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Financial statements and reports for the year ended  
30 June 2021

Davis Superannuation Fund

# Davis Superannuation Fund

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Davis Superannuation Fund

# Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Investments</b>			
Other Assets	2	100,000.00	0.00
<b>Total Investments</b>		<u>100,000.00</u>	<u>0.00</u>
<b>Other Assets</b>			
Davis Superannuation Fund BT		31,860.07	0.00
<b>Total Other Assets</b>		<u>31,860.07</u>	<u>0.00</u>
<b>Total Assets</b>		<u>131,860.07</u>	<u>0.00</u>
Less:			
<b>Liabilities</b>			
Income Tax Payable		201.15	0.00
Sundry Creditors		518.00	0.00
<b>Total Liabilities</b>		<u>719.15</u>	<u>0.00</u>
<b>Net assets available to pay benefits</b>		<u>131,140.92</u>	<u>0.00</u>
Represented by:			
<b>Liability for accrued benefits allocated to members' accounts</b>	4, 5		
Davis, Glenn - Accumulation		110,965.45	0.00
Davis, Brenda - Accumulation		20,175.47	0.00
<b>Total Liability for accrued benefits allocated to members' accounts</b>		<u>131,140.92</u>	<u>0.00</u>

# Davis Superannuation Fund

## Detailed Statement of Financial Position

As at 30 June 2021

	Note	2021	2020
		\$	\$
<b>Assets</b>			
<b>Investments</b>			
Other Assets	2		
CANNABIS HARVESTING INVESTMENTS PTY LTD		100,000.00	0.00
<b>Total Investments</b>		<u>100,000.00</u>	<u>0.00</u>
<b>Other Assets</b>			
Bank Accounts	3		
Davis Superannuation Fund BT		31,860.07	0.00
<b>Total Other Assets</b>		<u>31,860.07</u>	<u>0.00</u>
<b>Total Assets</b>		<u>131,860.07</u>	<u>0.00</u>
Less:			
<b>Liabilities</b>			
Income Tax Payable		201.15	0.00
Sundry Creditors		518.00	0.00
<b>Total Liabilities</b>		<u>719.15</u>	<u>0.00</u>
<b>Net assets available to pay benefits</b>		<u>131,140.92</u>	<u>0.00</u>
Represented By :			
<b>Liability for accrued benefits allocated to members' accounts</b>	4, 5		
Davis, Glenn - Accumulation		110,965.45	0.00
Davis, Brenda - Accumulation		20,175.47	0.00
<b>Total Liability for accrued benefits allocated to members' accounts</b>		<u>131,140.92</u>	<u>0.00</u>

**Davis Superannuation Fund**  
**Operating Statement**  
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
<b>Income</b>			
<b>Investment Income</b>			
Interest Received		18.97	0.00
Other Investment Income		1,841.10	0.00
Transfers In		130,000.00	0.00
<b>Total Income</b>		<u>131,860.07</u>	<u>0.00</u>
<b>Expenses</b>			
ATO Supervisory Levy		518.00	0.00
		<u>518.00</u>	<u>0.00</u>
<b>Total Expenses</b>		<u>518.00</u>	<u>0.00</u>
<b>Benefits accrued as a result of operations before income tax</b>		<u>131,342.07</u>	<u>0.00</u>
Income Tax Expense	7	201.15	0.00
<b>Benefits accrued as a result of operations</b>		<u>131,140.92</u>	<u>0.00</u>

# Davis Superannuation Fund

## Detailed Operating Statement

For the year ended 30 June 2021

	2021 \$	2020 \$
<b>Income</b>		
Interest Received		
Davis Superannuation Fund BT	18.97	0.00
	<u>18.97</u>	<u>0.00</u>
Other Investment Income		
CANNABIS HARVESTING INVESTMENTS PTY LTD	1,841.10	0.00
	<u>1,841.10</u>	<u>0.00</u>
Transfers In		
Davis, Brenda - Accumulation (Accumulation)	20,000.00	0.00
Davis, Glenn - Accumulation (Accumulation)	110,000.00	0.00
	<u>130,000.00</u>	<u>0.00</u>
<b>Changes in Market Values</b>	<u>0.00</u>	<u>0.00</u>
<b>Total Income</b>	<u>131,860.07</u>	<u>0.00</u>
<b>Expenses</b>		
ATO Supervisory Levy	518.00	0.00
	<u>518.00</u>	<u>0.00</u>
<b>Total Expenses</b>	<u>518.00</u>	<u>0.00</u>
<b>Benefits accrued as a result of operations before income tax</b>	<u>131,342.07</u>	<u>0.00</u>
<b>Income Tax Expense</b>		
Income Tax Expense	201.15	0.00
<b>Total Income Tax</b>	<u>201.15</u>	<u>0.00</u>
<b>Benefits accrued as a result of operations</b>	<u>131,140.92</u>	<u>0.00</u>

Davis Superannuation Fund

Members Statement

Glenn Davis  
5 BRAYDEN WAY  
Kellyville, New South Wales, 2155, Australia

Your Details

Date of Birth :	Provided
Age:	57
Tax File Number:	Provided
Date Joined Fund:	24/08/2020
Service Period Start Date:	24/08/2020
Date Left Fund:	
Member Code:	DAVGLE00001A
Account Start Date	24/08/2020
Account Phase:	Accumulation Phase
Account Description:	Accumulation

Nominated Beneficiaries	N/A
Vested Benefits	110,965.45
Total Death Benefit	110,965.45

Your Balance

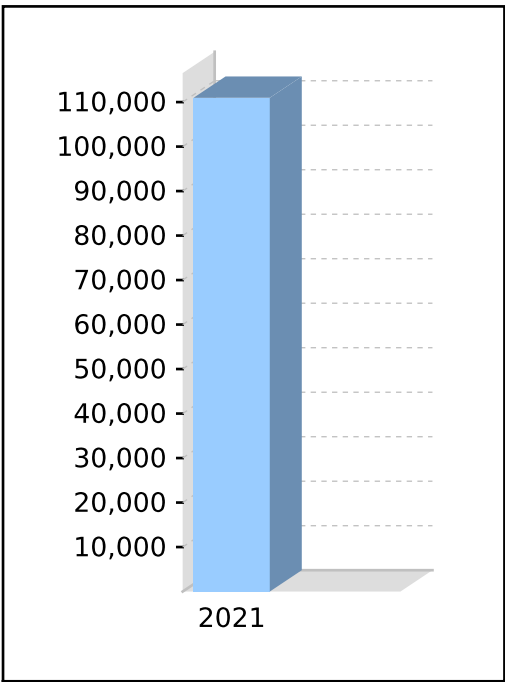
Total Benefits	110,965.45
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Preservation Components

Preserved	110,965.45
Unrestricted Non Preserved	
Restricted Non Preserved	

Tax Components

Tax Free	11,104.69
Taxable	99,860.76



Your Detailed Account Summary

		This Year
Opening balance at	24/08/2020	
<u>Increases to Member account during the period</u>		
Employer Contributions		
Personal Contributions (Concessional)		
Personal Contributions (Non Concessional)		
Government Co-Contributions		
Other Contributions		
Proceeds of Insurance Policies		
Transfers In		110,000.00
Net Earnings		1,135.66
Internal Transfer In		
<u>Decreases to Member account during the period</u>		
Pensions Paid		
Contributions Tax		
Income Tax		170.21
No TFN Excess Contributions Tax		
Excess Contributions Tax		
Refund Excess Contributions		
Division 293 Tax		
Insurance Policy Premiums Paid		
Management Fees		
Member Expenses		
Benefits Paid/Transfers Out		
Superannuation Surcharge Tax		
Internal Transfer Out		
Closing balance at	30/06/2021	110,965.45

# Davis Superannuation Fund

## Members Statement

Brenda Davis  
5 BRAYDEN WAY  
Kellyville, New South Wales, 2155, Australia

### Your Details

Date of Birth : Provided  
Age: 56  
Tax File Number: Provided  
Date Joined Fund: 24/08/2020  
Service Period Start Date: 24/08/2020  
Date Left Fund:  
Member Code: DAVBRE00002A  
Account Start Date: 24/08/2020  
Account Phase: Accumulation Phase  
Account Description: Accumulation

Nominated Beneficiaries N/A  
Vested Benefits 20,175.47  
Total Death Benefit 20,175.47

### Your Balance

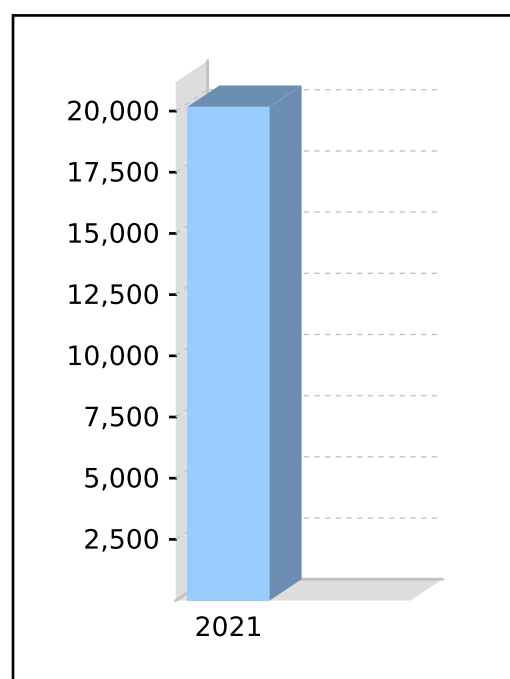
Total Benefits 20,175.47

#### Preservation Components

Preserved 20,175.47  
Unrestricted Non Preserved  
Restricted Non Preserved

#### Tax Components

Tax Free 159.14  
Taxable 20,016.33



### Your Detailed Account Summary

#### This Year

Opening balance at 24/08/2020

Increases to Member account during the period

Employer Contributions  
Personal Contributions (Concessional)  
Personal Contributions (Non Concessional)  
Government Co-Contributions  
Other Contributions  
Proceeds of Insurance Policies  
Transfers In 20,000.00  
Net Earnings 206.41  
Internal Transfer In

Decreases to Member account during the period

Pensions Paid  
Contributions Tax  
Income Tax 30.94  
No TFN Excess Contributions Tax  
Excess Contributions Tax  
Refund Excess Contributions  
Division 293 Tax  
Insurance Policy Premiums Paid  
Management Fees  
Member Expenses  
Benefits Paid/Transfers Out  
Superannuation Surcharge Tax  
Internal Transfer Out

Closing balance at 30/06/2021 20,175.47



# Notes to the Financial Statements

For the year ended 30 June 2021

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## Note 1: Summary of Significant Accounting Policies

The trustees have prepared the financial statements on the basis that the Superannuation Fund is a non-reporting entity because there are no users dependent on general purpose financial statements. 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 Trustee(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 \$
CANNABIS HARVESTING INVESTMENTS PTY LTD	100,000.00	0.00
	<hr/> 100,000.00 <hr/>	<hr/> 0.00 <hr/>

## Note 3: Banks and Term Deposits

	2021 \$	2020 \$
Banks		

## Notes to the Financial Statements

For the year ended 30 June 2021

Davis Superannuation Fund BT	31,860.07	0.00
	<u>31,860.07</u>	<u>0.00</u>

**Note 4: Liability for Accrued Benefits**

	<b>2021</b> \$	<b>2020</b> \$
Liability for accrued benefits at beginning of year	0.00	0.00
Benefits accrued as a result of operations	131,140.92	0.00
Current year member movements	0.00	0.00
Liability for accrued benefits at end of year	<u>131,140.92</u>	<u>0.00</u>

**Note 5: 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.

	<b>2021</b> \$	<b>2020</b> \$
Vested Benefits	<u>131,140.92</u>	<u>0.00</u>

**Note 6: Guaranteed Benefits**

No guarantees have been made in respect of any part of the liability for accrued benefits.

**Note 7: Income Tax Expense**

	<b>2021</b> \$	<b>2020</b> \$
The components of tax expense comprise		
Current Tax	201.15	0.00
Income Tax Expense	<u>201.15</u>	<u>0.00</u>

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%	19,701.31	0.00
Less:		
Tax effect of:		
Non Taxable Transfer In	19,500.00	0.00

Davis Superannuation Fund

Notes to the Financial Statements

For the year ended 30 June 2021

Add:		
Tax effect of:		
Rounding	(0.16)	0.00
Income Tax on Taxable Income or Loss	201.15	0.00
Less credits:		
Current Tax or Refund	201.15	0.00

Davis 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									
Davis Superannuation Fund BT			31,860.070000	31,860.07	31,860.07	31,860.07			24.16 %
				31,860.07		31,860.07		0.00 %	24.16 %
Other Assets									
CHI	CANNABIS HARVESTING INVESTMENTS PTY LTD	100,000.00	1.000000	100,000.00	1.00	100,000.00	0.00	0.00 %	75.84 %
				100,000.00		100,000.00	0.00	0.00 %	75.84 %
				131,860.07		131,860.07	0.00	0.00 %	100.00 %

Davis Superannuation Fund

Investment Performance

As at 30 June 2021

Investment		Opening Value	Purchases / Additions	Sales / Reductions	Closing Value	Realised Market Gain	Unrealised Market Gain	Net Income	Income and Market Gain	Return %
Bank Accounts										
	Davis Superannuation Fund BT	0.00	0.00	0.00	31,860.07	0.00	0.00	18.97	18.97	0.00 %
		0.00	0.00	0.00	31,860.07	0.00	0.00	18.97	18.97	0.00 %
Other Assets										
CHI	CANNABIS HARVESTING INVESTMENTS PTY LTD	0.00	100,000.00	0.00	100,000.00	0.00	0.00	1,841.10	1,841.10	1.84 %
		0.00	100,000.00	0.00	100,000.00	0.00	0.00	1,841.10	1,841.10	1.84 %
		0.00	100,000.00	0.00	131,860.07	0.00	0.00	1,860.07	1,860.07	1.86 %

Davis Superannuation Fund

# Investment Movement Report

As at 30 June 2021

Investment	Opening Balance		Additions		Disposals			Closing Balance		
	Units	Cost	Units	Cost	Units	Cost	Accounting Profit/(Loss)	Units	Cost	Market Value
Bank Accounts										
Davis Superannuation Fund BT				131,860.07		(100,000.00)		31,860.07		31,860.07
				131,860.07		(100,000.00)		31,860.07		31,860.07
Other Assets										
CHI - CANNABIS HARVESTING INVESTMENTS PTY LTD				100,000.00	100,000.00			100,000.00	100,000.00	100,000.00
				100,000.00				100,000.00		100,000.00
				231,860.07		(100,000.00)		131,860.07		131,860.07

## Davis Superannuation Fund

# Trustees Declaration

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The trustees 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 trustees 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 trustees 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 trustees, 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 trustees by:

.....  
Glenn Davis

Trustee

.....  
Brenda Davis

Trustee

21 October 2021



# Davis Superannuation Fund

## Compilation Report

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We have compiled the accompanying special purpose financial statements of the Davis Superannuation Fund which comprise the statement of financial position as at 30/06/2021 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 Davis 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 trustees 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.

Corporation One Pty Ltd

of

Shop 14 458-470 High Street, Penrith, New South Wales 2750

Signed:

Dated: 21/10/2021

## Minutes of a meeting of the Trustee(s)

held on 29 June 2020 at 5 BRAYDEN WAY, Kellyville, New South Wales 2155

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**PRESENT:**

Glenn Davis and Brenda Davis

**MINUTES:**

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

**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.

**ACCEPTANCE OF ROLLOVERS:**

The trustee has ensured that any rollover made to the Fund, meets the requirements of the Fund's deed and does not breach the superannuation laws in relation to:

1. making rollover between Funds; and,
2. breaching the Fund or the member investment strategy.

The trustee has reviewed the rollover and received advice that the rollover is in accordance with the Trust Deed and the rules of the Fund and the superannuation laws. As such the trustee has resolved to accept the rollover on behalf of the member.

**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 –

.....  
Brenda Davis

Chairperson

21/10/2021

To the trustee of the  
Davis Superannuation Fund  
5 BRAYDEN WAY,  
Kellyville  
New South Wales, 2155

Dear Trustee,

### **The Objective and Scope of the Audit**

You have requested that we audit the Davis Superannuation Fund (the Fund):

1. financial report, which comprises the statement of financial position, as at 30/06/2021 and the operating statement for the year then ended and the notes to the financial statements; and
2. compliance during the same period with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR) specified in the approved form auditor's report as issued by the ATO, which are sections 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 109 and 126K of the SISA and regulations 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14 and 13.18AA of the SISR.

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted pursuant to the SISA with the objective of our expressing an opinion on the financial report and the fund's compliance with the specified requirements of the SISA and SISR.

### **The Responsibilities of the Auditor**

We will conduct our financial audit in accordance with Australian Auditing Standards and our compliance engagement in accordance with applicable Standards on Assurance Engagements, issued by the Auditing and Assurance Standards Board (AUASB). These standards require that we comply with relevant ethical requirements relating to audit and assurance engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that you have complied, in all material respects, with the specified requirements of the SISA and SISR.

The annual audit of the financial reports and records of the Fund must be carried out during and after the end of each year of income. In accordance with section 35C of the SISA, we are required to provide to the trustees of the Fund an auditor's report in the approved form within the prescribed time as set out in the SISR, 28 days after the trustees have provided all documents relevant to the preparation of the auditor's report.

### **Financial Audit**

A financial 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. A financial audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report. Due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In making our risk assessments, we consider internal controls relevant to the fund'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 fund's internal controls. However, we expect to provide you with a separate letter concerning any significant deficiencies in the fund's system of accounting and internal controls that come to our attention during the audit of the financial report. This will be in the form of a trustee letter.

### **Compliance Engagement**

A compliance engagement involves performing audit procedures to obtain audit evidence about the fund's compliance with the provisions of the SISA and SISR specified in the ATO's approved form auditor's report.

Our compliance engagement with respect to investments includes determining whether the investments are made for the sole purpose of funding members' retirement, death or disability benefits and whether you have an investment strategy for the fund, which has been reviewed regularly and gives due consideration to risk, return, liquidity, diversification and the insurance needs of members/managers. Our procedures will include testing whether the investments are made for the allowable purposes in accordance with the investment strategy, but not for the purpose of assessing the appropriateness of those investments to the members.

### **The Responsibilities of the Trustees**

We take this opportunity to remind you that it is the responsibility of the trustees to ensure that the fund, at all times, complies with the SISA and SISR as well as any other legislation relevant to the fund. The trustees are also responsible for the preparation and fair presentation of the financial report.

Our auditor's report will explain that the trustees are responsible for the preparation and the fair presentation of the financial report and for determining that the accounting policies used are consistent with the financial reporting requirements of the SMSF's governing rules, comply with the requirements of SISA and SISR and are appropriate to meet the needs of the members. This responsibility includes:

- Establishing and maintaining controls relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error. The system of accounting and internal control should be adequate in ensuring that all transactions are recorded and that the recorded transactions are valid, accurate, authorised, properly classified and promptly recorded, so as to facilitate the preparation of reliable financial information. This responsibility to maintain adequate internal controls also extends to the Fund's compliance with SIS including any Circulars and Guidelines issued by a relevant regulator to the extent applicable. The internal controls should be sufficient to prevent and/or detect material non-compliance with such legislative requirements.
- Selecting and applying appropriate accounting policies.
- Making accounting estimates that are reasonable in the circumstances; and
- Making available to us all the books of the Funds, including any registers and general documents, minutes and other relevant papers of all Trustee meetings and giving us any information, explanations and assistance we require for the purposes of our audit.

Section 35C(2) of SIS requires that Trustees must give to the auditor any document that the auditor requests in writing within 14 days of the request.

As part of our audit process, we will request from the trustees written confirmation concerning representations made to us in connection with the audit.

Our audit report is prepared for the members of the Fund and we disclaim any assumption of responsibility for any reliance on our report, or on the financial report to which it relates, to any person other than the members of the fund, or for any purpose other than that for which it was prepared.

### **Independence**

We confirm that, to the best of our knowledge and belief, the engagement team meets the current independence requirements of the SISA and SISR including APES 110 *Code of Ethics for Professional Accountants* in relation to the audit of the Fund. In conducting our financial audit and compliance engagement, should we become aware that we have contravened the independence requirements, we shall notify you on a timely basis.

### **Report on Matters Identified**

Under section 129 of the SISA, we are required to report to you in writing, if during the course of, or in connection with, our audit, we become aware of any contravention of the SISA or SISR which we believe has occurred, is occurring or may occur. Furthermore, you should be aware that we are also required to notify the Australian Taxation Office (ATO) of certain contraventions of the SISA and SISR that we become aware of during the audit, which meet the tests stipulated by the ATO, irrespective of the materiality of the contravention or action taken by the trustees to rectify the matter. Finally, under section 130, we are required to report to you and the ATO if we believe the financial position of the Fund may be, or may be about to become unsatisfactory.

You should not assume that any matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters, or matters that you should be aware of in meeting your responsibilities. The completed audit report may be provided to you as a signed hard copy or a signed electronic version.

## **Compliance Program**

The conduct of our engagement in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements means that information acquired by us in the course of our engagement is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent. Our audit files may, however, be subject to review as part of the compliance program of a professional accounting body or the ATO. 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 these programs. Should this occur, we will advise you. The same strict confidentiality requirements apply under these programs as apply to us as your auditor.

## **Limitation of Liability**

As a practitioner/firm participating in a scheme approved under the Professional Services Legislation, our liability may be limited under the scheme.

## **Fees**

We look forward to full co-operation with you/your administrator and we trust that you will make available to us whatever records, documentation and other information are requested in connection with our audit.

Our fees, which will be billed as work progresses, are based on the time required by staff members assigned to the engagement plus out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skills required. Our annual audit fee will be revised and agreed upon each year with the Trustee. Any additional services required, that are outside the scope of this engagement, will be billed on a time basis.

If we are required to respond to requests for information from regulators in relation to our engagement as auditor, the Fund will reimburse us at standard billing rates for our professional time and expenses, including reasonable legal fees, incurred in responding to such requests.

**We would appreciate if you could sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our financial audit and compliance engagement of the Fund for the year ended 30/06/2020.**

Yours sincerely

Tony Boys  
100014140

Acknowledged on behalf of the Trustee(s) of the Davis Superannuation Fund by:

(Signed).....  
(dated)        /        /  
Glenn Davis

Trustee

(Signed).....

(dated)        /        /

Brenda Davis

Trustee

21 October 2021

Tony Boys  
Super Audits PO Box 3376  
Rundle Mall, South Australia 5000

Dear Sir/Madam,

**Re: Davis Superannuation Fund  
Trustee Representation Letter**

This representation letter is provided in connection with your audit of the financial report of the Davis Superannuation Fund (the Fund) and the Fund's compliance with the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR), for the year ended 30/06/2021, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with the accounting policies adopted by the Fund and the Fund complied, in all material respects, with the relevant requirements of SISA and SISR.

The Trustees have determined that the Fund is not a reporting entity for the year ended 30/06/2021 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 requirements of the SISA and SISR. We acknowledge our responsibility for ensuring that the financial report is in accordance with the accounting policies as selected by ourselves and requirements of the SISA and SISR, and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations are made to you during your audit.

#### **1. Sole Purpose Test**

The Fund is maintained for the sole purpose of providing benefits for each member on their retirement, death, termination of employment or ill-health.

#### **2. Trustees are not disqualified**

No disqualified person acts as a director of the trustee company/an individual trustee.

#### **3. Fund's Governing Rules, Trustees' Responsibilities and Fund Conduct**

The Fund meets the definition of a self-managed superannuation fund under SISA, including that no member is an employee of another member, unless they are relatives and no trustee/director of the corporate trustee, receives any remuneration for any duties or services performed by the trustee/director in relation to the fund.

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

The Trustees have complied with all aspects of the trustee requirements of the SISA and SISR.

The Trustees are not subject to any contract or obligation which would prevent or hinder the Trustees in properly executing their functions and powers.

The Fund has been conducted in accordance with the SISA, the SISR and the governing rules of the Fund.

The Fund has complied with the requirements of the SISA and SISR specified in the approved form auditor's report as issued by the ATO, which are sections 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104A, 105, 109 and 126K of the SISA and regulations 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14 and 13.18AA of the SISR.

All contributions accepted and benefits paid have been in accordance with the governing rules of the Fund and relevant provisions of the SISA and SISR.

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 *or we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report and the Auditor's/actuary contravention report.*

#### **4. Investment Strategy**

The investment strategy has been determined and reviewed with due regard to risk, including recoverability of investments, return, liquidity, diversity and the insurance needs of Fund members, and the assets of the Fund are in line with this strategy.

#### **5. Accounting Policies**

All the significant accounting policies of the Fund are adequately described in the Financial Report and the Notes attached thereto. These policies are consistent with the policies adopted last year.

#### **6. Fund Books and Records**

All transactions have been recorded in the accounting records and are reflected in the financial report. We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and minutes of all meetings of the Trustees.

We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect error and fraud. 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.

We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Fund and involves the Trustees or others.

In instances where the fund uses a custodian, we confirm we have not been advised of any fraud, non-compliance with laws and regulations or uncorrected misstatements that would affect the financial report of the fund.

Information retention obligations have been complied with, including:

- Accounting records and financial reports are being kept for five (5) years,
- Minutes and records of trustees'/directors of the corporate trustee meetings/decisions are being kept for ten (10) years;
- Records of trustees'/directors of the corporate trustees' changes and trustees' consents are being kept for at least ten (10) years;
- Copies of all member or beneficiary reports are being kept for ten (10) years; and
- Trustee declarations in the approved form have been signed and are being kept for each Trustee appointed after 30 June 2007.

#### **7. Fraud, error and non-compliance**

There have been no:

- a) Frauds, error or non-compliance with laws and regulations involving management or employees who have a significant role in the internal control structure that could have a material effect on the financial report.
- b) Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
- c) Violations or possible violations of laws or regulations whose effects should have been considered for disclosure in the financial report or as a basis for recording an expense.

#### **8. Asset Form and Valuation**

The assets of the Fund are being held in a form suitable for the benefit of the Members of the Fund, and are in accordance with our investment strategy.

Investments are carried in the books at their net market value. Such amounts are considered reasonable in light of present circumstances.

We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.



We have assessed their recoverability and we are comfortable that the fund will be able, if needed, to realise these assets.

There are no commitments, fixed or contingent, for the purchase or sale of long term investments.

## **9. 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:

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

## **10. Significant Assumptions**

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

## **11. Ownership and Pledging of Assets**

The Fund has satisfactory title to all assets appearing in the Statement of Financial Position. All investments are registered in the name of the Fund, where possible, and are in the custody of the respective Trustee.

There are no liens or encumbrances on any assets or benefits and no assets, benefits or interests in the Fund have been pledged or assigned to secure liabilities of others.

All assets of the Fund are held separately from the assets of the members, employers and the Trustees. All assets are acquired, maintained and disposed of on an arm's length basis and appropriate action is taken to protect the assets of the Fund.

## **12. Payment of benefits**

Benefits have been calculated and provided to members in accordance with the provisions of the Fund's governing rules and the relevant legislation.

The Trustee has revalued Member/s benefits to market value just prior to paying out a portion or all of a member's account balance.

## **13. Related Parties**

We have disclosed to you the identity of the Fund's related parties and all related party transactions and relationships. Related party transactions and related amounts receivable have been properly recorded or disclosed in the financial report.

*[Delete this paragraph if not applicable]*

Acquisitions from, loans to, leasing of assets to and investments in related parties have not exceeded the in-house asset restrictions in the SISA at the time of investment, acquisition or at year end.

The Fund has not made any loans or provided financial assistance to members of the Fund or their relatives.

If the Fund owns residential property the members of the Fund or associates or other related parties do not lease, or use the property for personal use.

## **14. Acquisitions from related parties**

No assets have been acquired by the Fund from members or associates or other related parties of the Fund other than those assets specifically exempted by Section 66 of SISA.

## **15. Borrowings**

The Fund has not borrowed money or maintained any borrowings during the period, with the exception of borrowings which were allowable under SISA.

## **16. Subsequent Events**

No events or transactions have occurred since the date of the financial report, or are pending, which would have a significant adverse effect on the Fund's financial position at that date, or which are of such significance in relation to the Fund as to require mention in the notes to the Financial Statements in order to ensure they are not misleading as to the financial position of the Fund or its operations.

## **17. Outstanding Legal Action**

*[Delete this paragraph if not applicable]*

We confirm that 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 the SISA or SISR which has occurred, is occurring or is about to occur.

## **18. Going Concern**

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

## **19. Residency**

The Trustees declare that the Fund was a resident Australian superannuation fund at all times during the year of income.

## **20. Investment Returns**

Investment returns of the Fund have been allocated to members in a manner that is fair and reasonable.

## **21. Insurance**

Where the Fund has taken out a life insurance policy on behalf of a member, the Trustee confirms that the Fund is the beneficial owner.

The Trustee also confirms that the Fund has not purchased a policy over the life of a member, where the purchase is a condition and consequence of a buy-sell agreement the member has entered into with another individual.

## **22. Limiting powers of Trustees**

The Trustees have not entered into a contract or done anything else, that would prevent the Trustees from, or hinder the Trustees in, properly performing or exercising the Trustees' functions and powers.

## **23. Collectables and Personal Use Assets**

If the Trustees own collectables and/or personal use assets these assets are not being used for personal use.

## **24. Uncorrected misstatements**

We believe the effects of those uncorrected financial report misstatements aggregated by the auditor during the audit are immaterial, both individually and in aggregate, to the financial report taken as a whole. A summary of such items is attached.

## **25. Additional Matters**

Include any additional matters relevant to the particular circumstances of the audit, for example:

- The work of an expert has been used; or
- Justification for a change in accounting policy

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

Yours sincerely,  
**For and on behalf of the Trustee(s)**

.....  
Glenn Davis

Trustee  
21 October 2021

.....  
Brenda Davis

Trustee  
21 October 2021