

30 June 2019

Tony Boys
5A Broadway
Glenelg South, SA 5045

Dear Sir/Madam,

**Representation Letter From the Trustees
DJC Superannuation Fund
Year Ended 30 June 2019**

In connection with your examination of the financial statements of the above Superannuation Fund for the year ended 30 June 2019, the following representations are made which are true to the best of our knowledge and belief.

Legislative Requirements

The fund is being conducted in accordance with the *Superannuation Industry (Supervision) Act 1993*, and the *Superannuation Industry (Supervision) Regulations 1994*, (SIS legislation) in particular the relevant requirements of the following provisions:

Sections: 17A, 35AE, 35B, 35C(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

for the year ended 30 June 2019.

There are no breaches or possible breaches of laws or regulations whose effects should be considered for disclosure in the financial statements and to the Australian Taxation Office.

Governing Rules

The fund has been conducted in accordance with its governing rules at all times during the year and there were no amendments to the same during the financial year except as notified to you.

Sole Purpose

The fund is maintained for the sole or primary purpose of providing benefits to members upon their retirement, ill-health, or their dependants in the case of death prior to retirement.

Trustee Covenants, Trustees and Fund Conduct

- a) The trustees have complied with **all** the Trustee Covenants set out in s52 of the SIS legislation.
- b) If the trustee of the fund is a corporate trustee, we as the directors of the trustee company confirm that all members of the fund are directors of the trustee company and all directors of the trustee company are members of the fund. Further, all representations said to be given by the trustees of the fund are given by us in the capacity as directors of the trustee company.
- c) The trustees are not disqualified persons under s126K of the SIS legislation.
- d) No trustee receives any remuneration from the fund.
- e) There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Accounting Policies

The trustees have determined that the Fund is not a reporting entity for the financial year ended 30 June 2019 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 requirements of the SIS legislation.

We are responsible for the presentation (in the financial statements) of the operating statement / changes in net assets for the period and the presentation of the statement of financial position / statement of net assets at

balance date, in conformity with generally accepted accounting principles and in accordance with the relevant statutory requirements and applicable Accounting Standards.

All the significant accounting policies of the fund are adequately described in Note 1 to the accounts and are consistent with the policies adopted in the previous year.

Books, Records and Minutes

All financial books, records and related data have been accurately maintained and made available to you, including minutes of the trustees' meetings, the Trust Deed and Fund Rules.

We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error. We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial reports, 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.

All accounting records and financial reports have been kept for 5 years, minutes and records of the corporate trustee meetings have been kept for 10 years and trustee declarations in the approved form have been signed and kept for each trustee appointed after 30 June 2007.

Contributions

We confirm that the contributions, if any, received by the fund are within the limits imposed by the legislation, taking into account contributions paid to other superannuation funds.

Investment Strategy

The trustees have formulated and given effect to an investment strategy as perceived by the trustees to be beneficial to the fund in fulfilling its sole objective of providing retirement benefits to its members in accordance with the SIS legislation and the trust deed.

In case the investment strategy has already been formulated and given effect by the trustees in the prior years, the trustees confirm that it has been updated by a resolution of all the members and trustees of the fund. We have provided you with a signed copy of this resolution.

Asset Form

The assets of the fund are being held in a form suitable for the benefit of the members of the fund, and are in conformity with the trust deed and the updated investment strategy perceived by the trustees.

Ownership and Pledging of Assets

- a) The fund has satisfactory title to all assets appearing in the balance sheet. Investments are registered in the name of the Superannuation Fund or in the name of the Trustees of the Superannuation Fund.
- b) In case the investments are registered in the name of the individual trustees or a corporate trustee, the trustees of the fund or the directors of the trustee company confirm that all such investments held by them as appearing on the balance sheet of the fund are held by them in trust for the fund.
- c) No assets of the fund have been pledged to secure liabilities of the fund or of others, or for any other purpose.
- d) All investments, held by the fund or by us in trust for the fund, have not been encumbered during the financial year ending 30 June 2019.

Investments

- a) Investments are carried in the books at cost or market value. Such amounts are considered reasonable in the light of present circumstances. For investments carried at cost, there has not been any significant permanent diminution in value below the amounts as recorded.
- b) There are no commitments, fixed or contingent, for the purchase or sale of long-term investments.
- c) Investment transactions and investments held are in accordance with the investment strategy, which complies with SIS legislation investment restrictions and has been determined with due regard to risk, return, liquidity, diversification and the insurance needs of fund members.
- d) All rental properties (if any) owned by the fund or held by us in trust for the fund have:
 - i. Not been leased to a member or a related party of the fund, unless the property is a business real estate property and therefore excluded from the definition of an In-House Asset.
 - ii. Been rented out on an arm's length basis
- e) In the event that the fund has made investments in assets such as wines or artwork we as the trustees of the fund confirm that:
 - i. The fund has not contravened the sole purpose test and the in-house asset rules of the SIS Legislation in respect of these investments.
 - ii. These investments are not held or displayed at the residence of the members or their relatives and are stored at external premises such that no related party of the fund derives any personal benefit from these investments.
 - iii. These investments are adequately insured against theft, fire or other form of destruction.
 - iv. The investments exist, are properly valued, and have been acquired in accordance with the investment strategy.
- f) In the event that the fund has investments in unlisted related entities (either companies or unit trusts), which exceed 5% of the funds' total assets we confirm, that the related entities:
 - i. Have not lent any monies or rendered any financial assistance to any related party of the fund.
 - ii. Do not have any borrowings or loans.
 - iii. Do not have any investments in any other entity including the standard employer-sponsor of the fund or an associate of theirs.
 - iv. Do not have any assets with an encumbrance or a charge over them.
 - v. Have not acquired any assets from a related party of the fund except business real properties.
 - vi. Have not entered into a binding lease agreement with a related party of the fund unless the lease relates to business real property.
 - vii. Have conducted all transactions on an arm's length basis.
- g) In the event that the fund has investments in a pre 11 August 1999 related unit trust, we confirm the following:
 - i. The investment in the unit trust was made by the super fund prior to 11 August 1999 and was not an in-house asset then.
 - ii. Reinvestment of earnings or additional investments into the unit trust are made by the super fund in accordance with Sections 71D & 71E of the SIS legislation as applicable.

Borrowings

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

Safeguarding Assets

We have considered the importance of safeguarding the assets of the fund, and we confirm we have the following procedures in place to achieve this:

- a) Authorised signatories on bank and investment accounts are regularly reviewed and considered appropriate; and
- b) Tangible assets are, where appropriate, adequately insured and appropriately stored.

Significant Assumptions

We believe that significant assumptions used by us in making accounting estimates are reasonable.

Members and Related Parties

- a) No assets have been acquired from a member or a related party other than as permitted under the SIS legislation.
- b) The fund has **not** lent money to, or given financial assistance to a member or relative of a member.
- c) Related party transactions and related amounts receivable or payable have been properly recorded or disclosed in the financial statements.
- d) In case any of the members of the fund are more than 65 years of age we as the trustees of the fund confirm that the provisions of Regulations 7.04 of the SIS legislation relating to the contribution acceptance standards have not been contravened in view of the members' age.

Subsequent Events

No events or transactions have occurred since 30 June 2019 (other than normal movements in the value of listed shares, managed funds, public unit trusts or property investments), or are pending, which would have a material effect upon the fund's state of affairs at the date, or which are of such significance in relation to the fund's affairs as to require mention in notes to the financial statements in order to ensure they are not misleading as to the state of affairs or its gains or losses or movement in member's funds.

Legal Matters

We confirm you have been advised of all significant legal matters, and that all known actual or possible litigation and claims have been adequately accounted for, and been appropriately disclosed in the financial report.

There have been no communications from the ATO concerning a contravention of SIS legislation which has occurred, is occurring, or is about to occur.

Material Misstatement

We understand and acknowledge that we did not engage the approved SMSF auditor of the superannuation fund for the purpose of detecting fraud or error. We acknowledge that the work undertaken to form an opinion is permeated by judgment, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include the use of testing, the inherent limitations of any internal control structure, the possibility of collusion and the fact that most audit evidence is persuasive rather than conclusive. As a result, the audit can only provide reasonable, not absolute, assurance that the financial report is free of material misstatement.

Risk of Fraud and Procedures for Identifying and Responding to Fraud

The risk that the financial report is materially misstated due to fraud is considered to be low as a result of the following:

- a) The trustees are signatories on all transactions and no other party has the authority to act on behalf of the trustees and
- b) Reconciliations are undertaken by the fund's accountant for both investments held and all bank accounts maintained by the fund.

We have not identified any specific risks of fraud.

As trustees we believe that the procedures in place reduce the risk of fraud, however should fraudulent activity be identified, the trustees would ensure all trustees are aware of the situation and the fund's accountant and approved SMSF auditor would be informed.

We confirm that we have no knowledge of any actual, suspected or alleged fraud affecting the fund.

Going Concern

We confirm we have no knowledge of any events or conditions that would cast significant doubt on the fund's ability to continue as a going concern.

Other

We, the trustees of DJC Superannuation Fund acknowledge that during the course of your audit, it is sometimes necessary for you to request information from third parties including share registries, managed fund and wrap account providers, financial institutions etc to verify information required solely to satisfy your audit function. This information will not be disclosed to any other parties. We further acknowledge that by signing this letter we

consent to your authority to request and directly receive such information which shall remain confidential.

Acknowledgement of Outstanding Matters Letter

We acknowledge that we will be provided with an outstanding matters letter from you stating if any, the outstanding issues, non-compliance with SIS legislation, and the corrected and uncorrected misstatements in the financial report.

We have considered the effect of the uncorrected misstatements (if applicable) in the financial report and confirm that we consider the misstatements to be immaterial both individually and in aggregate to the financial report when taken as a whole.

Yours faithfully,
DJC Superannuation Fund

.....
Christopher Carleton
Director

.....
Terrie Eade
Director