

20 May 2020

The Trustees
Crace & Associates Pty Ltd Superannuation Fund
3 Laura Street
CLEVELAND QLD 4163

Dear John & Gretel,

Audit finalisation report Crace & Associates 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 Fund's two Heritage bank accounts have not been updated to reflect the change in Trustee	The Fund's assets are not held in the correct name	Reg 4.09A	Yes, on 13/05/2020	Yes. Contravention report has advised the breach and noted that it has been corrected.
2	The Fund's BT investment has not been updated to reflect the change in Trustee	The Fund's assets are not held in the correct name	Reg 4.09A	Not at the date of this report	Yes. Contravention amount above reporting threshold.

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, there may be a significant change in asset values of the Fund 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.

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	Arrange for the BT investment to be transferred into the correct name

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 17 June 2020.

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