

Nardone Investment Superannuation Fund
 BAS RECONCILIATION
 2021-2022

	Jun-21	157498	14318	0	1424	2500	0	15394	5219
Sales	GST on Sal Capital Pur Non Capita		GST on Pur PAYG Insta Wages	PAYG Withholding Tax	NET GST				
Sep-21	114774	10434	11645	9567	8356				
Dec-21	145145	13195	6635	4115	10675				
Mar-22	125004	11364	3580	6841	14625				
Jun-22	168157	15287	18648	6841	3480				
	553080	50280	0	40508	27364	0	0	3305.77	

AS per QB
 Sales GST on Sal Capital Pur Non Capita GST on Pur PAYG Installements

Sep-21	0
Dec-21	0
Mar-22	0
Jun-22	0
	0

SALES GST 50280
 Purchases 40508

49

14229.56
15287
-1057.44

6435.22
18648

25083.22



50

Income tax 551

Date generated	20 June 2023
Overdue	\$0.00
Not yet due	\$0.00
Balance	\$0.00

Transactions

5 results found - from 20 June 2021 to 20 June 2023 sorted by processed date ordered newest to oldest

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
17 Jun 2022	8 Jun 2022	Tax return Companies - Income Tax for the period from 01 Jul 20 to 30 Jun 21		\$0.00	\$0.00
7 Jul 2021	12 Jul 2021	Cheque refund for Income Tax for the period from 01 Jul 19 to 30 Jun 20	\$10,000.00		\$0.00
7 Jul 2021	5 Jul 2021	Repaid EFT refund for Income Tax for the period from 01 Jul 19 to 30 Jun 20		\$10,000.00	\$10,000.00 CR
30 Jun 2021	5 Jul 2021	EFT refund for Income Tax for the period from 01 Jul 19 to 30 Jun 20	\$10,000.00		\$0.00
30 Jun 2021	17 May 2021	Tax return Companies - Income Tax for the period from 01 Jul 19 to 30 Jun 20		\$10,000.00	\$10,000.00 CR

St Giorgio Pty Ltd

51

Transaction Report

July 2021 - June 2022

DATE	TRANSACTION TYPE	ACCOUNT	SPLIT	AMOUNT
Pensions Paid - Maria				
Beginning Balance				
02/07/2021	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
04/08/2021	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
01/09/2021	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
30/09/2021	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
02/11/2021	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
03/12/2021	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
05/01/2022	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
03/02/2022	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.00
04/03/2022	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
05/04/2022	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
16/05/2022	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
02/06/2022	Expense	Pensions Paid - Maria	BOQ - 8119	-5,333.33
Total for Pensions Paid - Maria				A\$ -63,999.63
TOTAL				A\$ -63,999.63



15 June 2023

Reference number: 125084558

The Trustees
NARDONE INVESTMENT SUPERANNUATION FUND
c/o Success Tax Professionals Midland
PO BOX 238
MIDLAND WA 6936

Dear Trustees,

SECTION 295.390 ACTUARY'S CERTIFICATE OF EXEMPT INCOME

This certificate has been prepared for the Trustees of NARDONE INVESTMENT SUPERANNUATION FUND to certify the exempt income proportion in accordance with section 295.390 of the Income Tax Assessment Act ("ITAA") 1997 for the 2021/22 income year.

I hereby certify that the proportion of the applicable income of NARDONE INVESTMENT SUPERANNUATION FUND ("the Fund") for the year ending 30 June 2022 that should be exempt from income tax is: **36.740%**

This exempt income proportion does not apply to income earned on segregated current pension assets and segregated non-current assets.

Further details of my calculation and the information on which it is based are contained in the appendices and covering email. These form part of my report and should be read in their entirety.

- ◆ Appendix A: Information used to calculate the exempt income proportion
- ◆ Appendix B: Fund liabilities
- ◆ Appendix C: Exempt current pension income result and adequacy opinion
- ◆ Appendix D: Apportioning expenses

I confirm that this actuarial certificate has been prepared in accordance with Professional Standard 406 issued by the Institute of Actuaries of Australia and other relevant professional standards and guidance notes.

Yours sincerely,



Doug McBirnie, B.Sc. (Hons), FIAA

53

Appendix A – Information used to calculate the exempt income proportion

Fund data and financials

This certificate has been prepared at the request of, and based on data supplied by, Success Tax Professionals Midland on behalf of the Trustees for the 2021/22 income year. A summary of the data supplied to us for the purpose of calculating the exempt income proportion is provided below:

Name of fund: NARDONE INVESTMENT SUPERANNUATION FUND
Fund ABN: 83020686021
Trustee: ST GIORGIO PTY LTD
Members: (1) Rocco Nardone
 (2) Maria Nardone

	Member 1	Member 2
Date of birth	16 Jan 1954	25 Feb 1959
Value of retirement phase income streams as at 1 Jul 2021	\$1,717,864	\$1,804,577
Value of retirement phase income streams at 1 Jul 2021 excluding liabilities in respect to segregated current pension assets.	\$1,717,864	\$1,804,577

The aggregate operating statement information is:

Assets available at 1 July 2021	\$8,732,475
Plus	
Transfers in from other funds	\$1,030,000
Less	
Pension payments and lump sum withdrawals	\$154,000
Equals	
Balance before income and expenses	\$9,608,475
Preliminary net income	\$1,109,046
Gross assets available at year end (before tax)	\$10,717,522

We understand that the financial information provided to us when applying for this certificate may be unaudited. Should the financial information provided to us change, as a result of audit or otherwise, this may affect the results of our calculations and we recommend you apply for an amended certificate.

54

In addition to relying on the data provided to us, we have made the following assumption when completing this actuarial certificate:

- The transfers in received by the fund during the financial year contained no untaxed element.

The information provided to us indicated that this Fund had disregarded small fund assets, as defined in section 295.387 of the ITAA 1997. The Fund therefore had no segregated current pension assets or segregated non-current assets and could not use the segregated method to claim exempt current pension income during the income year.

Minimum pension standards

Based on the information provided, the Fund contains only accumulation and account-based type income stream benefits (commonly referred to as pensions). These include allocated pensions, market linked pensions, and account-based income streams (including transition to retirement pensions). The Fund contains no other types of income stream benefits such as defined benefits in growth or pension phase.

The Superannuation Industry Supervision (SIS) Regulations for account-based income streams include a requirement for a minimum amount to be paid to the member over the year depending on the member's age, opening account balance date of commencement. Where the minimum pension standards are not met the earnings on the assets supporting that income stream may not be eligible for an exemption from income tax, and the exempt income proportion shown in this certificate may not be correct. It was confirmed upon submission of the data for this report that all assets shown as supporting retirement phase superannuation income streams are eligible for an exemption from income tax by virtue of having met the minimum pension standards for the Income year. We have not checked that this is the case and recommend that the Fund's auditor satisfies him or herself that the relevant standards have been met.

SS

Appendix B – Fund liabilities

Segregated current pension assets

Section 295.385 of the ITAA 1997 defines segregated current pension assets as those assets that are set aside to solely support retirement phase income streams. Assessable income (excluding non-arm's length income and assessable contributions) earned on these assets is exempt from income tax.

Guidance from the Australian Tax Office states that where a fund's only superannuation liabilities are in respect of account-based retirement phase income streams at a particular point in time, the fund's assets are deemed to be segregated current pension assets. The eligible income earned during a period where a fund is 100% in retirement phase is therefore exempt from tax under the segregated method.

However, as long as the fund was not solely in retirement phase for the entire income year, trustee(s) can choose to treat periods of the year where the fund is 100% in retirement phase as unsegregated and therefore claim exempt income solely using the proportionate method. Trustee(s) must choose to claim exempt income in this manner as, if no choice is made, periods which are 100% in retirement phase must claim exempt income under the segregated method.

An exception to the above is where a fund has disregarded small fund assets and is therefore unable to use the segregated method. Disregarded small fund assets are defined under section 295.387 of ITAA 1997 and apply where an SMSF or small-APRA fund have a retirement phase income stream in an income year and at the previous 30 June:

- A member of the fund had a total superannuation balance (including accounts outside that fund) of over \$1.6 million, and
- That member was the recipient of a retirement phase income stream in any fund.

A fund will not have disregarded small fund assets if all fund assets were solely supporting retirement phase interests for the entire income year.

Based on the information provided, our calculations assume that:

- The Fund had disregarded small fund assets for the 2022 income year and therefore had no segregated current pension assets.

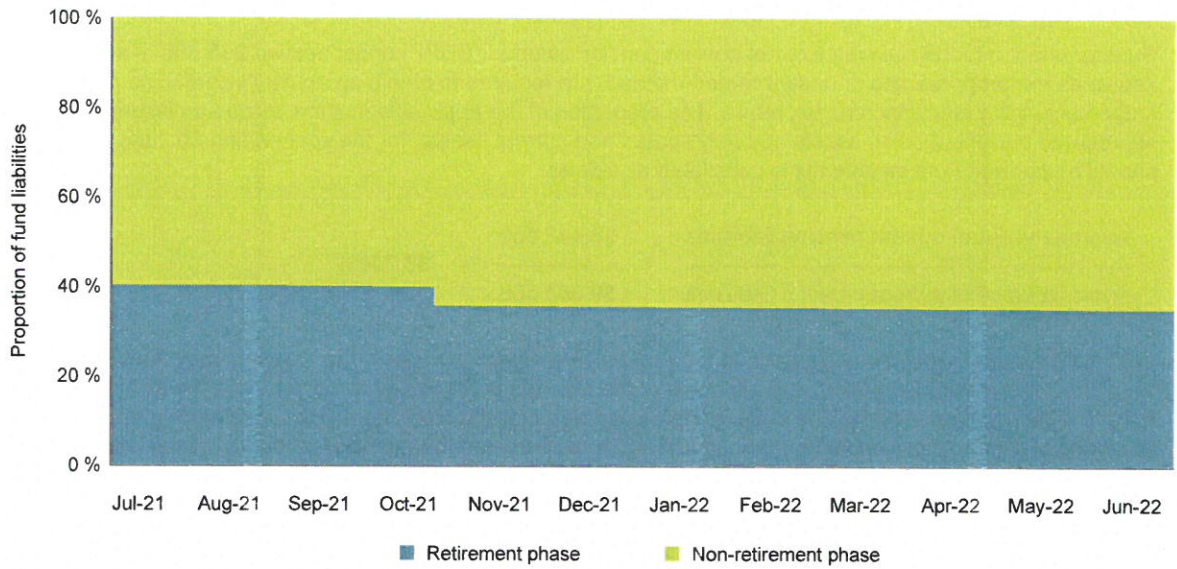
Segregated non-current assets

Segregated non-current assets as defined in section 295.395 of ITAA 1997 are those assets set aside solely to support non-retirement phase superannuation liabilities such as accumulation interests. A separate actuary's certificate is required in order to segregate such assets. We understand that the Fund had no segregated non-current assets during the income year.

56

Illustration of liabilities

The following chart illustrates the Fund's liabilities during the income year:



The green non-retirement phase liabilities represent accumulation interests, reserves and non-retirement phase transition to retirement income streams in the Fund over the income year. The grey unsegregated retirement phase liabilities represent retirement phase income streams that were not segregated current pension assets.

The liabilities shown in grey and green are those that are used to calculate the exempt income proportion. These liabilities are known as 'unsegregated' and eligible income earned on assets supporting these liabilities will claim ECPI based on the exempt income proportion in this actuarial certificate.

59

Appendix C - Exempt income proportion results and adequacy opinion

Exempt income proportion

Superannuation funds claiming exempt current pension income ("ECPI") under section 295.390 of the ITAA 1997, known as the proportionate or unsegregated method, are required to obtain an actuary's certificate prior to lodgement of the fund's income tax return. The proportion of the applicable income, excluding income earned on segregated current pension assets and segregated non-current assets, for the year ending 30 June 2022 that should be exempt from income tax is calculated as follows:

$$\frac{\text{Average value of current pension liabilities}}{\text{Average value of superannuation liabilities}} = \frac{\$3,440,589}{\$9,364,568} = 36.740\%$$

Within the requirements of legislation and the Fund's Trust Deed and Rules, the Trustees may have discretion about how income and expenses are allocated at the member level. We have not checked the terms of the Fund's Trust Deed and Rules. The daily weighted average calculation of the exempt income proportion provides a fair and reasonable method of apportioning these items between the member accounts at year end for income earned on assets that are not segregated assets and is provided below:

	Member 1	Member 2	Fund
Exempt income proportion	17.833%	18.907%	36.740%
Non-exempt income proportion	26.282%	36.978%	63.260%

The above proportions are unlikely to be appropriate for allocating income earned on segregated assets.

Calculating the fund's exempt current pension income for the purpose of your tax return

The exempt income proportion is applied to net ordinary assessable income including net capital gains, but excluding assessable contributions, non-arm's length income and income including capital gains or losses derived from any segregated assets. The Trustee would calculate ECPI as follows:

Total ECPI = Eligible income * Exempt income proportion + Income on segregated current pension assets

Unutilised capital losses (except capital losses on segregated current pension assets) can be carried forward until they can be offset against assessable capital gains.

Adequacy opinion and methodology

By definition, the liabilities of an account-based member interest or reserve at a particular time, in the absence of any unusual terms or guarantees, are equal to the value of the assets backing it. Therefore no specific assumption has been made (or is needed) regarding rates of return on the Fund's assets; pension increases; or the liability calculation discount rate. As such, I am satisfied that the amount of the assets at the end of the year, if accumulated together with the Fund's future earnings and contributions, will provide the amount required to discharge in full the liabilities as they fall due. No recommendation is needed with regard to future contributions.

The average values used in the exempt income proportion are determined using a daily weighted average calculation which takes into account relevant information such as the opening balances of each member account, any reserves, and the size and timing of any member transactions during the income year. Unless otherwise stated, all member transactions including pension commencements and commutations are assumed to occur immediately at the start of each day. More information on the methodology used can be found at <https://portal.accurium.com.au/content/certs/methodology-guide.pdf>



Appendix D - Apportioning expenses

Methods for apportioning expenses

A superannuation fund can generally deduct expenses to the extent they were incurred in producing assessable income. Where an expense can be attributed to solely producing assessable income then it can be deducted from assessable income in its entirety. Where it is solely attributable to non-assessable income it is entirely non-deductible. However, expenses that cannot be attributed to solely producing exempt income or solely producing assessable income need to be apportioned to determine how much can be deducted.

A fair and reasonable approach must be used to determine what proportion of such an expense can be deducted. A common industry approach has used the tax exempt proportion provided in the fund's actuarial certificate to determine an appropriate deductibility proportion as follows:

$$\text{Expense deductibility proportion} = 1 - \text{actuarial exempt income proportion}$$

This generally represents the proportion of fund's total income that is assessable during an income year. It is therefore a fair and reasonable approach to apportioning an expense that relates to the whole fund for that income year.

However, superannuation liabilities supported by segregated current pension assets are excluded from the actuarial exempt income proportion calculation. This includes assets which were deemed to be segregated at a particular time due to the fund only having retirement phase superannuation liabilities at that time.

Where a fund does have segregated current pension assets, the approach above is likely to underestimate the extent to which an expense was incurred in producing exempt income, and therefore overstate the amount that can be reasonably deducted.

For those funds wishing to use the actuarial exempt income proportion as the basis for the deductibility of expenses we have determined below a deductibility proportion that takes into account all fund liabilities over the income year. This may be different to (1 – actuarial exempt income proportion) where the fund has segregated current pension assets and may be a fair and reasonable deductible proportion for expenses which must be apportioned and relate to the whole income year.

Expense deductibility proportion

The following deductible proportion has been determined based on all fund liabilities, including any segregated current pension assets identified in Appendix B, using the same methodology as the exempt income proportion described in Appendix C.

Expense deductibility proportion:	63.260%
-----------------------------------	---------

This is not intended to be tax advice and you should determine whether this deductible proportion is appropriate for this fund and for each relevant fund expense prior to use.

59

NARDONE INVESTMENT SUPERANNUATION FUND

ABN: 83020686021

2022 financial year

Overview

Reference number	125084558
Ordered by	Sunil Adiyodi
Ordered on	15/06/2023 05:24 PM
Order status	Completed

Operating statement

Assets available at 1 Jul 2021	\$8,732,475
Plus	
Transfers in from other funds	\$1,030,000
Less	
Pension payments and lump sum withdrawals	\$154,000
Equals	
Balance before income and expenses	\$9,608,475
Preliminary net income	\$1,109,046
Gross assets available at year end (before tax)	\$10,717,522

Tax exempt income / taxable income proportions

This actuarial certificate is issued in respect of the full financial year. The tax exempt income proportion will apply to the income earned on fund assets which were not segregated assets in the selected financial year.

Tax exempt income proportion	36.740%	
Applies to income earned in the following (unsegregated) periods	From	To
	01/07/2021	30/06/2022

The tax exempt income and taxable income proportions at both member and Fund level are:

	Member 1	Member 2	Fund
Exempt income proportion	17.833%	18.907%	36.740%
Non-exempt income proportion	26.282%	36.978%	63.260%

Expense deductibility proportion

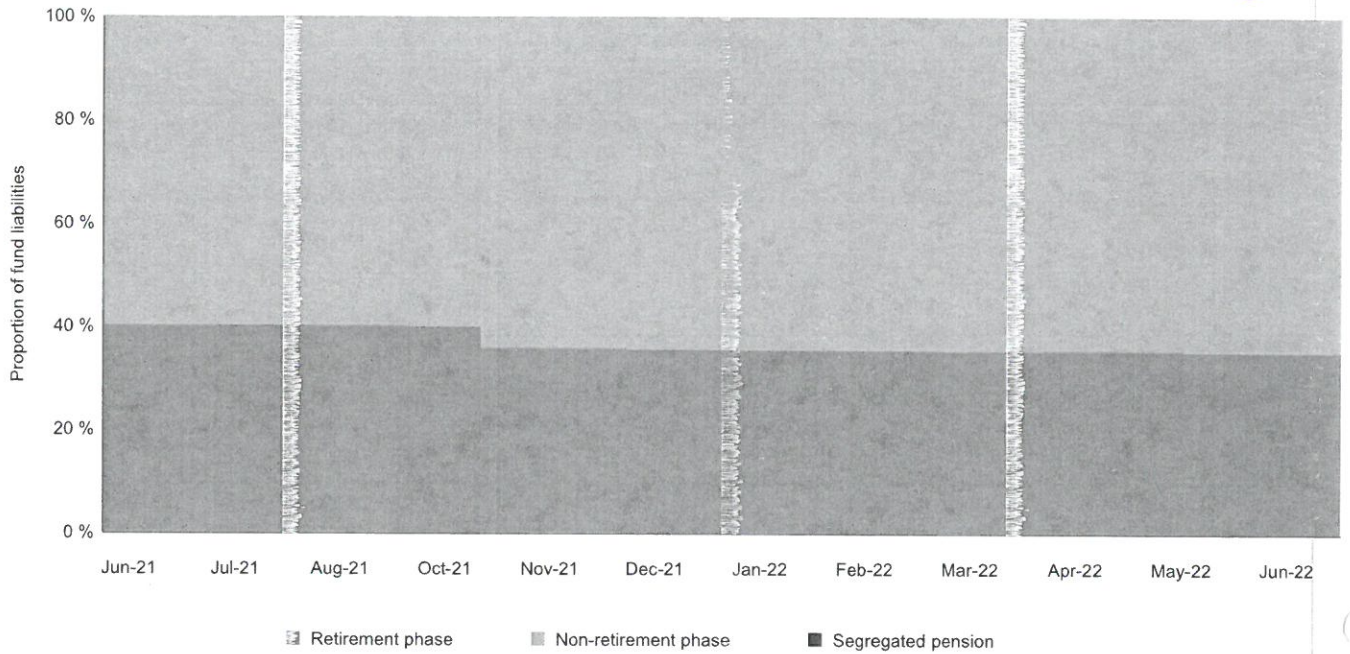
The result below is the proportion of fund liabilities over the financial year supporting non-retirement phase interests. For an expense that can't be attributed to solely producing assessable or exempt income, this proportion may be used to determine how much is deductible.

Expense deductibility proportion: 63.260%

You should determine whether this proportion is fair and reasonable for each relevant fund expense.

60

Illustration of fund liabilities for 2022



Order details

Office details

Success Tax Professionals Midland
50131907232

Postal address

PO BOX 238
MIDLAND WA 6936

Phone number

08 92742844

Email certificate to

sunil@blossomfg.com.au

Additional recipient (optional)

Fund details

Fund name (in full)

NARDONE INVESTMENT SUPERANNUATION FUND

Fund ABN

83020686021

Financial year

2021/22

Number of members

2

Type of trustee

Corporate

Name of trustee

ST GIORGIO PTY LTD

Trustee ABN/ACN

76126046679

Does the Fund have a reserve account?

No Yes

Did the Fund commence in the financial year?

No Yes

Did the Fund wind up in the financial year?

No Yes

Were there any assets which produced non-arm's length income?

No Yes

61

Did the Fund have any TRIS (retirement phase or non-retirement phase) accounts? No Yes

Did the Fund receive any insurance proceeds during the financial year? No Yes

Can you use the segregated method for this Fund in this financial year? No Yes

Fund member details

	Member 1	Member 2
First name	Rocco	Maria
Last name	Nardone	Nardone
Date of birth	16/01/1954	25/02/1959
Joined in year	<input checked="" type="radio"/> No <input type="radio"/> Yes	<input checked="" type="radio"/> No <input type="radio"/> Yes
Exited in year?	<input checked="" type="radio"/> No <input type="radio"/> Yes	<input checked="" type="radio"/> No <input type="radio"/> Yes

Operating statement

Opening balances

	Rocco Nardone	Maria Nardone
Accumulation	\$ 2461161.66	\$ 2748872.56
Account-based pension	\$ 1717864.09	\$ 1804577.01
Total Fund opening balance	\$8,732,475.32	

Internal transfers

Accumulation accounts

Transfers / rollovers in

Date	Rocco Nardone	Maria Nardone
21/10/2021	\$ 0	\$ 1030000
Total	\$0.00	\$1,030,000.00

Account-based pension

Pension payments

Date	Rocco Nardone	Maria Nardone
02/07/2021	\$ 7500	\$ 5333.33
04/08/2021	\$ 7500	\$ 5333.33
01/09/2021	\$ 7500	\$ 5333.33
30/09/2021	\$ 7500	\$ 5333.33
03/11/2021	\$ 7500	\$ 5333.33
03/12/2021	\$ 7500	\$ 5333.33
05/01/2022	\$ 7500	\$ 5333.33
03/02/2022	\$ 7500	\$ 5333.33
04/03/2022	\$ 7500	\$ 5333.33
05/04/2022	\$ 7500	\$ 5333.33
16/05/2022	\$ 7500	\$ 5333.33

02/06/2022

\$ 7500 \$ 5333.33

Total \$90,000.00 \$63,999.96

Closing balance

Closing fund balance
(before income tax)

\$ 10717521.55

Comments

St Giorgio Pty Ltd

Transaction Report

July 2021 - June 2022

63

DATE	TRANSACTION TYPE	MEMO/DESCRIPTION	ACCOUNT	AMOUNT	BALANCE
Pension Payments - Rocco					
Beginning Balance					
02/07/2021	Expense	TFR TO ACCOUNT 023070236 IB2-19865421	Pension Payments - Rocco	-7,500.00	-273,468.36
04/08/2021	Expense	TFR TO ACCOUNT 023070236 IB2-45794361	Pension Payments - Rocco	-7,500.00	-280,968.36
01/09/2021	Expense	TFR TO ACCOUNT 023070236 IB2-21934679	Pension Payments - Rocco	-7,500.00	-288,468.36
30/09/2021	Expense	TFR TO ACCOUNT 023070236 IB2-44852390	Pension Payments - Rocco	-7,500.00	-295,968.36
03/11/2021	Expense	TFR TO ACCOUNT 023070236 IB2-38748381	Pension Payments - Rocco	-7,500.00	-303,468.36
03/12/2021	Expense	TFR TO ACCOUNT 023070236 IB2-25728561	Pension Payments - Rocco	-7,500.00	-310,968.36
05/01/2022	Expense	TFR TO ACCOUNT 023070236 IB2-15571399	Pension Payments - Rocco	-7,500.00	-318,468.36
03/02/2022	Expense	TFR TO ACCOUNT 023070236 IB2-90759118	Pension Payments - Rocco	-7,500.00	-325,968.36
04/03/2022	Expense	TFR TO ACCOUNT 023070236 IB2-25896379	Pension Payments - Rocco	-7,500.00	-333,468.36
05/04/2022	Expense	TFR TO ACCOUNT 023070236 IB2-45560304	Pension Payments - Rocco	-7,500.00	-340,968.36
16/05/2022	Expense	TFR TO ACCOUNT 023070236 IB2-10682713	Pension Payments - Rocco	-7,500.00	-348,468.36
02/06/2022	Expense	TFR TO ACCOUNT 023070236 IB2-52249830	Pension Payments - Rocco	-7,500.00	-355,968.36
Total for Pension Payments - Rocco				A\$ -90,000.00	
TOTAL				A\$ -90,000.00	

