

NAME OF SUPERANNUATION FUND

Date

SMSF Audits
PO Box 2182
MILTON QLD 4064

Dear Sir/Madam

This representation letter is provided in connection with your audit of the financial report of **Name of Superannuation Fund** and the Fund's compliance with the Superannuation Industry (Supervision) Act 1993 ("SISA") and SIS regulations ("SISR"), for the period ended 30 June 2020, 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 the SISA and SISR.

The trustees have determined that the Fund is not a reporting entity for the period ended 30 June 2020 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 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 or as an individual trustee as defined under Section 120 of SISA.

3. Trust deed, trustees' responsibilities and fund conduct

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

The Fund has been conducted in accordance with its constituent trust deed at all times during the year and there were no amendments to the trust deed 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, 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 Australian Taxation Office, which are sections 17A, 35AE, 35B, 35C(2), 52B(2)(d)-52B(2)(e), 62, 65, 66, 67, 67A, 67B, 69-71E, 73-75, 80-85, 103, 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.

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. We have disclosed all instances of non-compliance in the past 5 years.

We understand that by law we must:

- a) Act honestly in all matters concerning the Fund;
- b) Exercise skill, care and diligence in managing the Fund;
- c) Act in the best interests of all the members of the Fund;
- d) Ensure that our money and other assets are kept separate from the money and other assets of the Fund;

- e) Take appropriate action to protect the Fund's assets (for example, have sufficient evidence of the ownership of the Fund assets);
- f) Not enter into any contract, or do anything, that would prevent us from, or hinder us in, properly performing or exercising our functions or powers as a trustee of the Fund;
- g) Allow all members of the Fund to have access to information and documents as required, including details about:
 - (i) The financial situation of the fund;
 - (ii) The investments of the Fund; and
 - (iii) The members' benefit entitlements.

4. Superannuation Industry (Supervision) Act and Regulations

The Fund is being conducted in accordance with the Superannuation Industry (Supervision) Act 1993 and Regulations and relevant prescribed requirements:

- a) The directors of the corporate trustee (if applicable) have been nominated and may only be removed in such manners and circumstances as are allowed in the Trust Deed;
- b) Any vacancy among the directors of the corporate trustee (if applicable) is filled in accordance with the Trust Deed;
- c) The trustee has complied with all the trustee standards set out in the regulations and covenants prescribed by the SISA Section 52 (2);
- d) No director of the corporate trustee (if applicable) is a disqualified person;
- e) The trustee has complied with all the investments standards set out in the SISA and SISR; and
- f) Information retention obligations have been complied with.

There are no breaches or possible breaches of the SIS legislation whose effects should be considered for disclosure in the financial statements or to the Australian Taxation Office other than those discussed and they will appear on the audit report.

5. Investment Strategy

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

Requirements:

- The Investment Strategy has been reviewed on a regular basis, being at least every six months;
- The Investment Strategy has been re-formulated whenever there has been any significant change in the Funds circumstances (including the Fund being placed into pension phase), and
- All investments are made in accordance with the investment strategy of the fund.

6. 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.

We acknowledge as trustees our responsibility for ensuring:

- a) The accuracy of the financial records and the financial statements prepared from them;
- b) That the financial statements are drawn up:
 - i. To present fairly the Fund's financial position as at 30 June 2020 and the results of its operations for the financial year ended on that date;
 - ii. In accordance with the requirements of the Superannuation Industry (Supervision) Act 1993 and its Regulations;
 - iii. To comply with Australian Accounting Standards and other mandatory professional reporting requirements as determined to be appropriate by the trustees for the Fund's reporting obligations; and
 - iv. To comply with the Fund's Trust Deed.

All of the significant accounting policies of the Fund are adequately described in the Notes to the Financial Statements. These policies are consistently applied and are consistent with the policies adopted last year, unless specifically stated in the Notes to the Financial Statements.

7. Fund Books and Records

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. 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 trustees' [or directors of the corporate trustee] meetings [or for sole trustee: decisions] 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.

We understand that the trustee of the fund must notify the Australian Tax Office within 28 days of any changes in:

- i. Trustees, directors of the corporate trustee or members of the fund;
- ii. Fund name;
- iii. Details of the contact person, contact phone and facsimile numbers; and
- iv. The postal address, registered address, or address for service of notices for the fund.

We confirm that we have distributed all required reports and other information to members in the form and including the minimum information as required by the SIS Act at the relevant times specified by the SIS Act. This information has been distributed within the time frame set out in the SIS Act and Regulations.

The trustees are aware of their various responsibilities to the Members and various regulatory bodies.

8. Asset Form and Valuation

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

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

All investments are acquired, maintained and disposed of on an arms' length basis.

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

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

9. 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.

10. Ownership and Pledging of Assets

The Fund has satisfactory title to all assets appearing in the statement of financial position/net assets. All investments are registered in the correct name of the Fund, where possible, and are in the custody of the respective manager/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 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.

Investments are registered in the names of the trustees; and the Fund has satisfactory title to all of the assets appearing in the Statement of Financial Position.

11. Related Parties

Related party transactions and related amounts receivable have been properly recorded or disclosed in the financial report.

All investments have been made with regard to the IHA rules; in particular, the Fund has not lent money of the Fund to, or provided financial assistance to, a member of the Fund or a member's relative (financial assistance means any assistance that improves the financial position of a person directly or indirectly including the provision of credit), borrowed money (or maintained an existing borrowing), nor has it had more than 5% of the Fund's total assets at any time of the year as loans to, or investments in, related parties of the Fund (including trusts) and assets subject to a lease or lease arrangement between the trustee and a member, relative or other related party (these assets are in-house assets).

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

12. Borrowings

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

13. 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.

14. Outstanding Legal Action

The trustees confirm that there is no outstanding legal action or claims against the Fund.

There have been no communications from the Australian Taxation Office concerning a contravention of the SISA or SISR which has occurred, is occurring, or is about to occur.

15. Additional Matters

Members minimum benefit balances are maintained in the Fund until such time as the conditions of release as set out in the Deed are satisfied.

The trustee(s) of the Fund confirm that the Fund members, for whom contributions were received, were gainfully employed, where required, for the required hours per week and the Fund has the members Tax File Number on file.

We understand that we can only pay benefits (pension or lump sums) to members or their beneficiaries when the conditions specified in the law and Fund's governing rules (including its Trust Deed) have been met.

We acknowledge that SMSF Audits is not responsible for the provision of the accounting and taxation functions for our Superannuation Fund. We accept that these roles are all performed by our accountant.

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 the 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.

Declaration

By signing this declaration we acknowledge that we understand our duties and responsibilities as a trustee or director of the corporate trustee of the self-managed superannuation fund named on this declaration for the year ended 30 June 2020. We understand that:

- a) We must ensure this document is retained for at least 5 years or while we remain a trustee or director of the corporate trustee (whichever is longer) and if we fail to do this, penalties may apply; and
- b) We may have to make this document available for inspection by a member of staff of the Australian Taxation Office and if we fail to do so, penalties may apply.

Yours faithfully,

Trustee

Trustee

Date: