.54)</u>
Changes in Market Values	<u>30,301.72</u>	<u>(27,116.54)</u>
Total Expenses	<u>55,086.94</u>	<u>(13,366.68)</u>

Terzo Superannuation Fund

Detailed Operating Statement

For the year ended 30 June 2021

	2021	2020
	\$	\$
Benefits accrued as a result of operations before income tax	<u>47,661.77</u>	<u>71,069.62</u>
Income Tax Expense		
Income Tax Expense	36.45	5,417.25
Total Income Tax	<u>36.45</u>	<u>5,417.25</u>
Benefits accrued as a result of operations	<u>47,625.32</u>	<u>65,652.37</u>

Notes to the Financial Statements

For the year ended 30 June 2021

Note 1: Summary of Significant Accounting Policies

The trustees have prepared the financial statements on the basis that the Superannuation Fund is not a reporting entity because it is not publicly accountable and is not required by law or governing document to prepare financial statements that comply with Australian Accounting Standards. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations, the trust deed of the Fund and the needs of members.

The financial statements have been prepared on a cash basis and are based on historical costs, except for investments which have been measured at market value.

The following significant accounting policies, which are consistent with the policies applied in the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

The financial statements were authorised for issue by the Director(s).

a. Measurement of Investments

The Fund initially recognises:

- (i) an investment when it controls the future economic benefits expected to flow from the asset. For financial assets, the trade date is considered to be the date on which control of the future economic benefits attributable to the asset passes to the Fund; and
- (ii) a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Investments of the Fund have been measured at market value, which refers to the amount that a willing buyer could reasonably be expected to pay to acquire an asset from a willing seller if the following assumptions were made:

- that the buyer and the seller deal with each other at arm's length in relation to the sale;
- that the sale occurred after proper marketing of the asset; and
- that the buyer and the seller acted knowledgeably and prudentially in relation to the sale.

Market value has been determined as follows:

- (i) shares and other securities listed on the Australian Securities Exchange by reference to the relevant market quotations at the end of the reporting period;
- (ii) units in managed funds by reference to the unit redemption price at the end of the reporting period;
- (iii) fixed-interest securities by reference to the redemption price at the end of the reporting period;
- (iv) unlisted investments are stated at trustees' assessment based on estimated market value at balance date or where necessary, an external valuer's opinion; and
- (v) investment properties at the trustees' assessment of the market value or where necessary a qualified independent valuer's opinion at the end of reporting period.

Financial liabilities, such as trade creditors and other payables, are measured at the gross value of the outstanding balance at the end of the reporting period. The trustees have determined that the gross values of the Fund's financial liabilities is equivalent to their market values. Any remeasurement changes in the gross values of non-current financial liabilities (including liabilities for members' accrued benefits) are recognised in the operating statement in the periods in which they occur.

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at call, deposits with banks and short-term, highly liquid investments that are readily convertible to cash and subject to an insignificant risk of change in value.

c. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is recognised at the fair value of the consideration received or receivable.

Notes to the Financial Statements

For the year ended 30 June 2021

Interest revenue

Interest revenue is recognised in respect of fixed-interest securities, and cash and cash equivalent balances. Interest revenue is recognised upon receipt.

Dividend revenue

Dividend revenue is recognised when the dividend has been paid or, in the case of dividend reinvestment schemes, when the dividend is credited to the benefit of the fund.

Rental revenue

Rental revenue arising from operating leases on investment properties is recognised upon receipt.

Distribution revenue

Distributions from unit trusts and managed funds are recognised as at the date the unit value is quoted ex-distribution and if not received at the end of the reporting period, are reflected in the statement of financial position as a receivable at market value.

Remeasurement changes in market values

Remeasurement changes in the market values of assets are recognised as income and determined as the difference between the market value at year-end or consideration received (if sold during the year) and the market value as at the prior year-end or cost (if acquired during the period).

Contributions

Contributions and transfers in are recognised when the control and the benefits from the revenue have been attained and are recorded by the Fund, gross of any taxes, in the period to which they relate.

d. Liability for Accrued Benefits

The liability for accrued benefits represents the Fund's present obligation to pay benefits to members and beneficiaries, and has been calculated as the difference between the carrying amount of the assets and the carrying amount of the other payables and income tax liabilities as at the end of the reporting period.

e. Critical Accounting Estimates and Judgements

The preparation of financial statements requires the trustees to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Note 2: Other Assets

	2021 \$	2020 \$
Pool Allocated Silver	222,209.82	167,217.86
	222,209.82	167,217.86

Note 3: Real Estate Properties (Australian - Residential)

	2021 \$	2020 \$
7 Normanby Court, Heidelberg West VIC, Australia	807,000.00	80,000.00

Notes to the Financial Statements

For the year ended 30 June 2021

	807,000.00	80,000.00
Note 4: Banks and Term Deposits		
	2021	2020
	\$	\$
Banks		
Macquarie Cash Management Account	16,431.96	114,278.38
	<u>16,431.96</u>	<u>114,278.38</u>
Note 5: Liability for Accrued Benefits		
	2021	2020
	\$	\$
Liability for accrued benefits at beginning of year	353,999.99	0.00
Benefits accrued as a result of operations	47,625.32	65,652.37
Current year member movements	0.00	288,347.62
	<u>401,625.31</u>	<u>353,999.99</u>
Note 6: Vested Benefits		
Vested benefits are benefits that are not conditional upon continued membership of the fund (or any factor other than resignation from the plan) and include benefits which members were entitled to receive had they terminated their fund membership as at the end of the reporting period.		
	2021	2020
	\$	\$
Vested Benefits	<u>401,625.31</u>	<u>353,999.99</u>
Note 7: Guaranteed Benefits		
No guarantees have been made in respect of any part of the liability for accrued benefits.		
Note 8: Changes in Market Values		
Unrealised Movements in Market Value		
	2021	2020
	\$	\$
Other Assets		
Pool Allocated Silver	54,991.96	0.00
	<u>54,991.96</u>	<u>0.00</u>
Other Revaluations		
Other Revaluations	0.00	27,116.54

Notes to the Financial Statements

For the year ended 30 June 2021

	0.00	27,116.54
Real Estate Properties (Australian - Residential)		
7 Normanby Court, Heidelberg West VIC, Australia	(55,250.07)	0.00
Normanby Holding Costs	(30,043.61)	0.00
	(85,293.68)	0.00
Total Unrealised Movement	(30,301.72)	27,116.54
Realised Movements in Market Value		
	2021	2020
	\$	\$
Total Realised Movement	0.00	0.00
Changes in Market Values	(30,301.72)	27,116.54
Note 9: Income Tax Expense		
	2021	2020
	\$	\$
The components of tax expense comprise		
Current Tax	36.45	5,417.25
Income Tax Expense	36.45	5,417.25

The prima facie tax on benefits accrued before income tax is reconciled to the income tax as follows:

Prima facie tax payable on benefits accrued before income tax at 15%	7,149.27	0.00
Less:		
Tax effect of:		
Non Taxable Contributions	11,658.15	0.00
Add:		
Tax effect of:		
Decrease in MV of Investments	4,545.26	0.00
Rounding	0.07	0.00
Income Tax on Taxable Income or Loss	36.45	0.00
Less credits:		

Notes to the Financial Statements

For the year ended 30 June 2021

Current Tax or Refund	36.45	0.00
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Terzo Superannuation Fund Trustees Declaration

Terzo Superannuation Fund Pty. Ltd. ACN: 118144755

The directors of the trustee company have determined that the Fund is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the trustee company declare that:

- (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 ended on that date 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.

Specifically, the directors of the trustee company declare that:

- in accordance with s120 of the Superannuation Industry (Supervision) Act 1993, no individual trustee has been or is a disqualified person;
- the Fund has satisfactory title to all assets, all assets are unencumbered and free from charge as prescribed by s50 of the Superannuation Industry (Supervision) Act 1993 and reg13.14 of the Superannuation Industry (Supervision) Regulations 1994; and
- to the knowledge of the directors of the trustee company, there have been no events or transactions subsequent to the balance date which could have a material impact on the Fund. Where such events have occurred, the effect of such events has been accounted and noted in the Fund's financial statements.

Signed in accordance with a resolution of the directors of the trustee company by:



.....
Mauro Terzo
Terzo Superannuation Fund Pty. Ltd.
Director

13 November 2022

Terzo Superannuation Fund Compilation Report

We have compiled the accompanying special purpose financial statements of the Terzo Superannuation Fund which comprise the statement of financial position as at 30 June 2021, the operating statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1 to the financial statements.

The Responsibility of the Trustee(s)

The Trustee(s) of Terzo Superannuation Fund are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the financial reporting framework used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Trustee(s), we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework as described in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110: Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors of the trustee company who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Chin He
Partner, Trident Financial Group Pty Ltd

of

Level 1, 268 Canterbury Road, Surrey Hills, Victoria 3127

Signed:



Dated:

15/11/2022

Terzo Superannuation Fund
Statement of Taxable Income

For the year ended 30 June 2021

	2021
	\$
Benefits accrued as a result of operations	47,661.77
Less	
Non Taxable Contributions	77,721.00
	<u>77,721.00</u>
Add	
Decrease in MV of investments	30,301.72
	<u>30,301.72</u>
SMSF Annual Return Rounding	0.51
	<u>243.00</u>
Taxable Income or Loss	<u>36.45</u>
Income Tax on Taxable Income or Loss	36.45
	<u>36.45</u>
CURRENT TAX OR REFUND	<u>36.45</u>
Supervisory Levy	259.00
Income Tax Instalments Paid	(1,384.00)
	<u>(1,088.55)</u>
AMOUNT DUE OR REFUNDABLE	<u>(1,088.55)</u>

Terzo Superannuation Fund Members Statement

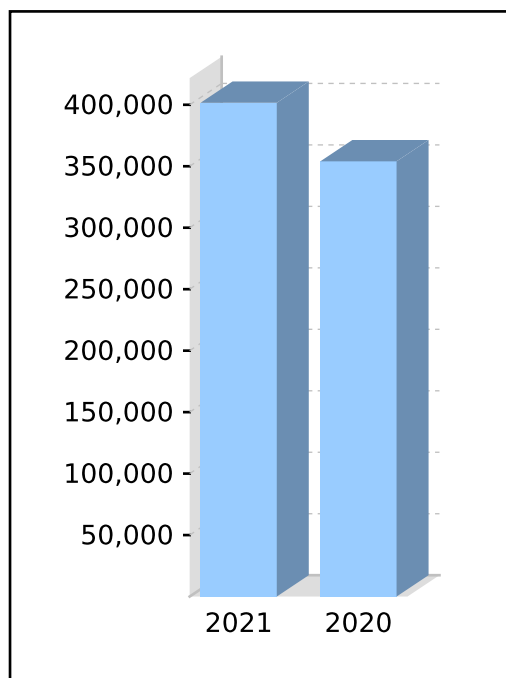
Mauro Terzo
3/16 Hill Court
Macleod, Victoria, 3085, Australia

Your Details

Date of Birth :	Provided	Nominated Beneficiaries:	N/A
Age:	60	Nomination Type:	N/A
Tax File Number:	Provided	Vested Benefits:	401,625.31
Date Joined Fund:	01/07/2019	Total Death Benefit:	401,625.31
Service Period Start Date:	05/02/2003		
Date Left Fund:			
Member Code:	TERMAU00001A		
Account Start Date:	01/07/2019		
Account Phase:	Accumulation Phase		
Account Description:	Accumulation		

Your Balance

Total Benefits	401,625.31
<u>Preservation Components</u>	
Preserved	303,129.29
Unrestricted Non Preserved	98,496.02
Restricted Non Preserved	
<u>Tax Components</u>	
Tax Free	178,391.15
Taxable	223,234.16
Investment Earnings Rate	-8.87%



Your Detailed Account Summary

	This Year	Last Year
Opening balance at 01/07/2020	353,999.99	353,999.99
<u>Increases to Member account during the period</u>		
Employer Contributions		
Personal Contributions (Concessional)	25,000.00	
Personal Contributions (Non Concessional)	77,721.00	
Government Co-Contributions		
Other Contributions		
Proceeds of Insurance Policies		
Transfers In		
Net Earnings	(38,808.62)	
Internal Transfer In		
<u>Decreases to Member account during the period</u>		
Pensions Paid		
Contributions Tax	3,750.00	
Income Tax	(3,713.55)	
No TFN Excess Contributions Tax		
Excess Contributions Tax		
Refund Excess Contributions		
Division 293 Tax		
Insurance Policy Premiums Paid	16,250.61	
Management Fees		
Member Expenses		
Benefits Paid/Transfers Out		
Superannuation Surcharge Tax		
Internal Transfer Out		
Closing balance at 30/06/2021	401,625.31	353,999.99

Terzo Superannuation Fund
Members Statement

Trustee's Disclaimer

This statement has been prepared by the Trustee for the member whose name appears at the top of this statement. Every effort has been made by the Trustee to ensure the accuracy and completeness of this Statement. The Trustee does not accept any liability for any error, omission or misprint. All amounts shown in relation to benefits do not take into account any amounts which may be withheld to satisfy the requirements imposed by the Income Tax Assessment Act 1936.

Signed by all the trustees of the fund



Mauro Terzo
Director

Terzo Superannuation Fund
Members Summary

As at 30 June 2021

Opening Balances	Increases				Decreases					Closing Balance	
	Contributions	Transfers In	Net Earnings	Insurance Proceeds	Pensions Paid	Contributions Tax	Taxes Paid	Benefits Paid/ Transfers Out	Insurance Premiums		Member Expenses
Mauro Terzo (Age: 60)											
TERMAU00001A - Accumulation											
353,999.99	102,721.00		(38,808.62)			3,750.00	(3,713.55)		16,250.61		401,625.31
353,999.99	102,721.00		(38,808.62)			3,750.00	(3,713.55)		16,250.61		401,625.31
353,999.99	102,721.00		(38,808.62)			3,750.00	(3,713.55)		16,250.61		401,625.31

Terzo Superannuation Fund Investment Income Report

As at 30 June 2021

Investment	Total Income	Franked	Unfranked	Interest/ Other	Franking Credits	Foreign Income	Foreign Credits * 1	Assessable Income (Excl. Capital Gains) * 2	TFN Credits	Other Deductions	Distributed Capital Gains	Non-Assessable Payments
Bank Account												
Macquarie Cash Management Account	27.71			27.71	0.00	0.00	0.00	27.71			0.00	0.00
	27.71			27.71	0.00	0.00	0.00	27.71			0.00	0.00
	27.71			27.71	0.00	0.00	0.00	27.71			0.00	0.00

Assessable Income (Excl. Capital Gains) **27.71**

Net Capital Gain **0.00**

Total Assessable Income 27.71

* 1 Includes foreign credits from foreign capital gains.

* 2 Assessable Income in the SMSF Annual Return will be different as capital gains and losses from disposals of assets have not been included.

For a breakdown of Distributed Capital Gains and Non-Assessable Payments refer to Distributions Reconciliation Report.

Terzo Superannuation Fund Investment Summary Report

As at 30 June 2021

Investment	Units	Market Price	Market Value	Average Cost	Accounting Cost	Unrealised Gain/(Loss)	Gain/(Loss)%	Portfolio Weight%
Cash/Bank Accounts								
Macquarie Cash Management Account		16,431.960000	16,431.96	16,431.96	16,431.96			1.57 %
			16,431.96		16,431.96			1.57 %
Other Assets								
POOLASILV Pool Allocated Silver ER	6,465.23	34.370000	222,209.82	34.57	223,528.81	(1,318.99)	(0.59) %	21.25 %
			222,209.82		223,528.81	(1,318.99)	(0.59) %	21.25 %
Real Estate Properties (Australian - Residential)								
7normcrt1 7 Normanby Court, Heidelberg West VIC, Australia	1.00	807,000.000000	807,000.00	862,250.07	862,250.07	(55,250.07)	(6.41) %	77.18 %
NormanbyHol Normanby Holding Costs ding	1.00	0.000000	0.00	30,043.61	30,043.61	(30,043.61)	(100.00) %	0.00 %
			807,000.00		892,293.68	(85,293.68)	(9.56) %	77.18 %
			1,045,641.78		1,132,254.45	(86,612.67)	(7.65) %	100.00 %

SELF-MANAGED SUPERANNUATION FUND INDEPENDENT AUDITOR'S REPORT

Approved SMSF auditor details

Name: Anthony William Boys

Business name: SUPER AUDITS

Business postal address: Box 3376 RUNDLE MALL 5000

SMSF auditor number (SAN): 100014140

Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name: Terzo Superannuation Fund

Australian business number (ABN) or tax file number (TFN): 35 180 154 221

Address: C/- PO Box 165, CANTERBURY VIC 3126

Year of income being audited 1 July 2020 – 30 June 2021

To the SMSF trustee

To the trustee of the Terzo Superannuation Fund



AUDITING
DUE DILIGENCE
FORENSIC ACCOUNTING

Part A: Financial audit

Opinion

I have audited the special purpose financial report of the Terzo Superannuation Fund comprising; the Profit & Loss Statement for the financial year ending 30 June 2021, the Balance Sheet as at 30 June 2021 and the Notes to and forming part of the Accounts for the year ended 30 June 2021 of the Terzo Superannuation Fund for the year ended 30 June 2021.

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 report, the financial position of the fund at 30 June 2021 and the results of its operations for the year then ended.

Basis for Opinion

My audit has been conducted in accordance with Australian Auditing Standards¹. My responsibilities under those standards are further described in the Approved SMSF Auditor's Responsibilities for the Audit of the Financial Report section of this report. I am independent of the SMSF in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to this audit and as required by the Superannuation Industry (Supervision) Regulations 1994 (SISR). I have also fulfilled my other ethical responsibilities in accordance with the Code. In particular, neither myself, my firm or my network firm assumed a management responsibility for the fund. My firm did not prepare the financial statements for the fund but it was only a routine or mechanical service and appropriate safeguards were applied). Where my firm provided any other non-assurance services to the fund, we are satisfied that those services were not prohibited under the Code and any independence threats arising have been eliminated or reduced to an acceptable level by the application of safeguards.

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

Emphasis of Matter - Basis of accounting

I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Terzo Superannuation Fund meet the requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 (SISA) and the SISR. As a result, the financial report may not be suitable for other purposes and should not be distributed to parties other than the trustee. My opinion is not modified in respect of this matter.

¹The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.



Responsibilities of SMSF trustee for the financial report

Each SMSF trustee (individual trustee or director of the corporate 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 SISA and the SISR. Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustee is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustee intend to wind-up the fund, or have no realistic alternative but to do so. The going concern basis of accounting is appropriate when it is reasonably foreseeable that the fund will be able to meet its liabilities as they fall due.

Each SMSF trustee is responsible for overseeing the fund's financial reporting process.

Approved SMSF auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of trustee taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit 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 fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.

- Conclude on the appropriateness of trustees' 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. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. 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.
- 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.

I have communicated with the trustee and or the trustee's authorised representative regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

Part B: Compliance engagement

Opinion

I have undertaken a reasonable assurance engagement on the Terzo Superannuation Fund's compliance, in all material respects, with applicable provisions of the SISA and the SISR as listed below ("the listed provisions") for the year ended 30 June 2021.

Sections: 17A, 34, 35AE, 35B, 35C (2), 35 (D) (1), 52 (2), 62, 65, 66, 67,67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA 13.22 (B and C)

In my opinion, each trustee of the Terzo Superannuation Fund has complied, in all material respects, with the listed provisions, for the year ended 30 June 2021

Basis for Opinion

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

Independence and quality control

I have complied with the independence and other ethical requirements relating to assurance engagements and applied Auditing Standards 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. In particular, neither myself, my firm or my network firm assumed a management responsibility for the fund. Where my firm provided any other non-assurance services to the fund, we are satisfied that those services were not prohibited under the Code and any independence threats arising have been eliminated or reduced to an acceptable level by the application of safeguards.

SMSF trustees' responsibilities

Each SMSF trustee is responsible for complying with the listed provisions and for the identification of risks that threaten compliance with the listed provisions, controls which will mitigate those risks and monitoring ongoing compliance.

Approved SMSF auditor's responsibilities

My responsibility is to express an opinion on the trustees' compliance, in all material respects, with the listed provisions for the year ended 30 June 2021. ASAE 3100 Compliance Engagements requires that I plan and perform my procedures to obtain reasonable assurance about whether the trustee has complied, in all material respects, with the listed provisions for the year ended 30 June 2021.

An assurance engagement to report on the trustees' compliance with the listed provisions involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgement, including the identification and assessment of risks of material non-compliance.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the listed provisions for the year ended 30 June 2021.

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.

Inherent limitations

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 the listed provisions may occur and not be detected.

A reasonable assurance engagement for the year ended 30 June 2021 does not provide assurance on whether compliance with the listed provisions will continue in the future.

SMSF Auditor: A.W. Boys



SMSF Auditor's signature

SMSF Auditor's signature

Date: 11th November 2022

The Trustee
Terzo Superannuation Fund
C/- Trident Financial Group Pty Ltd, PO Box 165
CANTERBURY VIC 3126

A.W. Boys
Box 3376
Rundle Mall 5000
11th November 2022

Dear Trustee,

I have completed the audit of the Terzo Superannuation Fund for the financial year ending 30 June 2021. The Trustee has complied in all material respects with the *Superannuation Industry (Supervision) Act 1993* and Regulations. ***The trustee is obliged to obtain a valuation or market appraisal of the real property asset held by the Fund and report that market value in the financial statements every year pursuant to Regulation 8.02B. Further, the trustee is obliged to comply with LCR 2021/2 pertaining to related party transactions (if any) that must be conducted on commercial terms pursuant to section 109 of the SIS Act, that do incur Non Arms Length Income and or Non Arms Length Expenditure. In addition, the trustee is requested to minute all nonstandard significant events and transactions in the AGM minutes of the Fund, The trustee is requested to minute all nonstandard significant events and transactions in the AGM minutes of the Fund.***

The Trustee is required to maintain the financial records of the Fund for a minimum of five years and the minutes of meetings are to be retained for ten years.

It is recommended that the trustee review their Investment Strategy annually to ensure the strategy meets the objectives of the members having regard to risk, return, liquidity and diversification of investments. Further, the trustee should determine whether the Fund should hold a contract of insurance that provides insurance cover for one or more members of the Fund.

Thank you for your professionalism and full cooperation throughout the audit process.

Should you have any queries regarding any of the above please contact me on 0410 712708.

Yours sincerely



SMSF Auditor's signature

Tony Boys
SMSF Auditor Number (SAN) 100014140
Registered Company Auditor 67793



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

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

Section or Regulation	Explanation
S17A	The fund must meet the definition of an SMSF
S35AE	The trustees must keep and maintain accounting records for a minimum of five years
S35B	The trustees must prepare, sign and retain accounts and statements
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
S62	The fund must be maintained for the sole purpose of providing benefits to any or all of the following: <ul style="list-style-type: none"> • fund members upon their retirement • fund members upon reaching a prescribed age • the dependants of a fund member in the case of the 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 exception) 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 exception)
S67A & 67B	The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules)

S82-85	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
S104	The trustees must keep up to date records of all trustee or director of corporate trustee changes and trustee consents 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
S105	The trustees must ensure that copies of all member or beneficiary reports are kept for a minimum of 10 years
S109	All investment transactions must be made and maintained at arms- length – that is, 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 Schedule 7
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund
Reg 4.09A	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 sponsor
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed out in a permitted fashion
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed

Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited
Reg 8.02B	When preparing accounts and statements required by subsection 35B(1) of SISA, 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