



SUPERFUND - CLIENT ACCOUNTING CHECKLIST

Client Name:	Grimason Superannuation Fund	Period Ended:	30 June 2020
Client Code:	GRIM03	Accountant:	Eddy Lee
Partner/Manager:	MH / JF	DUE DATE:	17/05/2021

GENERAL INDEX	WP Ref	N/A	Completed	Reviewed
Points Carried Forward	1	✓		
Check Engagement Letter for Quote \$	2	✓		
Financial Statements	3		✓	JF
Depreciation Schedule	4	✓		
Income Tax Return	5		✓	JF
Members Annual Statements	6		✓	JF
Client Management Letter	7	✓		
Section 290-170 Notices	8	✓		
Investment Strategy	9	✓		
Minutes	10		✓	JF
Trial Balance	11		✓	JF
Review Notes	12	✓		
Query Sheet	13	✓		
Bank Reconciliations	14		✓	JF
Trust Tax Statements	15	✓		
Dividend Statements	16	✓		
Capital Gains Tax Reports - BGL	17	✓		
End of Period Closing Figures - Cash on Hand, Debtors and Creditors	18		✓	JF
GST - Complete Worksheet - Note Variances	19	✓		
Other Source Documents	20		✓	JF
Tax Reconciliation	21		✓	JF
General Ledger	22		✓	JF
Create Entries Report	23		✓	JF
Tax Agent Portal Reports	24		✓	JF
Market Value of Investments	25	✓		
Actuarial Certificate	26	✓		
Pension Documents	27	✓		
ETP Roll-In Documents	28	✓		
Rental Property Summary	29	✓		
LRBA Documentation	30	✓		
Super Contribution Breakdown Report	31		✓	JF

ADMIN - To Do:

Scan workpapers	✓	Print letter	✓	
PDF copy to file	✓	Client Records?	N	(please circle which)
Payment Slip?	✓	Email / Post	E	(please circle which)

Completed By: Eddy Lee	Date: 23/02/2021
Reviewed By:	Date:

REVIEWED

By Julie at 11:59 am, Feb 23, 2021

Financial statements and reports for the year ended
30 June 2020

Grimason Superannuation Fund

Grimason Superannuation Fund

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Statement of Financial Position

Detailed Statement of Financial Position

Operating Statement

Detailed Operating Statement

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Statement of Taxable Income

Trustees Declaration

Investment Summary with Market Movement

Grimason Superannuation Fund
Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Investments			
Real Estate Properties (Australian - Residential)	2	342,904.55	342,904.55
Total Investments		<u>342,904.55</u>	<u>342,904.55</u>
Other Assets			
Sundry Debtors		0.00	4,823.15
NAB Business Cheque Account 85-904-1665		827.64	1,003.30
Income Tax Refundable		0.00	2,556.75
Deferred Tax Asset		8,736.44	8,286.28
Total Other Assets		<u>9,564.08</u>	<u>16,669.48</u>
Total Assets		<u>352,468.63</u>	<u>359,574.03</u>
Less:			
Liabilities			
Income Tax Payable		990.90	0.00
PAYG Payable		144.00	978.00
Sundry Creditors		805.65	10,448.51
Total Liabilities		<u>1,940.55</u>	<u>11,426.51</u>
Net assets available to pay benefits		<u>350,528.08</u>	<u>348,147.52</u>
Represented by:			
Liability for accrued benefits allocated to members' accounts	3, 4		
Grimason, Anthony James - Accumulation		271,726.42	271,360.95
Grimason, Susan Barbara - Accumulation		78,801.66	76,786.57
Total Liability for accrued benefits allocated to members' accounts		<u>350,528.08</u>	<u>348,147.52</u>

Grimason Superannuation Fund

Detailed Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Investments			
Real Estate Properties (Australian - Residential)	2		
Lot 2 - Improvements		1,951.82	1,951.82
Lot 2 Stretton Drive, Teelah QLD (valuation due 2021 FY)		102,998.18	102,998.18
Lot 33 Gayle Street Oakey Qld (valuation due 2021 FY)		65,000.00	65,000.00
Lot 87 - Improvements		32,496.81	32,496.81
Lot 87 Stretton Drive, Teelah QLD (valuation due 2021 FY)		125,003.19	125,003.19
Plant & Equipment - Lot 87		15,454.55	15,454.55
Total Investments		<u>342,904.55</u>	<u>342,904.55</u>
Other Assets			
Bank Accounts			
NAB Business Cheque Account 85-904-1665		827.64	1,003.30
Sundry Debtors		0.00	4,823.15
Deferred Tax Asset		8,736.44	8,286.28
Income Tax Refundable		0.00	2,556.75
Total Other Assets		<u>9,564.08</u>	<u>16,669.48</u>
Total Assets		<u>352,468.63</u>	<u>359,574.03</u>
Less:			
Liabilities			
Income Tax Payable		990.90	0.00
PAYG Payable		144.00	978.00
Sundry Creditors		805.65	10,448.51
Total Liabilities		<u>1,940.55</u>	<u>11,426.51</u>
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Liability for accrued benefits allocated to members' accounts	3, 4		
Grimason, Anthony James - Accumulation		271,726.42	271,360.95
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Total Liability for accrued benefits allocated to members' accounts		<u>350,528.08</u>	<u>348,147.52</u>

Grimason Superannuation Fund

Operating Statement

For the year ended 30 June 2020

	Note	2020	2019
		\$	\$
Income			
Contribution Income			
Employer Contributions		10,717.93	12,119.83
Total Income		<u>10,717.93</u>	<u>12,119.83</u>
Expenses			
Accountancy Fees		2,453.00	2,387.00
ATO Supervisory Levy		259.00	259.00
Auditor's Remuneration		385.00	385.00
ASIC Fees		54.00	53.00
		<u>3,151.00</u>	<u>3,084.00</u>
Investment Losses			
Changes in Market Values	6	4,501.63	7,132.04
Total Expenses		<u>7,652.63</u>	<u>10,216.04</u>
Benefits accrued as a result of operations before income tax			
		<u>3,065.30</u>	<u>1,903.79</u>
Income Tax Expense	7	684.74	(6,931.03)
Benefits accrued as a result of operations		<u>2,380.56</u>	<u>8,834.82</u>

Grimason Superannuation Fund

Detailed Operating Statement

For the year ended 30 June 2020

	2020	2019
	\$	\$
Income		
Contribution Income		
Employer Contributions - Concessional		
Anthony James Grimason	6,584.85	12,119.83
Susan Barbara Grimason	4,133.08	0.00
	<u>10,717.93</u>	<u>12,119.83</u>
Total Income	<u>10,717.93</u>	<u>12,119.83</u>
Expenses		
Accountancy Fees	2,453.00	2,387.00
ASIC Fees	54.00	53.00
ATO Supervisory Levy	259.00	259.00
Auditor's Remuneration	385.00	385.00
	<u>3,151.00</u>	<u>3,084.00</u>
Investment Losses		
Unrealised Movements in Market Value		
Real Estate Properties (Australian - Residential)		
Lot 2 Stretton Drive, Teelah QLD (valuation due 2021 FY)	1,356.23	1,695.69
Lot 33 Gayle Street Oakey Qld (valuation due 2021 FY)	1,784.76	2,686.59
Lot 87 Stretton Drive, Teelah QLD (valuation due 2021 FY)	1,360.64	2,749.76
	<u>4,501.63</u>	<u>7,132.04</u>
Changes in Market Values	<u>4,501.63</u>	<u>7,132.04</u>
Total Expenses	<u>7,652.63</u>	<u>10,216.04</u>
Benefits accrued as a result of operations before income tax	<u>3,065.30</u>	<u>1,903.79</u>
Income Tax Expense		
Income Tax Expense	684.74	(6,931.03)
Total Income Tax	<u>684.74</u>	<u>(6,931.03)</u>
Benefits accrued as a result of operations	<u>2,380.56</u>	<u>8,834.82</u>

Notes to the Financial Statements

For the year ended 30 June 2020

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 Director(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 2020

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. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax liability balances during the year as well as unused tax losses.

No deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which the trustees expect to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

f. 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.

Grimason Superannuation Fund

Notes to the Financial Statements

For the year ended 30 June 2020

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: Real Estate Properties (Australian - Residential)

	2020 \$	2019 \$
Lot 2 - Improvements	1,951.82	1,951.82
Lot 87 - Improvements	32,496.81	32,496.81
Plant & Equipment - Lot 87	15,454.55	15,454.55
Lot 2 Stretton Drive, Teelah QLD (valuation due 2021 FY)	102,998.18	102,998.18
Lot 33 Gayle Street Oakey Qld (valuation due 2021 FY)	65,000.00	65,000.00
Lot 87 Stretton Drive, Teelah QLD (valuation due 2021 FY)	125,003.19	125,003.19
	342,904.55	342,904.55

Note 3: Liability for Accrued Benefits

	2020 \$	2019 \$
Liability for accrued benefits at beginning of year	348,147.52	339,312.70
Benefits accrued as a result of operations	2,380.56	8,834.82
Current year member movements	0.00	0.00
	350,528.08	348,147.52

Note 4: 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.

	2020 \$	2019 \$
Vested Benefits	350,528.08	348,147.52

Note 5: Guaranteed Benefits

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

Note 6: Changes in Market Values

Unrealised Movements in Market Value

Grimason Superannuation Fund

Notes to the Financial Statements

For the year ended 30 June 2020

	2020 \$	2019 \$
Real Estate Properties (Australian - Residential)		
Lot 2 Stretton Drive, Teelah QLD (valuation due 2021 FY)	(1,356.23)	(1,695.69)
Lot 33 Gayle Street Oakey Qld (valuation due 2021 FY)	(1,784.76)	(2,686.59)
Lot 87 Stretton Drive, Teelah QLD (valuation due 2021 FY)	(1,360.64)	(2,749.76)
	(4,501.63)	(7,132.04)
Total Unrealised Movement	(4,501.63)	(7,132.04)
Realised Movements in Market Value		
	2020 \$	2019 \$
Total Realised Movement	0.00	0.00
Changes in Market Values	(4,501.63)	(7,132.04)
Note 7: Income Tax Expense		
The components of tax expense comprise	2020 \$	2019 \$
Current Tax	1,134.90	1,355.25
Deferred Tax Liability/Asset	(450.16)	(8,286.28)
Income Tax Expense	684.74	(6,931.03)
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%	459.80	285.57
Less:		
Tax effect of:		
Add:		
Tax effect of:		
Decrease in MV of Investments	675.24	1,069.81
Rounding	(0.14)	(0.13)
Income Tax on Taxable Income or Loss	1,134.90	1,355.25

Grimason Superannuation Fund
Notes to the Financial Statements

For the year ended 30 June 2020

Less credits:

Current Tax or Refund	1,134.90	1,355.25
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Grimason Superannuation Fund
Statement of Taxable Income

For the year ended 30 June 2020

	2020
	\$
Benefits accrued as a result of operations	3,065.30
Add	
Decrease in MV of investments	4,501.63
	<hr/> 4,501.63
SMSF Annual Return Rounding	(0.93)
	<hr/> (0.93)
Taxable Income or Loss	<hr/> 7,566.00
Income Tax on Taxable Income or Loss	1,134.90
	<hr/> 1,134.90
CURRENT TAX OR REFUND	<hr/> 1,134.90
Supervisory Levy	259.00
Income Tax Instalments Paid	(144.00)
	<hr/> (144.00)
AMOUNT DUE OR REFUNDABLE	<hr/> 1,249.90

Grimason Superannuation Fund Trustees Declaration

Good Judgement Pty Ltd ACN: 127297787

The directors of the trustee company 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 directors of the trustee company declare that:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2020 present fairly, in all material respects, the financial position of the Superannuation Fund at 30 June 2020 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 2020.

Specifically, the directors of the trustee company 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 directors of the trustee company, 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 directors of the trustee company by:

.....
Anthony James Grimason
Good Judgement Pty Ltd
Director

.....
Susan Barbara Grimason
Good Judgement Pty Ltd
Director

Dated this day of

Grimason Superannuation Fund

Investment Summary with Market Movement

As at 30 June 2020

Investment	Units	Market Price	Market Value	Average Cost	Accounting Cost	Unrealised		Realised Movement
						Overall	Current Year	
Cash/Bank Accounts								
NAB Business Cheque Account 85-904-1665		827.640000	827.64	827.64	827.64			
			827.64		827.64			
Real Estate Properties (Australian - Residential)								
GRIM_LOT2- Lot 2 - Improvements IMPROVEMENT	1.00	1,951.820000	1,951.82	1,951.82	1,951.82	0.00	0.00	0.00
LOT2 Lot 2 Stretton Drive, Teelah QLD (valuation due 2021 FY)	1.00	102,998.180000	102,998.18	131,661.51	131,661.51	(28,663.33)	(1,356.23)	0.00
LOT33 Lot 33 Gayle Street Oakey Qld (valuation due 2021 FY)	1.00	65,000.000000	65,000.00	78,588.96	78,588.96	(13,588.96)	(1,784.76)	0.00
GRIM_LOT8 7- Lot 87 - Improvements IMPROVEMENT	1.00	32,496.810000	32,496.81	32,496.81	32,496.81	0.00	0.00	0.00
LOT87 Lot 87 Stretton Drive, Teelah QLD (valuation due 2021 FY)	1.00	125,003.190000	125,003.19	170,115.32	170,115.32	(45,112.13)	(1,360.64)	0.00
GRIM_PLAN T&EQUIPMENT Lot 87	2.00	7,727.275000	15,454.55	7,727.28	15,454.55	0.00	0.00	0.00
			342,904.55		430,268.97	(87,364.42)	(4,501.63)	0.00
			343,732.19		431,096.61	(87,364.42)	(4,501.63)	0.00

Self-managed superannuation fund annual return **2020**

Who should complete this annual return?

Only self-managed superannuation funds (SMSFs) can complete this annual return. All other funds must complete the *Fund income tax return 2020* (NAT 71287).

- ❗ The *Self-managed superannuation fund annual return instructions 2020* (NAT 71606) (the instructions) can assist you to complete this annual return.
- ⊖ The SMSF annual return cannot be used to notify us of a change in fund membership. You must update fund details via ABR.gov.au or complete the Change of details for superannuation entities form (NAT 3036).

To complete this annual return

- Print clearly, using a BLACK pen only.
- Use BLOCK LETTERS and print one character per box.

S	M	I	T	H		S	T				
---	---	---	---	---	--	---	---	--	--	--	--
- Place in ALL applicable boxes.

- Postal address for annual returns:

Australian Taxation Office
GPO Box 9845
[insert the name and postcode
of your capital city]

For example;

Australian Taxation Office
GPO Box 9845
SYDNEY NSW 2001

Section A: Fund information

1 Tax file number (TFN)

- ❗ The ATO is authorised by law to request your TFN. You are not obliged to quote your TFN but not quoting it could increase the chance of delay or error in processing your annual return. See the Privacy note in the Declaration.

➤ To assist processing, write the fund's TFN at the top of pages 3, 5, 7 and 9.

2 Name of self-managed superannuation fund (SMSF)

3 Australian business number (ABN) (if applicable)

4 Current postal address

Suburb/town

State/territory

Postcode

5 Annual return status

- | | | |
|--|-------------|-----|
| Is this an amendment to the SMSF's 2020 return? | A No | Yes |
| Is this the first required return for a newly registered SMSF? | B No | Yes |

6 SMSF auditor

Auditor's name

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

SMSF Auditor Number

Auditor's phone number

Postal address

Suburb/town

State/territory

Postcode

Date audit was completed **A** Day / Month / YearWas Part A of the audit report qualified? **B** No YesWas Part B of the audit report qualified? **C** No YesIf Part B of the audit report was qualified,
have the reported issues been rectified? **D** No Yes**7 Electronic funds transfer (EFT)**

We need your self-managed super fund's financial institution details to pay any super payments and tax refunds owing to you.

A Fund's financial institution account details

This account is used for super contributions and rollovers. Do not provide a tax agent account here.

Fund BSB number

Fund account number

Fund account name

I would like my tax refunds made to this account. **▶** Go to C.**B Financial institution account details for tax refunds**

This account is used for tax refunds. You can provide a tax agent account here.

BSB number

Account number

Account name

C Electronic service address aliasProvide the electronic service address alias (ESA) issued by your SMSF messaging provider.
(For example, SMSFdataESAAlias). See instructions for more information.

8 Status of SMSF Australian superannuation fund **A** No Yes Fund benefit structure **B** Code
 Does the fund trust deed allow acceptance of the Government's Super Co-contribution and Low Income Super Amounts? **C** No Yes

9 Was the fund wound up during the income year?

No Yes **▶** If yes, provide the date on which the fund was wound up Day / Month / Year **▶** Have all tax lodgment and payment obligations been met? No Yes

10 Exempt current pension income

Did the fund pay retirement phase superannuation income stream benefits to one or more members in the income year?

To claim a tax exemption for current pension income, you must pay at least the minimum benefit payment under the law. Record exempt current pension income at Label **A**.

No **▶** Go to Section B: Income.

Yes **▶** Exempt current pension income amount **A** \$

Which method did you use to calculate your exempt current pension income?

Segregated assets method **B**

Unsegregated assets method **C** **▶** Was an actuarial certificate obtained? **D** Yes

Did the fund have any other income that was assessable?

E Yes **▶** Go to Section B: Income.

No **▶** Choosing 'No' means that you do not have any assessable income, including no-TFN quoted contributions. Go to Section C: Deductions and non-deductible expenses. (Do **not** complete Section B: Income.)

If you are entitled to claim any tax offsets, you can list these at Section D: Income tax calculation statement.

Section B: Income

Do not complete this section if all superannuation interests in the SMSF were supporting superannuation income streams in the retirement phase for the **entire year**, there was **no** other income that was assessable, and you **have not** realised a deferred notional gain. If you are entitled to claim any tax offsets, you can record these at Section D: Income tax calculation statement.

11 Income

Did you have a capital gains tax (CGT) event during the year? **G** No Yes

If the total capital loss or total capital gain is greater than \$10,000 or you elected to use the transitional CGT relief in 2017 and the deferred notional gain has been realised, complete and attach a *Capital gains tax (CGT) schedule 2020*.

Have you applied an exemption or rollover? **M** No Yes

Code

Net capital gain **A** \$

Gross rent and other leasing and hiring income **B** \$

Gross interest **C** \$

Forestry managed investment scheme income **X** \$

Gross foreign income		Loss
D1 \$	Net foreign income	D \$

Australian franking credits from a New Zealand company **E** \$

Transfers from foreign funds **F** \$

Gross payments where ABN not quoted **H** \$

Gross distribution from partnerships **I** \$

*Unfranked dividend amount **J** \$

*Franked dividend amount **K** \$

*Dividend franking credit **L** \$

*Gross trust distributions **M** \$

Calculation of assessable contributions	
Assessable employer contributions	
R1 \$	
plus Assessable personal contributions	
R2 \$	
plus [#] No-TFN-quoted contributions	
R3 \$	
<i>(an amount must be included even if it is zero)</i>	
less Transfer of liability to life insurance company or PST	
R6 \$	

Assessable contributions **R** \$
(**R1** plus **R2** plus **R3** less **R6**)

Calculation of non-arm's length income	
*Net non-arm's length private company dividends	
U1 \$	
plus *Net non-arm's length trust distributions	
U2 \$	
plus *Net other non-arm's length income	
U3 \$	

*Other income **S** \$

*Assessable income due to changed tax status of fund **T** \$

Net non-arm's length income **U** \$
(subject to 45% tax rate)
(**U1** plus **U2** plus **U3**)

#This is a mandatory label.

*If an amount is entered at this label, check the instructions to ensure the correct tax treatment has been applied.

GROSS INCOME **W** \$
(Sum of labels **A** to **U**)

Exempt current pension income **Y** \$

TOTAL ASSESSABLE INCOME **V** \$
(**W** less **Y**)

Section C: Deductions and non-deductible expenses

12 Deductions and non-deductible expenses

- Under 'Deductions' list all expenses and allowances you are entitled to claim a deduction for. Under 'Non-deductible expenses', list all other expenses or normally allowable deductions that you cannot claim as a deduction (for example, all expenses related to exempt current pension income should be recorded in the 'Non-deductible expenses' column).

DEDUCTIONS		NON-DEDUCTIBLE EXPENSES	
Interest expenses within Australia	A1 \$		A2 \$
Interest expenses overseas	B1 \$		B2 \$
Capital works expenditure	D1 \$		D2 \$
Decline in value of depreciating assets	E1 \$		E2 \$
Insurance premiums – members	F1 \$		F2 \$
SMSF auditor fee	H1 \$		H2 \$
Investment expenses	I1 \$		I2 \$
Management and administration expenses	J1 \$		J2 \$
Forestry managed investment scheme expense	U1 \$		U2 \$
Other amounts	L1 \$	Code	L2 \$
Tax losses deducted	M1 \$		

TOTAL DEDUCTIONS
N \$
 (Total **A1** to **M1**)

TOTAL NON-DEDUCTIBLE EXPENSES
Y \$
 (Total **A2** to **L2**)

#TAXABLE INCOME OR LOSS Loss
O \$
(TOTAL ASSESSABLE INCOME less TOTAL DEDUCTIONS)

TOTAL SMSF EXPENSES
Z \$
 (**N plus Y**)

#This is a mandatory label.

Section D: Income tax calculation statement

#Important:

Section B label **R3**, Section C label **O** and Section D labels **A, T1, J, T5** and **I** are mandatory. If you leave these labels blank, you will have specified a zero amount.

13 Calculation statement

Please refer to the *Self-managed superannuation fund annual return instructions 2020* on how to complete the calculation statement.

#Taxable income	A \$	<i>(an amount must be included even if it is zero)</i>
#Tax on taxable income	T1 \$	<i>(an amount must be included even if it is zero)</i>
#Tax on no-TFN-quoted contributions	J \$	<i>(an amount must be included even if it is zero)</i>

Gross tax **B \$**

(T1 plus J)

Foreign income tax offset	
C1 \$	
Rebates and tax offsets	Non-refundable non-carry forward tax offsets
C2 \$	C \$
	<i>(C1 plus C2)</i>

SUBTOTAL 1

T2 \$

(B less C – cannot be less than zero)

Early stage venture capital limited partnership tax offset	
D1 \$	
Early stage venture capital limited partnership tax offset carried forward from previous year	Non-refundable carry forward tax offsets
D2 \$	D \$
Early stage investor tax offset	<i>(D1 plus D2 plus D3 plus D4)</i>
D3 \$	
Early stage investor tax offset carried forward from previous year	SUBTOTAL 2
D4 \$	T3 \$
	<i>(T2 less D – cannot be less than zero)</i>

Complying fund's franking credits tax offset	
E1 \$	
No-TFN tax offset	
E2 \$	
National rental affordability scheme tax offset	
E3 \$	
Exploration credit tax offset	Refundable tax offsets
E4 \$	E \$
	<i>(E1 plus E2 plus E3 plus E4)</i>

#TAX PAYABLE **T5 \$**

(T3 less E – cannot be less than zero)

Section 102AAM interest charge

G \$

Credit for interest on early payments – amount of interest	
H1 \$	
Credit for tax withheld – foreign resident withholding (excluding capital gains)	
H2 \$	
Credit for tax withheld – where ABN or TFN not quoted (non-individual)	
H3 \$	
Credit for TFN amounts withheld from payments from closely held trusts	
H5 \$	
Credit for interest on no-TFN tax offset	
H6 \$	
Credit for foreign resident capital gains withholding amounts	
H8 \$	
	Eligible credits
	H \$
	(H1 plus H2 plus H3 plus H5 plus H6 plus H8)

#Tax offset refunds (Remainder of refundable tax offsets)	I \$	<i>(unused amount from label E – an amount must be included even if it is zero)</i>
--	-------------	---

PAYG instalments raised

K \$

Supervisory levy

L \$

Supervisory levy adjustment for wound up funds

M \$

Supervisory levy adjustment for new funds

N \$

AMOUNT DUE OR REFUNDABLE A positive amount at S is what you owe, while a negative amount is refundable to you.	S \$	<i>(T5 plus G less H less I less K plus L less M plus N)</i>
---	-------------	--

#This is a mandatory label.

Section E: Losses**14 Losses**

! If total loss is greater than \$100,000, complete and attach a Losses schedule 2020.

Tax losses carried forward to later income years **U \$**
 Net capital losses carried forward to later income years **V \$**

Section F: Member information

MEMBER 1

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

Member's TFN

See the Privacy note in the Declaration.

Date of birth / /

Contributions

OPENING ACCOUNT BALANCE \$

I Refer to instructions for completing these labels.

Employer contributions

A \$

ABN of principal employer

A1

Personal contributions

B \$

CGT small business retirement exemption

C \$

CGT small business 15-year exemption amount

D \$

Personal injury election

E \$

Spouse and child contributions

F \$

Other third party contributions

G \$

Proceeds from primary residence disposal

H \$

Receipt date / /

H1

Assessable foreign superannuation fund amount

I \$

Non-assessable foreign superannuation fund amount

J \$

Transfer from reserve: assessable amount

K \$

Transfer from reserve: non-assessable amount

L \$

Contributions from non-complying funds and previously non-complying funds

T \$

Any other contributions (including Super Co-contributions and Low Income Super Amounts)

M \$

TOTAL CONTRIBUTIONS N \$

(Sum of labels **A** to **M**)

Other transactions

Allocated earnings or losses **O** \$

Loss

Accumulation phase account balance

S1 \$

Retirement phase account balance – Non CDBIS

S2 \$

Retirement phase account balance – CDBIS

S3 \$

Inward rollovers and transfers **P** \$

Outward rollovers and transfers **Q** \$

Lump Sum payments **R1** \$

Income stream payments **R2** \$

Code

Code

TRIS Count

CLOSING ACCOUNT BALANCE S \$

(**S1** plus **S2** plus **S3**)

Accumulation phase value **X1** \$

Retirement phase value **X2** \$

Outstanding limited recourse borrowing arrangement amount **Y** \$

MEMBER 2

Title: Mr Mrs Miss Ms Other
 Family name

First given name Other given names

Member's TFN

See the Privacy note in the Declaration.

Date of birth Day / Month / Year

Contributions

OPENING ACCOUNT BALANCE \$

I Refer to instructions for completing these labels.

Employer contributions

A \$

ABN of principal employer

A1

Personal contributions

B \$

CGT small business retirement exemption

C \$

CGT small business 15-year exemption amount

D \$

Personal injury election

E \$

Spouse and child contributions

F \$

Other third party contributions

G \$

Proceeds from primary residence disposal

H \$

Receipt date Day / Month / Year

H1

Assessable foreign superannuation fund amount

I \$

Non-assessable foreign superannuation fund amount

J

Transfer from reserve: assessable amount

K \$

Transfer from reserve: non-assessable amount

L \$

Contributions from non-complying funds and previously non-complying funds

T \$

Any other contributions (including Super Co-contributions and Low Income Super Amounts)

M \$

TOTAL CONTRIBUTIONS N \$

(Sum of labels **A** to **M**)

Other transactions

Allocated earnings or losses **O** \$

Loss

Accumulation phase account balance

S1 \$

Retirement phase account balance – Non CDBIS

S2 \$

Retirement phase account balance – CDBIS

S3 \$

TRIS Count

Inward rollovers and transfers **P** \$

Outward rollovers and transfers **Q** \$

Lump Sum payments **R1** \$

Income stream payments **R2** \$

Code

Code

CLOSING ACCOUNT BALANCE S \$

(**S1** plus **S2** plus **S3**)

Accumulation phase value **X1** \$

Retirement phase value **X2** \$

Outstanding limited recourse borrowing arrangement amount **Y** \$

Sensitive (when completed)

Section H: Assets and liabilities

15 ASSETS

15a Australian managed investments

Listed trusts **A** \$

Unlisted trusts **B** \$

Insurance policy **C** \$

Other managed investments **D** \$

15b Australian direct investments

<p>Limited recourse borrowing arrangements</p> <p>Australian residential real property J1 \$</p> <p>Australian non-residential real property J2 \$</p> <p>Overseas real property J3 \$</p> <p>Australian shares J4 \$</p> <p>Overseas shares J5 \$</p> <p>Other J6 \$</p> <p>Property count J7 \$</p>	<p>Cash and term deposits E \$</p> <p>Debt securities F \$</p> <p style="margin-left: 100px;">Loans G \$</p> <p>Listed shares H \$</p> <p>Unlisted shares I \$</p> <p style="text-align: center;">Limited recourse borrowing arrangements J \$</p> <p style="margin-left: 100px;">Non-residential real property K \$</p> <p style="margin-left: 100px;">Residential real property L \$</p> <p style="margin-left: 100px;">Collectables and personal use assets M \$</p> <p style="margin-left: 100px;">Other assets O \$</p>
---	---

15c Other investments

Crypto-Currency **N** \$

15d Overseas direct investments

Overseas shares **P** \$

Overseas non-residential real property **Q** \$

Overseas residential real property **R** \$

Overseas managed investments **S** \$

Other overseas assets **T** \$

<p>TOTAL AUSTRALIAN AND OVERSEAS ASSETS U \$</p> <p><small>(Sum of labels A to T)</small></p>

15e In-house assets

Did the fund have a loan to, lease to or investment in, related parties (known as in-house assets) at the end of the income year?

A No Yes **B** \$

15f Limited recourse borrowing arrangements

If the fund had an LRBA were the LRBA borrowings from a licensed financial institution? **A** No Yes

Did the members or related parties of the fund use personal guarantees or other security for the LRBA? **B** No Yes

16 LIABILITIES

Borrowings for limited recourse borrowing arrangements

V1 \$

Permissible temporary borrowings

V2 \$

Other borrowings

V3 \$

Borrowings **V \$**

Total member closing account balances (total of all **CLOSING ACCOUNT BALANCES** from Sections F and G) **W \$**

Reserve accounts **X \$**

Other liabilities **Y \$**

TOTAL LIABILITIES Z \$

Section I: Taxation of financial arrangements**17 Taxation of financial arrangements (TOFA)**

Total TOFA gains **H \$**

Total TOFA losses **I \$**

Section J: Other information**Family trust election status**

If the trust or fund has made, or is making, a family trust election, write the four-digit **income year specified** of the election (for example, for the 2019-20 income year, write **2020**). **A**

If revoking or varying a family trust election, print **R** for revoke or print **V** for variation, and complete and attach the *Family trust election, revocation or variation 2020*. **B**

Interposed entity election status

If the trust or fund has an existing election, write the earliest income year specified. If the trust or fund is making one or more elections this year, write the earliest income year being specified and complete an *Interposed entity election or revocation 2020* for each election. **C**

If revoking an interposed entity election, print **R**, and complete and attach the *Interposed entity election or revocation 2020*. **D**

Section K: Declarations

 Penalties may be imposed for false or misleading information in addition to penalties relating to any tax shortfalls.

Important

Before making this declaration check to ensure that all income has been disclosed and the annual return, all attached schedules and any additional documents are true and correct in every detail. If you leave labels blank, you will have specified a zero amount or the label was not applicable to you. If you are in doubt about any aspect of the annual return, place all the facts before the ATO.

Privacy

The ATO is authorised by the **Taxation Administration Act 1953** to request the provision of tax file numbers (TFNs). We will use the TFN to identify the entity in our records. It is not an offence not to provide the TFN. However if you do not provide the TFN, the processing of this form may be delayed.

Taxation law authorises the ATO to collect information and disclose it to other government agencies. For information about your privacy go to ato.gov.au/privacy

TRUSTEE'S OR DIRECTOR'S DECLARATION:

I declare that, the current trustees and directors have authorised this annual return and it is documented as such in the SMSF's records. I have received a copy of the audit report and are aware of any matters raised therein. The information on this annual return, including any attached schedules and additional documentation is true and correct.

Authorised trustee's, director's or public officer's signature

Date Day / Month / Year

Preferred trustee or director contact details:

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

Phone number

Email address

Non-individual trustee name (if applicable)

ABN of non-individual trustee

Time taken to prepare and complete this annual return

Hrs

 The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this annual return to maintain the integrity of the register. For further information, refer to the instructions.

TAX AGENT'S DECLARATION:

I declare that the Self-managed superannuation fund annual return 2020 has been prepared in accordance with information provided by the trustees, that the trustees have given me a declaration stating that the information provided to me is true and correct, and that the trustees have authorised me to lodge this annual return.

Tax agent's signature

Date Day / Month / Year

Tax agent's contact details

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

Tax agent's practice

Tax agent's phone number

Reference number

Tax agent number

Grimason Superannuation Fund

Members Statement

Anthony James Grimason
 PO Box 384
 Kallangur, Queensland, 4503, Australia

Your Details

		Nominated Beneficiaries	N/A
Date of Birth :	25/06/1956	Vested Benefits	271,726.42
Age:	64	Total Death Benefit	271,726.42
Tax File Number:	Provided	Current Salary	0.00
Date Joined Fund:	13/12/2007	Previous Salary	0.00
Service Period Start Date:	01/07/1979	Disability Benefit	0.00
Date Left Fund:			
Member Code:	GRIANT00002A		
Account Start Date	13/12/2007		
Account Phase:	Accumulation Phase		
Account Description:	Accumulation		

Your Balance

Total Benefits	271,726.42
<u>Preservation Components</u>	
Preserved	271,726.42
Unrestricted Non Preserved	
Restricted Non Preserved	
<u>Tax Components</u>	
Tax Free	42,755.62
Taxable	228,970.80

Your Detailed Account Summary

	This Year	Last Year
Opening balance at 01/07/2019	271,360.95	262,195.31
<u>Increases to Member account during the period</u>		
Employer Contributions	6,584.85	12,119.83
Personal Contributions (Concessional)		
Personal Contributions (Non Concessional)		
Government Co-Contributions		
Other Contributions		
Proceeds of Insurance Policies		
Transfers In		
Net Earnings	(5,949.15)	(7,912.32)
Internal Transfer In		
<u>Decreases to Member account during the period</u>		
Pensions Paid		
Contributions Tax	987.73	1,817.97
Income Tax	(717.50)	(6,776.10)
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 30/06/2020	271,726.42	271,360.95

Grimason Superannuation Fund
Members Statement

Trustee's Disclaimer

This statement has been prepared by the Trustee for the member whose name appears at the top of this statement. Every effort has been made by the Trustee to ensure the accuracy and completeness of this Statement. The Trustee does not accept any liability for any error, omission or misprint. All amounts shown in relation to benefits do not take into account any amounts which may be withheld to satisfy the requirements imposed by the Income Tax Assessment Act 1936.

Signed by all the trustees of the fund

Anthony James Grimason
Director

Susan Barbara Grimason
Director

Grimason Superannuation Fund

Members Statement

Susan Barbara Grimason
 PO Box 384
 Kallangur, Queensland, 4503, Australia

Your Details

		Nominated Beneficiaries	N/A
Date of Birth :	16/05/1958	Vested Benefits	78,801.66
Age:	62	Total Death Benefit	78,801.66
Tax File Number:	Provided	Current Salary	0.00
Date Joined Fund:	13/12/2007	Previous Salary	0.00
Service Period Start Date:	01/12/1994	Disability Benefit	0.00
Date Left Fund:			
Member Code:	GRISUS00001A		
Account Start Date	13/12/2007		
Account Phase:	Accumulation Phase		
Account Description:	Accumulation		

Your Balance

Total Benefits	78,801.66
<u>Preservation Components</u>	
Preserved	77,318.59
Unrestricted Non Preserved	
Restricted Non Preserved	1,483.07
<u>Tax Components</u>	
Tax Free	3,391.55
Taxable	75,410.11

Your Detailed Account Summary

	This Year	Last Year
Opening balance at 01/07/2019	76,786.57	77,117.39
<u>Increases to Member account during the period</u>		
Employer Contributions	4,133.08	
Personal Contributions (Concessional)		
Personal Contributions (Non Concessional)		
Government Co-Contributions		
Other Contributions		
Proceeds of Insurance Policies		
Transfers In		
Net Earnings	(1,703.48)	(2,303.72)
Internal Transfer In		
<u>Decreases to Member account during the period</u>		
Pensions Paid		
Contributions Tax	619.96	
Income Tax	(205.45)	(1,972.90)
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 30/06/2020	78,801.66	76,786.57

Grimason Superannuation Fund
Members Statement

Trustee's Disclaimer

This statement has been prepared by the Trustee for the member whose name appears at the top of this statement. Every effort has been made by the Trustee to ensure the accuracy and completeness of this Statement. The Trustee does not accept any liability for any error, omission or misprint. All amounts shown in relation to benefits do not take into account any amounts which may be withheld to satisfy the requirements imposed by the Income Tax Assessment Act 1936.

Signed by all the trustees of the fund

Anthony James Grimason
Director

Susan Barbara Grimason
Director

Memorandum of Resolutions of the Director(s) of

Good Judgement Pty Ltd ACN: 127297787

ATF Grimason Superannuation Fund

FINANCIAL STATEMENTS OF SUPERANNUATION FUND:

It was resolved that the financial statements would be prepared as special purpose financial statements as, in the opinion of the trustee(s), the Superannuation Fund is a non-reporting entity and therefore is not required to comply with all Australian Accounting Standards.

It was further resolved that the financial statements and notes to the financial statements of the Superannuation Fund in respect of the year ended 30 June 2020 thereon be adopted.

TRUSTEE'S DECLARATION:

It was resolved that the trustee's declaration of the Superannuation Fund be signed.

ANNUAL RETURN:

Being satisfied that the Fund had complied with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and Regulations during the year ended 30 June 2020, it was resolved that the annual return be approved, signed and lodged with the Australian Taxation Office.

INVESTMENT STRATEGY:

The allocation of the Fund's assets and the Fund's investment performance over the financial year were reviewed and found to be within the acceptable ranges outlined in the investment strategy. After considering the risk, rate of return, diversification and liquidity of the investments and the ability of the Fund to discharge its existing liabilities, it was resolved that the investment strategy continues to reflect the purposes and circumstances of the Fund and its members. Accordingly, no changes in the investment strategy were required.

INSURANCE COVER:

The trustee(s) reviewed the current life and total and permanent disability insurance coverage on offer to the members and resolved that the current insurance arrangements were appropriate for the Fund.

ALLOCATION OF INCOME:

It was resolved that the income of the Fund would be allocated to the members based on their average daily balance (an alternative allocation basis may be percentage of opening balance).

INVESTMENT ACQUISITIONS:

It was resolved to ratify the investment acquisitions throughout the financial year ended 30 June 2020.

INVESTMENT DISPOSALS:

It was resolved to ratify the investment disposals throughout the financial year ended 30 June 2020.

AUDITORS:

It was resolved that

Tony Boys

of

PO Box 3376, Rundle Mall, South Australia 5000

act as auditors of the Fund for the next financial year.

TAX AGENTS:

It was resolved that

Herron Accountants

act as tax agents of the Fund for the next financial year.

TRUSTEE STATUS:

Each of the trustee(s) confirmed that they are qualified to act as trustee(s) of the Fund and that they are not disqualified persons as defined by s 120 of the SISA.

Memorandum of Resolutions of the Director(s) of

Good Judgement Pty Ltd ACN: 127297787

ATF Grimason Superannuation Fund

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.

CLOSURE:

Signed as a true record –

.....

Anthony James Grimason

/ /

.....

Susan Barbara Grimason

/ /

Grimason Superannuation Fund

Trial Balance

As at 30 June 2020

Last Year	Code	Account Name	Units	Debits \$	Credits \$
	24200	Contributions			
(12,119.83)	24200/GRIANT00002A	(Contributions) Grimason, Anthony James - Accumulation			6,584.85
	24200/GRISUS00001A	(Contributions) Grimason, Susan Barbara - Accumulation			4,133.08
7,132.04	24700	Changes in Market Values of Investments		4,501.63	
2,387.00	30100	Accountancy Fees		2,453.00	
259.00	30400	ATO Supervisory Levy		259.00	
385.00	30700	Auditor's Remuneration		385.00	
53.00	30800	ASIC Fees		54.00	
(6,931.03)	48500	Income Tax Expense		684.74	
8,834.82	49000	Profit/Loss Allocation Account		2,380.56	
	50010	Opening Balance			
(262,195.31)	50010/GRIANT00002A	(Opening Balance) Grimason, Anthony James - Accumulation			271,360.95
(77,117.39)	50010/GRISUS00001A	(Opening Balance) Grimason, Susan Barbara - Accumulation			76,786.57
	52420	Contributions			
(12,119.83)	52420/GRIANT00002A	(Contributions) Grimason, Anthony James - Accumulation			6,584.85
0.00	52420/GRISUS00001A	(Contributions) Grimason, Susan Barbara - Accumulation			4,133.08
	53100	Share of Profit/(Loss)			
7,912.32	53100/GRIANT00002A	(Share of Profit/(Loss)) Grimason, Anthony James - Accumulation		5,949.15	
2,303.72	53100/GRISUS00001A	(Share of Profit/(Loss)) Grimason, Susan Barbara - Accumulation		1,703.48	
	53330	Income Tax			
(6,776.10)	53330/GRIANT00002A	(Income Tax) Grimason, Anthony James - Accumulation			717.50
(1,972.90)	53330/GRISUS00001A	(Income Tax) Grimason, Susan Barbara - Accumulation			205.45
	53800	Contributions Tax			
1,817.97	53800/GRIANT00002A	(Contributions Tax) Grimason, Anthony James - Accumulation		987.73	
0.00	53800/GRISUS00001A	(Contributions Tax) Grimason, Susan Barbara - Accumulation		619.96	
	60400	Bank Accounts			
1,003.30	60400/NABBusinessCheque	NAB Business Cheque Account 85-904-1665		827.64	
4,823.15	68000	Sundry Debtors			0.00

Grimason Superannuation Fund

Trial Balance

As at 30 June 2020

Last Year	Code	Account Name	Units	Debits \$	Credits \$
	77200	Real Estate Properties (Australian - Residential)			
1,951.82	77200/GRIM_LOT2-IMPROVEMEN	Lot 2 - Improvements	1.0000	1,951.82	
32,496.81	77200/GRIM_LOT87-IMPROVEME	Lot 87 - Improvements	1.0000	32,496.81	
15,454.55	77200/GRIM_PLANT&EQUIPMENT	Plant & Equipment - Lot 87	2.0000	15,454.55	
102,998.18	77200/LOT2	Lot 2 Stretton Drive, Teelah QLD (valuation due 2021 FY)	1.0000	102,998.18	
65,000.00	77200/LOT33	Lot 33 Gayle Street Oakey Qld (valuation due 2021 FY)	1.0000	65,000.00	
125,003.19	77200/LOT87	Lot 87 Stretton Drive, Teelah QLD (valuation due 2021 FY)	1.0000	125,003.19	
2,556.75	85000	Income Tax Payable/Refundable			990.90
(978.00)	86000	PAYG Payable			144.00
(10,448.51)	88000	Sundry Creditors			805.65
8,286.28	89000	Deferred Tax Liability/Asset		8,736.44	
				372,446.88	372,446.88

Current Year Profit/(Loss): 3,065.30



Bank Reconciliation - Super Fund

Client Name:	Grimason Superannuation Fund		
Client Code:	GRIM03	Period Ended:	30 June 2020
Partner/Manager:	MH / JF	Accountant:	Eddy Lee

Bank:	NAB	Account No:	85-904-1665
		BGL Code:	

AS AT

30/06/2020

Balance as per bank statement		\$827.64	
add: Outstanding deposits	0.00		
	0.00		
	0.00	0.00	
		827.64	

less: Outstanding cheques

	Chq No	Code	Amount	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	
			0.00	

Reconciled Balance		\$827.64	
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nab

NAB Business Everyday Account
For further information call the
Business Servicing Team on 13 10 12

036/005703



GRIMASON SUPERANNUATION FUND
PO BOX 384
KALLANGUR QLD 4503

Account Balance Summary

Opening balance	\$1,003.30	Cr
Total credits	\$2,000.00	
Total debits	\$2,937.90	
Closing balance	\$65.40	Cr

Statement starts **29 June 2019**
Statement ends **30 September 2019**

Outlet Details

Virginia
74 Robinson Rd, Virginia Qld 4014

Account Details

GOOD JUDGEMENT PTY LTD
ATF GRIMASON SUPERANNUATION FUND
BUSINESS EVERYDAY AC
BSB number 084-209
Account number 85-904-1665

Transaction Details

Date	Particulars	Debits	Credits	Balance
29 Jun 2019	Brought forward			1,003.30 Cr
19 Aug 2019	Internet Bpay Tax Office Payments 394035339161260	978.00		25.30 Cr
20 Sep 2019	Tonys Cars Bank Of Qld 080260		2,000.00	2,025.30 Cr
23 Sep 2019	Internet Bpay South Burnett R C 12055570 Lot 2	647.86		
	Internet Bpay South Burnett R C 12056057 Lot 87	652.10		
	Internet Bpay Trc Rates 7232282 Lot 33	659.94		
				65.40 Cr

Summary of Government Charges

Government	From 1 July to date	Last year to 30 June
Withholding tax	\$0.00	\$0.00
Bank Account Debit (BAD) tax	\$0.00	\$0.00

Bank Accounts Debits (BAD) Tax or State Debits Duty has been abolished for all states & territories effective 1/7/2005. Any amount shown on this statement applies to debits processed on or before 30/06/2005.

For further information on any applicable rebates, fees or government charges, please refer to the NAB's "A Guide to Fees & Charges" booklet. Please retain this statement for taxation purposes

Explanatory Notes


Please check all entries and report any apparent error or possible unauthorised transaction immediately.

We may subsequently adjust debits and credits, which may result in a change to your account balance to accurately reflect the obligations between us.

For information on resolving problems or disputes, contact us on 1800 152 015, or ask at any NAB branch.



NAB Business Everyday Account
For further information call the
Business Servicing Team on 13 10 12



036/007428



GRIMASON SUPERANNUATION FUND
PO BOX 384
KALLANGUR QLD 4503

Account Balance Summary

Opening balance	\$65.40	Cr
Total credits	\$0.00	
Total debits	\$0.00	
Closing balance	\$65.40	Cr

Statement starts **1 October 2019**
Statement ends **31 December 2019**

Outlet Details

Virginia
74 Robinson Rd, Virginia Qld 4014

Account Details

GOOD JUDGEMENT PTY LTD
ATF GRIMASON SUPERANNUATION FUND
BUSINESS EVERYDAY AC
BSB number 084-209
Account number 85-904-1665

Transaction Details

Date	Particulars	Debits	Credits	Balance
1 Oct 2019	Brought forward			65.40 Cr
11 Oct 2019	Please Note From Today Your Dr Interest Rate Is 16.220%			65.40 Cr

Summary of Government Charges

	From 1 July to date	Last year to 30 June
Government		
Withholding tax	\$0.00	\$0.00
Bank Account Debit (BAD) tax	\$0.00	\$0.00

Bank Accounts Debits (BAD) Tax or State Debits Duty has been abolished for all states & territories effective 1/7/2005. Any amount shown on this statement applies to debits processed on or before 30/06/2005.

For further information on any applicable rebates, fees or government charges, please refer to the NAB's "A Guide to Fees & Charges" booklet. Please retain this statement for taxation purposes

Explanatory Notes

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For information on resolving problems or disputes, contact us on 1800 152 015, or ask at any NAB branch.

365172ATZN007428/S012404/0024807



NAB Business Everyday Account
For further information call the
Business Servicing Team on 13 10 12



036/003309



GRIMASON SUPERANNUATION FUND
PO BOX 384
KALLANGUR QLD 4503

Account Balance Summary

Opening balance	\$65.40	Cr
Total credits	\$0.00	
Total debits	\$0.00	
Closing balance	\$65.40	Cr

Statement starts **1 January 2020**
Statement ends **20 January 2020**

Outlet Details

Virginia
74 Robinson Rd, Virginia Qld 4014

Account Details

GOOD JUDGEMENT PTY LTD
ATF GRIMASON SUPERANNUATION FUND
BUSINESS EVERYDAY AC
BSB number 084-209
Account number 85-904-1665

For Your Information

Be on the lookout for invoice scams. Fraudsters can change bank account details on a legitimate supplier's invoice to an account they control, or make a request by phone/email to update bank account details for a supplier or employee. Always verbally confirm any changes to payment details using a publicly listed phone number before actioning. Learn how to recognise scams and protect your business by visiting nab.com.au/security

Transaction Details

Date	Particulars	Debits	Credits	Balance
1 Jan 2020	Brought forward			65.40 Cr

Summary of Government Charges

Government	From 1 July to date	Last year to 30 June
Withholding tax	\$0.00	\$0.00
Bank Account Debit (BAD) tax	\$0.00	\$0.00

Bank Accounts Debits (BAD) Tax or State Debits Duty has been abolished for all states & territories effective 1/7/2005. Any amount shown on this statement applies to debits processed on or before 30/06/2005.

For further information on any applicable rebates, fees or government charges, please refer to the NAB's "A Guide to Fees & Charges" booklet. Please retain this statement for taxation purposes

Explanatory Notes

Please check all entries and report any apparent error or possible unauthorised transaction immediately.

We may subsequently adjust debits and credits, which may result in a change to your account balance to accurately reflect the obligations between us.

For information on resolving problems or disputes, contact us on 1800 152 015, or ask at any NAB branch.



NAB Business Everyday Account
For further information call the
Business Servicing Team on 13 10 12



036/006277



GRIMASON SUPERANNUATION FUND
PO BOX 384
KALLANGUR QLD 4503

Account Balance Summary

Opening balance	\$65.40	Cr
Total credits	\$0.00	
Total debits	\$0.00	
Closing balance	\$65.40	Cr

Statement starts 21 January 2020
Statement ends 31 March 2020

Outlet Details

Virginia
74 Robinson Rd, Virginia Qld 4014

Account Details

GOOD JUDGEMENT PTY LTD
ATF GRIMASON SUPERANNUATION FUND
BUSINESS EVERYDAY AC
BSB number 084-209
Account number 85-904-1665

Transaction Details

Date	Particulars	Debits	Credits	Balance
21 Jan 2020	Brought forward			65.40 Cr
28 Feb 2020	Please Note From Today Your Dr Interest Rate Is 6.970%			65.40 Cr
13 Mar 2020	Please Note From Today Your Dr Interest Rate Is 6.720%			65.40 Cr
30 Mar 2020	Please Note From Today Your Dr Interest Rate Is 6.470%			65.40 Cr

Summary of Government Charges

Government	From 1 July to date	Last year to 30 June
Withholding tax	\$0.00	\$0.00
Bank Account Debit (BAD) tax	\$0.00	\$0.00

Bank Accounts Debits (BAD) Tax or State Debits Duty has been abolished for all states & territories effective 1/7/2005. Any amount shown on this statement applies to debits processed on or before 30/06/2005.

For further information on any applicable rebates, fees or government charges, please refer to the NAB's "A Guide to Fees & Charges" booklet. Please retain this statement for taxation purposes

Explanatory Notes

Please check all entries and report any apparent error or possible unauthorised transaction immediately.

We may subsequently adjust debits and credits, which may result in a change to your account balance to accurately reflect the obligations between us.

For information on resolving problems or disputes, contact us on 1800 152 015, or ask at any NAB branch.

091172/02/MC06277/5809441/701.8881

nab

NAB Business Everyday Account
For further information call the
Business Servicing Team on 13 10 12

036/007287



GRIMASON SUPERANNUATION FUND
PO BOX 384
KALLANGUR QLD 4503

Account Balance Summary

Table with 2 columns: Description, Amount. Includes Opening balance (\$65.40 Cr), Total credits (\$5,943.97), Total debits (\$5,181.73), and Closing balance (\$827.64 Cr).

Statement starts 1 April 2020
Statement ends 30 June 2020

Outlet Details

Virginia
Westfield Shoppingtown, Cnr Hamilton & Gympie Rds
Chermside Qld 4032

Account Details

GOOD JUDGEMENT PTY LTD
ATF GRIMASON SUPERANNUATION FUND
BUSINESS EVERYDAY AC
BSB number 084-209
Account number 85-904-1665

Transaction Details

Table with 5 columns: Date, Particulars, Debits, Credits, Balance. Contains transaction history from 1 Apr 2020 to 30 Jun 2020, including interest payments and transfers. Includes handwritten notes like 'OAKLEY RATES' and 'BLACKBUTT RATES'.

Summary of Government Charges

Table with 3 columns: Government charge type, From 1 July to date, Last year to 30 June. Lists Withholding tax and Bank Account Debit (BAD) tax.

Bank Accounts Debits (BAD) Tax or State Debits Duty has been abolished for all states & territories effective 1/7/2005. Any amount shown on this statement applies to debits processed on or before 30/06/2005.

For further information on any applicable rebates, fees or government charges, please refer to the NAB's 'A Guide to Fees & Charges' booklet. Please retain this statement for taxation purposes

Explanatory Notes

Please check all entries and report any apparent error or possible unauthorised transaction immediately.

We may subsequently adjust debits and credits, which may result in a change to your account balance to accurately reflect the obligations between us.

For information on resolving problems or disputes, contact us on 1800 152 015, or ask at any NAB branch.

13277203JMG07287/S011873/0023745



End of Period Closing Figures - Super Fund

Client Name: Grimason Superannuation Fund

Client Code: GRIM03

Period Ended: 30 June 2020

Partner: MH / JF


Accountant: Eddy Lee

Debtors:

\$0.00 665 Accrued Income

\$0.00 680 Sundry Debtors

Creditors:

805.65 - paid 01/09/20 (refer to ATO ITA) 

\$805.65 880 Sundry Creditors



Grimason Superannuation Fund
PO Box 384
KALLANGUR QLD 4503

Invoice Date
14 April 2020

ABN.
16 134 060 432

Invoice No.
23946

Client Code
GRIM03

TAX INVOICE

To our Professional Fees and Charges in attending to the following:-

Annual Administration

Input of data into BGL SimpleFund.

Analysis of income and expenses, raising year end accounting adjustments including profit and loss adjustments for:

- Revaluation of real estate investments;
- Allocation of contributions received

Preparation of Financial Statements for the Grimason Superannuation Fund for the year ended 30 June 2019

Preparation of Member Benefit Statements for the year ended 30 June 2019

Preparation and Electronic Lodgement of the Fund Income Tax Return for the year ended 30 June 2019

Audit

Audit of the 2019 Financial Statements as performed by Super Audits

Our Price		2,400.00
Plus: GST		240.00
TOTAL DUE	Split: Audit Fee - \$385.00 A/cing Fee - \$2,255.00	\$2,640.00



Remittance Advice - Please return with your payment

Payment required within Fourteen (14) Days from date of Invoice

Invoice Due Date - 28 April 2020

Please forward cheques to:

Herron Accountants
PO Box 504
North Lakes QLD 4509
Ph: 07 3204 4166

For Direct Deposit:

BSB: 124 001
BoQ Account No: 21374214

Credit Card: Mastercard/Visa (Please circle)

Card No:

Expires: ____ / ____

Name on Card: _____

Signature: _____

Client Code: GRIM03

Invoice No: 23946

Amount Due: \$2,640.00

Amount Paid: \$ _____

TAX INVOICE

Supplier: Super Audits

Auditor: A.W. Boys
SMSF Auditor Number (SAN) 100014140
Registered Company Auditor (67793)

Address: Box 3376
Rundle Mall 5000

ABN: 20 461 503 652

Services: Auditing

Date: 13 April 2020

Recipient: Grimason Super Fund

Address: C/- PO Box 504 NORTH LAKES Qld. 5409

Description of Services

Statutory audit of the Grimason Super Fund for the financial year ending 30 June 2019.

Fee: \$350.00

GST: \$35.00

Total: \$385.00



Payment can be made with a cheque payable to Super Audits postal address being Box 3376 Rundle Mall 5000 or alternatively an EFT can be made BSB 015-056 Account No. 387392386.

AUDITING
DUE DILIGENCE
FORENSIC ACCOUNTING



Good Judgement Pty Ltd
PO Box 384
KALLANGUR QLD 4503

Invoice Date
02 September 2019

ABN.
16 134 060 432

Invoice No.
22493

Client Code
GOOD01

TAX INVOICE


To our Professional Fees and Charges in attending to the following:-

To the upkeep and maintenance of your Corporate Secretarial file for the year of registration including though not limited to:

- Preparation of standard ASIC forms as required;
- Attending to Company Annual Statement requirements;
- Ensuring up to date ASIC records are maintained;
- Preparation of Solvency Minute;
- Fulfilling all requirements as your registered office for the year and attending to all correspondence received on your behalf.

Our Price
Plus: GST
TOTAL DUE

180.00
18.00
\$ 198.00




Remittance Advice - Please return with your payment

Payment required within Fourteen (14) Days from date of Invoice

Invoice Due Date - 16 September 2019

Please forward cheques to:
Herron Accountants
PO Box 504
North Lakes QLD 4509
Ph: 07 3204 4166
For Direct Deposit:
BSB: 124 001
BoQ Account No: 21374214

Credit Card: Mastercard/Visa (Please circle)

Card No: Expires: ___ / ___

Name on Card: _____

Signature: _____

Inquires 1300 300 630

Issue date 30 Aug 19

Company Statement

Extract of particulars - s346A(1) Corporations Act 2001

CORPORATE KEY: 76493271

Check this statement carefully

You are legally obligated to ensure that all your company details listed on this company statement are complete and correct. This is required under s346C (1) and/or s346B and s346C (2) of the *Corporations Act 2001*.

You must check this statement carefully and inform ASIC of any changes or corrections immediately. **Do not return this statement.** You must notify ASIC within 28 days after the date of change, and within 28 days after the date of issue of your annual company statement. Late lodgement of changes will result in late fees. These requirements do not apply to the **Additional company information**.

You must notify ASIC of any changes to company details — Do not return this statement



To make changes to company details or amend incorrect information

- go to www.asic.gov.au/changes
- log in to our online services and make the required updates
- first time users will need to use the corporate key provided on this company statement



Phone if you've already notified ASIC of changes but they are not shown correctly in this statement.
Ph: 1300 300 630



Use your agent.

ACN 127 297 787
FOR GOOD JUDGEMENT PTY LTD

REVIEW DATE: 29 August 19

Company Statement

These are the current company details held by ASIC. You must check this statement carefully and inform ASIC of any changes or corrections immediately. Late fees apply. **Do not return this statement.**

1 Registered office
HERRON ACCOUNTANTS UNIT 1 48 FLINDERS PARADE NORTH LAKES QLD 4509

2 Principal place of business
105 BRAY ROAD LAWNTON QLD 4501

3 Officeholders

Name:	ANTHONY JAMES GRIMASON
Born:	UNITED KINGDOM
Date of birth:	25/06/1956
Address:	105 BRAY ROAD LAWNTON QLD 4501
Office(s) held:	DIRECTOR, APPOINTED 29/08/2007
Name:	SUSAN BARBARA GRIMASON
Born:	UNITED KINGDOM
Date of birth:	16/05/1958
Address:	105 BRAY ROAD LAWNTON QLD 4501
Office(s) held:	DIRECTOR, APPOINTED 29/08/2007; SECRETARY, APPOINTED 29/08/2007

4 Company share structure

Share class	Shares description	Number issued	Total amount paid on these shares	Total amount unpaid on these shares
ORD	ORDINARY SHARES	2	\$2.00	\$0.00

5 Members

These details continue on the next page

GOOD JUDGEMENT PTY LTD ACN 127 297 787

Page 1 of 2

Company statement continued

Name: ANTHONY JAMES GRIMASON
Address: 105 BRAY ROAD LAWNTON QLD 4501

Share Class	Total number held	Fully paid	Beneficially held
ORD	1	Yes	Yes

Name: SUSAN BARBARA GRIMASON
Address: 105 BRAY ROAD LAWNTON QLD 4501

Share Class	Total number held	Fully paid	Beneficially held
ORD	1	Yes	Yes

You must notify ASIC within 28 days of the date of change, and within 28 days of the issue date of the annual company statement. Late lodgement of changes will result in late fees.

End of company statement

This concludes the information to which the company must respond (if incorrect) under s346C of the *Corporations Act 2001*.

Additional company information

This information is optional under the *Corporations Act 2001*. Late lodgement fees or late review fees do not apply to this information. To add, remove or change a contact address, see www.asic.gov.au/addresses.

6 Contact address for ASIC use only

Registered agent name: HERRON ACCOUNTANTS
Registered agent number: 5461
Address: PO BOX 504 NORTH LAKES QLD 4509



ASIC
Australian Securities & Investments Commission

ABN 86 768 265 615

GOOD JUDGEMENT PTY LTD
HERRON ACCOUNTANTS
PO BOX 504 NORTH LAKES QLD 4509

INVOICE STATEMENT

Issue date 29 Aug 19

GOOD JUDGEMENT PTY LTD

ACN 127 297 787

Account No. 22 127297787

Summary

Opening Balance	\$0.00	
New items	\$54.00	
Payments & credits	\$0.00	
TOTAL DUE	\$54.00	

- Amounts are not subject to GST. (Treasurer's determination - exempt taxes, fees and charges).
- Payment of your annual review fee will maintain your registration as an Australian company.

Transaction details are listed on the back of this page

Inquiries
www.asic.gov.au/invoices
1300 300 630

Please pay

Immediately	\$0.00
By 29 Oct 19	\$54.00

If you have already paid please ignore this invoice statement.

- Late fees will apply if you do NOT
 - tell us about a change during the period that the law allows
 - bring your company or scheme details up to date within 28 days of the date of issue of the annual statement, or
 - pay your review fee within 2 months of the annual review date.
- Information on late fee amounts can be found on the ASIC website.



ASIC
Australian Securities & Investments Commission

PAYMENT SLIP

GOOD JUDGEMENT PTY LTD

ACN 127 297 787

Account No: 22 127297787



22 127297787

TOTAL DUE	\$54.00
Immediately	\$0.00
By 29 Oct 19	\$54.00

Payment options are listed on the back of this payment slip

Bill Code: 17301
Ref: 2291272977870



*814 129 0002291272977870 41

Transaction details:

page 2 of 2

	Transactions for this period	ASIC reference	\$ Amount
2019-08-29	Annual Review - Special Purpose Pty Co	3X2335712480P A	\$54.00
	Outstanding transactions		
2019-08-29	Annual Review - Special Purpose Pty Co	3X2335712480P A	\$54.00

PAYMENT OPTIONS



Billpay Code: 8929
Ref: 2291 2729 7787 041

Australia Post

Present this payment slip. Pay by cash, cheque or EFTPOS

Phone

Call 13 18 16 to pay by Mastercard or Visa

On-line

Go to postbillpay.com.au to pay by Mastercard or Visa

Mail

Mail this payment slip and cheque (do not staple) to ASIC,
Locked Bag 5000, Gippsland Mail Centre VIC 3841

Biller Code: 17301
Ref: 2291272977870

Telephone & Internet Banking – BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account. More info: www.bpay.com.au

RATE AND WATER NOTICE

FOR THE PERIOD

01/07/2019 to 31/12/2019



144485/A/000896 D-036
Good Judgement Pty Ltd
C/- AJ & SB Grimason Superannuation Fund
105 Bray Road
LAWNTON QLD 4501

PROPERTY NO : 169760
ASSESSMENT NO : 24582-12400-000
PAYMENT REFERENCE : 12055570
DATE OF ISSUE : 20/08/2019
VALUATION : \$52000
VALUATION DATE : 01/07/2019
AREA : 3.087 Ha
RATING VALUATION : 52,000.00

18,749
144485/A

Property Location & Description
Stretton Drive TEELAH QLD 4314
L2 RP859432:PAR TAROMEO



Description	Area	Rate	Amount
GENERAL RATE CAT 910 - RURAL RESIDENTIAL BLACKBUTT	52000	\$0.011636900	\$605.12
WASTE MANAGEMENT LEVY	1	\$75.25	\$75.25
COMMUNITY RESCUE & EVACUATION LEVY	1	\$2.00	\$2.00
RURAL FIRE BRIGADE LEVY	1	\$12.50	\$12.50
Sub Total			\$694.87
STATE EMERGENCY MANAGEMENT LEVY GROUP 1 - CLASS E	1	\$13.50	\$13.50
Sub Total			\$13.50
TOTAL RATES and UTILITY CHARGES			\$708.37
DISCOUNT from this notice if paid by 24/09/2019			-\$60.51
Net Payable if paid by 24/09/2019			\$647.86

The State Government has paid South Burnett Regional Council \$1,033,976 which is to offset the State Waste Levy liability applicable to householder municipal solid waste disposal for the 2019/20 financial year

*Paid by good judgement
23/9/19*



24/09/2019 \$60.51 \$647.86

RETURN THIS PORTION IF PAYING BY MAIL

PROPERTY NO. : 169760
ASSESSMENT NO. : 24582-12400-000
NAME : Good Judgement Pty Ltd
NET AMOUNT DUE : \$647.86
DUE DATE : 24/09/2019
PAYMENT REFERENCE : 12055570

B Biller Code : 21386
PAY Ref : 12055570

Telephone & Internet Banking - BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account.
More info: www.bpay.com.au

POST Billpay Code : 9177
billpay Ref : 12055570 04

Pay in person at any PostOffice, phone 13 18 16, or go to postbillpay.com.au



*71 177 12055570 04

SEE REVERSE FOR CHANGE OF ADDRESS DETAILS

Date / /

Please tick if receipt required



**SOUTH BURNETT
REGIONAL COUNCIL**

southburnett.qld.gov.au

ABN 89 972 463 351
PO Box 336, KINGAROY QLD 4610

Office Hours: 8.30am to 4.30pm Monday to Friday
☎ 1300 789 279 or (07) 4189 9100
info@southburnett.qld.gov.au

RATE AND WATER NOTICE

FOR THE PERIOD

01/07/2019 to 31/12/2019



144485/A/000896 D-036
Good Judgement Pty Ltd
C/- AJ & SB Grimason Superannuation Fund
105 Bray Road
LAWNTON QLD 4501

PROPERTY NO : 170260
ASSESSMENT NO : 24582-20700-000
PAYMENT REFERENCE : 12056057
DATE OF ISSUE : 20/08/2019
VALUATION : \$48500
VALUATION DATE : 01/07/2019
AREA : 2.037 Ha
RATING VALUATION : 48,500.00

18.853
144485/A

Property Location & Description
Stretton Drive TEELAH QLD 4314
L87 RP859432:PAR TAROMEO



GENERAL RATE CAT 910 - RURAL RESIDENTIAL BLACKBUTT	48500	\$0.011636900	\$564.39
WASTE MANAGEMENT LEVY	1	\$75.25	\$75.25
COMMUNITY RESCUE & EVACUATION LEVY	1	\$2.00	\$2.00
RURAL FIRE BRIGADE LEVY	1	\$12.50	\$12.50
Sub Total			\$654.14
STATE EMERGENCY MANAGEMENT LEVY GROUP 2 - CLASS E	1	\$54.40	\$54.40
Sub Total			\$54.40
TOTAL RATES and UTILITY CHARGES			\$708.54
DISCOUNT from this notice if paid by 24/09/2019			-\$56.44
Net Payable if paid by 24/09/2019			\$652.10
<p>The State Government has paid South Burnett Regional Council \$1,053,876 which is to offset the State Waste Levy liability applicable to householder municipal solid waste disposal for the 2019/20 financial year</p> <p><i>Paid by good judgement 23/9/19</i></p>			
	24/09/2019	\$56.44	\$652.10



RETURN THIS PORTION IF PAYING BY MAIL

PROPERTY NO. : 170260
ASSESSMENT NO. : 24582-20700-000
NAME : Good Judgement Pty Ltd
NET AMOUNT DUE : \$652.10
DUE DATE : 24/09/2019
PAYMENT REFERENCE : 12056057



Billers Code : 21386
Ref : 12056057

Telephone & Internet Banking - BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account.
More info: www.bpay.com.au



Billpay Code : 9177
Ref : 12056057 81

Pay in person at any PostOffice, phone 13 18 16, or go to postbillpay.com.au



*71 177 12056057 81

SEE REVERSE FOR CHANGE OF ADDRESS DETAILS


Date / /

Please tick if receipt required

RATE AND WATER NOTICE

FOR THE PERIOD

01/01/2020 to 30/06/2020



145766/A/000883 D-036
Good Judgement Pty Ltd
C/- AJ & SB Grimason Superannuation Fund
105 Bray Road
LAWNTON QLD 4501

PROPERTY NO : 170260
ASSESSMENT NO : 24582-20700-000
PAYMENT REFERENCE : 12056057
DATE OF ISSUE : 11/02/2020
VALUATION : \$48500
VALUATION DATE : 01/07/2019
AREA : 2.037 Ha
RATING VALUATION : 48,500.00

18,821
145766/A

Property Location & Description
Stretton Drive TEELAH QLD 4314
L87 RP859432:PAR TAROME0-



GENERAL RATE CAT 910 - RURAL RESIDENTIAL BLACKBUTT	48500	\$0.011636900	\$564.39
WASTE MANAGEMENT LEVY	1	\$75.25	\$75.25
COMMUNITY RESCUE & EVACUATION LEVY	1	\$2.00	\$2.00
RURAL FIRE BRIGADE LEVY	1	\$12.50	\$12.50
Sub Total			\$654.14
STATE EMERGENCY MANAGEMENT LEVY GROUP 2 - CLASS E	1	\$54.40	\$54.40
Sub Total			\$54.40
TOTAL RATES and UTILITY CHARGES			\$708.54
DISCOUNT from this notice if paid by 18/03/2020			-\$56.44
Net Payable if paid by 18/03/2020			\$652.10
<p>The State Government has paid South Burnett Regional Council \$1,053,976 which is to offset the State Waste Levy liability applicable to householder municipal solid waste disposal for the 2019/20 financial year</p>			
<p><i>708.54 paid by good judgement 28/5/2020</i></p>			
	18/03/2020	\$56.44	\$652.10



RETURN THIS PORTION IF PAYING BY MAIL

PROPERTY NO. : 170260
ASSESSMENT NO. : 24582-20700-000
NAME : Good Judgement Pty Ltd
NET AMOUNT DUE : \$652.10
DUE DATE : 18/03/2020
PAYMENT REFERENCE : 12056057



Billers Code : 21386
Ref : 12056057

Telephone & Internet Banking - BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account.
More info: www.bpay.com.au



Billpay Code : 9177
Ref : 12056057 81

Pay in person at any PostOffice, phone 13 18 16, or go to postbillpay.com.au



*71 177 12056057 81

SEE REVERSE FOR CHANGE OF ADDRESS DETAILS


Date / /

Please tick if receipt required

RATE AND WATER NOTICE

FOR THE PERIOD

01/01/2020 to 30/06/2020



145766/A/000883 D-036
Good Judgement Pty Ltd
C/- AJ & SB Grimason Superannuation Fund
105 Bray Road
LAWNTON QLD 4501

PROPERTY NO : 169760
ASSESSMENT NO : 24582-12400-000
PAYMENT REFERENCE : 12055570
DATE OF ISSUE : 11/02/2020
VALUATION : \$52000
VALUATION DATE : 01/07/2019
AREA : 3.087 Ha
RATING VALUATION : 52,000.00

18,719
145766/A

Property Location & Description
Stretton Drive TEELAH QLD 4314
L2 RP859432:PAR TAROME0-



Description	Quantity	Rate	Amount
GENERAL RATE CAT 910 - RURAL RESIDENTIAL BLACKBUTT	52000	\$0.011636900	\$605.12
WASTE MANAGEMENT LEVY	1	\$75.25	\$75.25
COMMUNITY RESCUE & EVACUATION LEVY	1	\$2.00	\$2.00
RURAL FIRE BRIGADE LEVY	1	\$12.50	\$12.50
Sub Total			\$694.87
STATE EMERGENCY MANAGEMENT LEVY GROUP 1 - CLASS E	1	\$13.50	\$13.50
Sub Total			\$13.50
TOTAL RATES and UTILITY CHARGES			\$708.37
DISCOUNT from this notice if paid by 18/03/2020			-\$60.51
Net Payable if paid by 18/03/2020			\$647.86

The State Government has paid South Burnett Regional Council \$1,053,976 which is to offset the State Waste Levy liability applicable to householder municipal solid waste disposal for the 2019/20 financial year

708.37 Paid by Good Judgement 28/1/20

18/03/2020 \$60.51 \$647.86

RETURN THIS PORTION IF PAYING BY MAIL

PROPERTY NO. : 169760
ASSESSMENT NO. : 24582-12400-000
NAME : Good Judgement Pty Ltd
NET AMOUNT DUE : \$647.86
DUE DATE : 18/03/2020
PAYMENT REFERENCE : 12055570



Billers Code : 21386
Ref : 12055570

Telephone & Internet Banking - BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account.
More info: www.bpay.com.au



Billpay Code : 9177
Ref : 12055570 04

Pay in person at any PostOffice, phone 13 18 16, or go to postbillpay.com.au



*71 177 12055570 04

SEE REVERSE FOR CHANGE OF ADDRESS DETAILS

Date / /

Please tick if receipt required

WATER RATE NOTICE

P 131 872 F 1800 448 882 | info@tr.qld.gov.au | www.tr.qld.gov.au
PO Box 3021 Toowoomba QLD 4350 | Toowoomba Regional Council | ABN 99 788 305 360



This information was prepared as at 6 APR 2020



1.837 - 3579 7232282 036
GOOD JUDGEMENT PTY LTD
AS TRUSTEE
105 BRAY ROAD
LAWNTON QLD 4501

REFERENCE NO: 7232282
ISSUE DATE: 9 APR 2020
DUE DATE: 12 MAY 2020
AMOUNT DUE: 640.43

PROPERTY LOCATION: 9 Gayle Street, OAKEY QLD 4401

PROPERTY DESCRIPTION: Lot 33 RP141941

SUMMARY OF CHARGES

Water Access Charge for period ending 30/06/2020	
Opening Balance as at the 6 APR 2020	464.88
Water Access Charge (See Over)	195.06
Discount on Water Charges @ 10%	19.51 CR

Paid. 30/6/2020
659.94

FREQUENTLY ASKED QUESTIONS

What are my current water restrictions?

Visit www.tr.qld.gov.au/water to check the current water restrictions in your area.

I make regular payments - why do I have this much outstanding?

If you make regular payments, the amount on the notice may not reflect the most up-to-date balance. The best way to check your balance and payments is to register for online self-service at www.tr.qld.gov.au/payments

I've recently purchased this property, why do I have to pay full rates?

Most likely, your solicitor has allowed for the rates in your settlement. Please check your settlement statement to confirm this, or contact your solicitor and/or agent.

What period does this water consumption charge cover?

Where applicable a detailed water advice is included. This provides a breakdown of when your meter was read and the period these charges cover.

Total amount payable if received by 12 MAY 2020 640.43

Total amount payable if not received by the due date 659.94

HOW TO PAY for a full list of payment options please see over the page

B PAY
Bill Code: 18366
Ref: 7232282
BPAY® this payment via Internet or phone banking.
BPAY View® - View and pay this bill using Internet banking.
BPAY View Registration No.: 7232282

® Registered to BPAY Pty Ltd ABN 69 079 137 518



Are you using the right biller code and reference number?



Pay using your smartphone



Download the Snip App and scan the code to pay now.



Post Billpay

Pay in-store at Australia Post



*414 007232282



24/7 phone payment phone

1300 451 206

DETAILED RATES AND CHARGES

DESCRIPTION:	BASIS:	HALF YEAR CHARGE:	AMOUNT:
Unimproved Base Access Charge	Units	0.6	325.100000
Total Water Access Charges			195.06
			195.06

METHODS OF PAYMENT



Direct debit (rates easy-pay) - You may have your rate notice paid directly from your nominated cheque or savings account on the due date or in small, regular payments in advance. Allow 7 days for the direct debit to be set up. For more information please contact Council on 131 872.



PHONE

Paying by phone - 24/7, pay by phone using your Visa or Mastercard. Phone **1300 451 206**.



Paying online - Visit www.tr.qld.gov.au/payments



By mobile - Download the Sniip app to your iPhone or Android device, create your account, select 'Scan to Pay Bills' and scan the circular QR code to pay now. (*Sniip is not available for iPads or tablets.*)



Billers Code: 18366
Ref: 7232282

Telephone & Internet Banking – BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.
More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518



In-store

Australia Post - Payments can be made at any Australia Post office with a copy of your rate notice. Cash, cheque or eftpos payments are accepted.



Paying in person - Cash, cheque, money order, eftpos, Visa or Mastercard. Present this notice to Council's customer service centres, 8.30am to 5pm weekdays (except public holidays). Service Centres are in Clifton, Crows Nest, Goombungee, Greenmount, Highfields, Millmerran, Oakey, Pittsworth and Toowoomba.



Centrepay - Use Centrepay to arrange regular deductions from your Centrelink payment. Call Centrelink to request a Centrepay deductions form. Centrepay reference: 555 071 719T.



Mail - Mail your payment to Toowoomba Regional Council, PO Box 3021 Toowoomba Qld 4350. (*Payment must be received by the due date.*)

Visa and Mastercard payments will attract a 0.33% surcharge. Credit cards are not accepted by Australia Post or BPAY for rates/water payments.

IMPORTANT INFORMATION

Rates and charges for the property described in this notice are due and payable by the owner(s) of the property by the due date specified on the front of this notice.

Discount will only be allowed if the Amount Due is received at Council by the due date. If you post your payment, please ensure that the date of posting allows sufficient time for delivery to Council by the due date. Discount will not be allowed if your payment is received after the due date.

Pensioners who hold a pensioner concession card or Veterans Affairs gold card are eligible for a remission of rates. The application must be made in writing at your local service centre on or before the due date for payment of this rate notice.

Interest is charged on all overdue rates and charges six monthly in arrears (ie. at the end of the previous half-year in which same became due and payable) at the rate of 9.5% per annum, calculated and charged half yearly.



Are you moving? Please ensure that you advise Council of your new postal address.



Please quote your reference number when writing or phoning.



If you're unable to pay this notice by the due date, please contact Council immediately to arrange a payment schedule.

RECEIVE THIS NOTICE ELECTRONICALLY



BPAY VIEW NOTICES

By using BPAY View, you can receive, pay and store your rate notices in your online banking account. You will be notified when your next notice arrives by email, SMS or internet bank notification, depending on your preference and Financial Institution.



EMAIL NOTICES

You can now choose to receive your rates notices via email rather than through the post. Please help save our environment and register today. Follow these steps:

- go to www.tr.qld.gov.au/emailmyrates
- then register, it's that simple.



GO PAPERLESS WITH SNIIP

Simply register for **m-Billing™** in the Sniip app, and receive your bills directly into your mobile via a push notification.


New bill payment - bank acknowledgement**Acknowledgement details**

Status report: Paid 
Confirmation number: F7409535183
Created: 30/06/20

From account: 0084209859041665/084-209 85-904-1665
Bill code: 18386
Bill name: TOOWOOMBA REGIONAL COUNCIL RATES
Customer reference no: 7232282
Amount: 659.94
Payment date: 30/06/20

When will my payment be received?

End of Report

Date 30/06/20 Time 15:59
National Australia Bank Limited A.B.N. 12 004 044 937

RATE NOTICE

P 131 872 | F 1800 448 882 | info@tr.qld.gov.au | www.tr.qld.gov.au
 PO Box 3021 Toowoomba QLD 4350 | Toowoomba Regional Council | ABN 99 788 305 360



This information was prepared as at 31 JAN 2020

1.892-2273 7232282 036
GOOD JUDGEMENT PTY LTD
AS TRUSTEE
 105 BRAY ROAD
 LAWNTON QLD 4501

REFERENCE NO: **7232282**
 ISSUE DATE: **07 FEB 2020**
 DUE DATE: **10 MAR 2020**
 AMOUNT DUE: **405.20**
 VALUATION: **Averaged Value 53,000**

PROPERTY LOCATION: **9 Gayle Street, OAKEY QLD 4401**
 PROPERTY DESCRIPTION: **Lot 33 RP141941**

SUMMARY OF CHARGES

Rates and Charges for the half-year ending 30 JUN 2020

Opening Balance as at 31 JAN 2020	195.06 CR
Rates and Charges (see over)	646.44
Discount (see over)	59.68 CR
State Emergency Management Levy (see over)	13.50

464.88

Total amount payable if received by 10 MAR 2020	405.20
Total amount payable if not received by the due date	464.88

FREQUENTLY ASKED QUESTIONS

I've recently purchased this property, why do I have to pay full rates?

Most likely, your solicitor has allowed for the rates in your settlement. Please check your settlement statement to confirm this, or contact your solicitor and/or agent.

Do I need to call to change my postal address?

You can update your postal address as well as other details and services here at: www.tr.qld.gov.au/requests or contact the customer service centre on 131 872.

I make regular payments - why do I have this much outstanding?

If you make regular payments, the amount on the notice may not reflect the most up to date balance. The best way to check your balance and payments is to register for online self-service at www.tr.qld.gov.au/payments

HOW TO PAY - for a full list of payment options please see over the page

B PAY
Billers Code: 18366
Ref: 7232282

BPAY® this payment via Internet or phone banking.
 BPAY View® - View and pay this bill using internet banking.
 BPAY View Registration No.: **7232282**



Pay using your smartphone



Download the Snlip App and scan the code to pay now.



Post Billpay

Pay in-store at Australia Post



24/7 phone payment

Phone
1300 451 206



*414 007232282



Are you using the right Biller Code and Reference Number?

© Registered to BPAY Pty Ltd ABN 69 079 137 518

DETAILED RATES AND CHARGES

DESCRIPTION:	BASIS:		RATE / CHARGE:	AMOUNT:
General Rate - Category 1.5*	Minimum	53,000	0.009905	472.00
Sewerage Charge Vacant Land*	Units	1	249.620000	124.81
Environmental Levy	Units	1	65.460000	32.73
Natural Resource Management Levy	Units	1	16.900000	8.45
Park and Bushland Levy	Units	1	16.900000	8.45
Total Council Rates and Charges				646.44
State Emergency Management Levy 1(D)	Units	1	27.000000	13.50
Total State Emergency Management Levy				13.50

* 10% Discount applies if paid by the due date

Council has received an annual payment of \$4,839,913.10 from the State Government to mitigate any direct impacts of the State Waste Levy on households in Council's area

METHODS OF PAYMENT



Direct Debit (Rates Easy-Pay) - You may have your Rate Notice paid directly from your nominated cheque or savings account on the due date or in small, regular payments in advance. Please allow 7 days for the direct debit to be set up. For more information please contact Council on 131 872.



PHONE

Paying by phone - 24/7, pay by phone using your Visa or Mastercard. Phone **1300 451 206**.



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By Mobile - Download the Sniiip app to your iPhone or Android device, create your account, select 'Scan to Pay Bills' and scan the circular QR code to pay now. (Sniiip is not available for iPads or tablets.)



BPAY

Biller Code: 18366
Ref: 7232282

Telephone & Internet Banking -- BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.
More Info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518



In-store

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Valuations are used in the calculation of the general rate. Any enquiries concerning valuations and objections should be addressed to the Department of Natural Resources, Mines and Energy, 203 Tor Street, Toowoomba - phone 137 468.

Pensioners who hold a pensioner concession card or Veterans Affairs gold card are eligible for a remission of rates. The application must be

made in writing at your local service centre on or before the due date for payment of this rate notice.

Interest is charged on all overdue rates and charges six monthly in arrears (ie. at the end of the previous half-year in which same became due and payable) at the rate of 9.5% per annum, calculated and charged half yearly.



Are you moving? Please ensure that you advise Council of your new postal address.



Please quote your Reference Number when writing or phoning.



If you're unable to pay this notice by the due date, please contact Council immediately to arrange a payment schedule.

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- Follow these steps:
- go to www.tr.qld.gov.au/emallmyrates
 - then register, it's that simple.




GO PAPERLESS WITH SNIIP

Simply register for **m-Billing™** in the Sniiip app, and receive your bills directly into your mobile via a push notification.

New bill payment - bank acknowledgement

Acknowledgement details

Status report:	Paid 
Confirmation number:	S0109525199
Created:	28/05/20
From account:	0084209859041665/084-209 85-904-1665
Bill code:	18366
Bill name:	TOOWOOMBA REGIONAL COUNCIL RATES
Customer reference no:	7232282
Amount:	464.88
Payment date:	28/05/20

When will my payment be received?

End of Report

Date 28/05/20 Time 09:07
National Australia Bank Limited A.B.N. 12 004 044 937

Paid 28/5/20

Grimason Superannuation Fund

Tax Reconciliation Report

For the year ended 30 June 2020

Tax Return Label	Date	Account Code	Account Name	Amount \$
R1 - Assessable employer contributions				
	01/07/2019	24200/GRIANT00002A	(Contributions) Grimason, Anthony James - Accumulation (Accumulat...	4,775.35
	01/07/2019	24200/GRISUS00001A	(Contributions) Grimason, Susan Barbara - Accumulation (Accumulat...	850.01
	18/09/2019	24200/GRIANT00002A	(Contributions) Grimason, Anthony James - Accumulation (Accumulat...	252.00
	20/09/2019	24200/GRISUS00001A	(Contributions) Grimason, Susan Barbara - Accumulation (Accumulat...	2,000.00
	13/05/2020	24200/GRISUS00001A	(Contributions) Grimason, Susan Barbara - Accumulation (Accumulat...	428.07
	13/05/2020	24200/GRIANT00002A	(Contributions) Grimason, Anthony James - Accumulation (Accumulat...	1,557.50
	28/05/2020	24200/GRISUS00001A	(Contributions) Grimason, Susan Barbara - Accumulation (Accumulat...	855.00
Sub-Total				10,717.93
Ignore Cents				0.93
Total				10,717.00
R - Assessable contributions (R1 plus R2 plus R3 less R6)				
			Assessable employer contributions	10,717.93
Sub-Total				10,717.93
Ignore Cents				0.93
Total				10,717.00
W - GROSS INCOME (Sum of labels A to U)				
				10,717.00
Sub-Total				10,717.00
Ignore Cents				0.00
Total				10,717.00
V - TOTAL ASSESSABLE INCOME (W less Y)				
				10,717.00
Sub-Total				10,717.00
Ignore Cents				0.00
Total				10,717.00
H1 - Expenses - SMSF auditor fee				
	07/05/2020	30700	Auditor's Remuneration	385.00
Sub-Total				385.00
Ignore Cents				0.00
Total				385.00
J1 - Expenses - Management and administration expenses				
	18/09/2019	30800	ASIC Fees	54.00
	18/09/2019	30100	Accountancy Fees	198.00
	07/05/2020	30100	Accountancy Fees	2,255.00
	24/04/2020	30400	ATO Supervisory Levy	259.00

Grimason Superannuation Fund

Tax Reconciliation Report

For the year ended 30 June 2020

Tax Return Label	Date	Account Code	Account Name	Amount \$
J1 - Expenses - Management and administration expenses				
Sub-Total				2,766.00
Ignore Cents				0.00
Total				2,766.00
N - TOTAL DEDUCTIONS				
				3,151.00
Sub-Total				3,151.00
Ignore Cents				0.00
Total				3,151.00
O - TAXABLE INCOME OR LOSS				
				7,566.00
Sub-Total				7,566.00
Ignore Cents				0.00
Total				7,566.00
Z - TOTAL SMSF EXPENSES				
				3,151.00
Sub-Total				3,151.00
Ignore Cents				0.00
Total				3,151.00
A - Taxable income				
				7,566.00
Sub-Total				7,566.00
Ignore Cents				0.00
Total				7,566.00
T1 - Tax on taxable income				
				1,134.90
Sub-Total				1,134.90
Ignore Cents				0.00
Total				1,134.90
B - Gross Tax				
				1,134.90
Sub-Total				1,134.90
Ignore Cents				0.00
Total				1,134.90
T2 - SUBTOTAL				
				1,134.90
Sub-Total				1,134.90
Ignore Cents				0.00
Total				1,134.90
T3 - SUBTOTAL 2				

Grimason Superannuation Fund

Tax Reconciliation Report

For the year ended 30 June 2020

Tax Return Label	Date	Account Code	Account Name	Amount \$
T3 - SUBTOTAL 2				
				1,134.90
Sub-Total				1,134.90
Ignore Cents				0.00
Total				1,134.90
T5 - TAX PAYABLE				
				1,134.90
Sub-Total				1,134.90
Ignore Cents				0.00
Total				1,134.90
K - PAYG instalments raised				
	30/06/2020	85000	Income Tax Payable/Refundable	144.00
Sub-Total				144.00
Ignore Cents				0.00
Total				144.00
L - Supervisory levy				
				259.00
Sub-Total				259.00
Ignore Cents				0.00
Total				259.00
S - AMOUNT DUE OR REFUNDABLE				
				1,249.90
Sub-Total				1,249.90
Ignore Cents				0.00
Total				1,249.90

Grimason Superannuation Fund
Deferred Tax Reconciliation

For The Period 01 July 2019 - 30 June 2020

Investment Code	Investment Name	Revaluation/Tax Deferred	Permanent Difference (Non-Assessable)	Temporary Difference (Assessable)	Temporary Difference (Accumulation Portion)
Revaluations					
LOT2	Lot 2 Stretton Drive, Teelah QLD (valuation due 2021 FY)	(1,356.23)	(452.08)	(904.15)	(904.15)
LOT87	Lot 87 Stretton Drive, Teelah QLD (valuation due 2021 FY)	(1,360.64)	(453.55)	(907.09)	(907.09)
LOT33	Lot 33 Gayle Street Oakey Qld (valuation due 2021 FY)	(1,784.76)	(594.92)	(1,189.84)	(1,189.84)
		(4,501.63)	(1,500.55)	(3,001.08)	(3,001.08)
Total		(4,501.63)	(1,500.55)	(3,001.08)	(3,001.08)
Deferred Tax Liability (Asset) Summary					
Opening Balance		(8,286.28)			
Current Year Transactions		(450.16)			
Total Capital Losses		0.00			
Total Tax Losses		0.00			
Deferred Tax WriteBacks/Adjustment		0.00			
Capital Loss carried forward recouped		0.00			
Tax Loss carried forward recouped		0.00			
Closing Balance		(8,736.44)			

Grimason Superannuation Fund
Statement of Taxable Income

For the year ended 30 June 2020

	2020
	\$
Benefits accrued as a result of operations	3,065.30
Add	
Decrease in MV of investments	4,501.63
	<hr/> 4,501.63
SMSF Annual Return Rounding	(0.93)
	<hr/> (0.93)
Taxable Income or Loss	<hr/> 7,566.00
Income Tax on Taxable Income or Loss	1,134.90
	<hr/> 1,134.90
CURRENT TAX OR REFUND	<hr/> 1,134.90
Supervisory Levy	259.00
Income Tax Instalments Paid	(144.00)
	<hr/> (144.00)
AMOUNT DUE OR REFUNDABLE	<hr/> 1,249.90

Grimason Superannuation Fund

General Ledger

As at 30 June 2020

Transaction Date	Description	Units	Debit	Credit	Balance \$
Contributions (24200)					
<u>(Contributions) Grimason, Anthony James - Accumulation (GRIANT00002A)</u>					
01/07/2019	net amount (i.e. sundry creditor + debtor as at 01/07/2019) treated as Tony's personal contribution as discussed in 2019 tax work			4,775.35	4,775.35 CR
18/09/2019	ASIC + Acc Fee - paid out of pocket (not from Fund's Bank acc)			252.00	5,027.35 CR
13/05/2020				1,557.50	6,584.85 CR
				6,584.85	6,584.85 CR
<u>(Contributions) Grimason, Susan Barbara - Accumulation (GRISUS00001A)</u>					
01/07/2019	net amount (i.e. sundry creditor + debtor as at 01/07/2019) treated as Tony's personal contribution as discussed in 2019 tax work			850.01	850.01 CR
20/09/2019	Tonys Cars			2,000.00	2,850.01 CR
13/05/2020				428.07	3,278.08 CR
28/05/2020				855.00	4,133.08 CR
				4,133.08	4,133.08 CR
Changes in Market Values of Investments (24700)					
<u>Changes in Market Values of Investments (24700)</u>					
30/06/2020	Revaluation - 30/06/2019 @ \$125,003.190000 (Exit) - 1.000000 Units on hand (LOT87)		1,360.64		1,360.64 DR
30/06/2020	Revaluation - 30/06/2019 @ \$102,998.180000 (Exit) - 1.000000 Units on hand (LOT2)		1,356.23		2,716.87 DR
30/06/2020	Revaluation - 30/06/2019 @ \$65,000.000000 (Exit) - 1.000000 Units on hand (LOT33)		1,784.76		4,501.63 DR
			4,501.63		4,501.63 DR
Accountancy Fees (30100)					
<u>Accountancy Fees (30100)</u>					
18/09/2019	ASIC + Acc Fee - paid out of pocket (not from Fund's Bank acc)		198.00		198.00 DR
07/05/2020			2,255.00		2,453.00 DR
			2,453.00		2,453.00 DR
ATO Supervisory Levy (30400)					
<u>ATO Supervisory Levy (30400)</u>					
24/04/2020	ATO - \$805.65 Paid 01/09/2020		259.00		259.00 DR
			259.00		259.00 DR
Auditor's Remuneration (30700)					
<u>Auditor's Remuneration (30700)</u>					
07/05/2020			385.00		385.00 DR
			385.00		385.00 DR
ASIC Fees (30800)					
<u>ASIC Fees (30800)</u>					
18/09/2019	ASIC + Acc Fee - paid out of pocket (not from Fund's Bank acc)		54.00		54.00 DR
			54.00		54.00 DR
Income Tax Expense (48500)					

Grimason Superannuation Fund

General Ledger

As at 30 June 2020

Transaction Date	Description	Units	Debit	Credit	Balance \$
<u>Income Tax Expense (48500)</u>					
30/06/2020	Create Entries - PDIT Entry - 30/06/2020			450.16	450.16 CR
30/06/2020	Create Entries - Income Tax Expense - 30/06/2020		1,134.90		684.74 DR
			1,134.90	450.16	684.74 DR
Profit/Loss Allocation Account (49000)					
<u>Profit/Loss Allocation Account (49000)</u>					
01/07/2019	System Member Journals		4,059.05		4,059.05 DR
01/07/2019	System Member Journals		722.51		4,781.56 DR
18/09/2019	System Member Journals		214.20		4,995.76 DR
20/09/2019	System Member Journals		1,700.00		6,695.76 DR
13/05/2020	System Member Journals		363.86		7,059.62 DR
13/05/2020	System Member Journals		1,323.87		8,383.49 DR
28/05/2020	System Member Journals		726.75		9,110.24 DR
30/06/2020	Create Entries - Profit/Loss Allocation - 30/06/2020			5,949.15	3,161.09 DR
30/06/2020	Create Entries - Profit/Loss Allocation - 30/06/2020			1,703.48	1,457.61 DR
30/06/2020	Create Entries - Income Tax Expense Allocation - 30/06/2020		717.50		2,175.11 DR
30/06/2020	Create Entries - Income Tax Expense Allocation - 30/06/2020		205.45		2,380.56 DR
			10,033.19	7,652.63	2,380.56 DR
Opening Balance (50010)					
<u>(Opening Balance) Grimason, Anthony James - Accumulation (GRIANT00002A)</u>					
01/07/2019	Opening Balance				262,195.31 CR
01/07/2019	Close Period Journal			9,165.64	271,360.95 CR
				9,165.64	271,360.95 CR
<u>(Opening Balance) Grimason, Susan Barbara - Accumulation (GRISUS00001A)</u>					
01/07/2019	Opening Balance				77,117.39 CR
01/07/2019	Close Period Journal		330.82		76,786.57 CR
			330.82		76,786.57 CR
Contributions (52420)					
<u>(Contributions) Grimason, Anthony James - Accumulation (GRIANT00002A)</u>					
01/07/2019	Opening Balance				12,119.83 CR
01/07/2019	Close Period Journal		12,119.83		0.00 DR
01/07/2019	System Member Journals			4,775.35	4,775.35 CR
18/09/2019	System Member Journals			252.00	5,027.35 CR
13/05/2020	System Member Journals			1,557.50	6,584.85 CR
			12,119.83	6,584.85	6,584.85 CR
<u>(Contributions) Grimason, Susan Barbara - Accumulation (GRISUS00001A)</u>					
01/07/2019	System Member Journals			850.01	850.01 CR
20/09/2019	System Member Journals			2,000.00	2,850.01 CR
13/05/2020	System Member Journals			428.07	3,278.08 CR
28/05/2020	System Member Journals			855.00	4,133.08 CR
				4,133.08	4,133.08 CR
Share of Profit/(Loss) (53100)					

Grimason Superannuation Fund

General Ledger

As at 30 June 2020

Transaction Date	Description	Units	Debit	Credit	Balance \$
<u>(Share of Profit/(Loss)) Grimason, Anthony James - Accumulation (GRIANT00002A)</u>					
01/07/2019	Opening Balance				7,912.32 DR
01/07/2019	Close Period Journal			7,912.32	0.00 DR
30/06/2020	Create Entries - Profit/Loss Allocation - 30/06/2020		5,949.15		5,949.15 DR
			5,949.15	7,912.32	5,949.15 DR
<u>(Share of Profit/(Loss)) Grimason, Susan Barbara - Accumulation (GRISUS00001A)</u>					
01/07/2019	Opening Balance				2,303.72 DR
01/07/2019	Close Period Journal			2,303.72	0.00 DR
30/06/2020	Create Entries - Profit/Loss Allocation - 30/06/2020		1,703.48		1,703.48 DR
			1,703.48	2,303.72	1,703.48 DR
Income Tax (53330)					
<u>(Income Tax) Grimason, Anthony James - Accumulation (GRIANT00002A)</u>					
01/07/2019	Opening Balance				6,776.10 CR
01/07/2019	Close Period Journal		6,776.10		0.00 DR
30/06/2020	Create Entries - Income Tax Expense Allocation - 30/06/2020			717.50	717.50 CR
			6,776.10	717.50	717.50 CR
<u>(Income Tax) Grimason, Susan Barbara - Accumulation (GRISUS00001A)</u>					
01/07/2019	Opening Balance				1,972.90 CR
01/07/2019	Close Period Journal		1,972.90		0.00 DR
30/06/2020	Create Entries - Income Tax Expense Allocation - 30/06/2020			205.45	205.45 CR
			1,972.90	205.45	205.45 CR
Contributions Tax (53800)					
<u>(Contributions Tax) Grimason, Anthony James - Accumulation (GRIANT00002A)</u>					
01/07/2019	Opening Balance				1,817.97 DR
01/07/2019	Close Period Journal			1,817.97	0.00 DR
01/07/2019	System Member Journals		716.30		716.30 DR
18/09/2019	System Member Journals		37.80		754.10 DR
13/05/2020	System Member Journals		233.63		987.73 DR
			987.73	1,817.97	987.73 DR
<u>(Contributions Tax) Grimason, Susan Barbara - Accumulation (GRISUS00001A)</u>					
01/07/2019	System Member Journals		127.50		127.50 DR
20/09/2019	System Member Journals		300.00		427.50 DR
13/05/2020	System Member Journals		64.21		491.71 DR
28/05/2020	System Member Journals		128.25		619.96 DR
			619.96		619.96 DR
Bank Accounts (60400)					
<u>NAB Business Cheque Account 85-904-1665 (NABBusinessCheque)</u>					
01/07/2019	Opening Balance				1,003.30 DR
19/08/2019				978.00	25.30 DR
20/09/2019	Tonys Cars		2,000.00		2,025.30 DR
23/09/2019				1,959.90	65.40 DR
24/04/2020	ATO - \$805.65 Paid 01/09/2020		3,103.40		3,168.80 DR
07/05/2020				2,640.00	528.80 DR

Grimason Superannuation Fund

General Ledger

As at 30 June 2020

Transaction Date	Description	Units	Debit	Credit	Balance \$
13/05/2020			1,985.57		2,514.37 DR
28/05/2020			855.00		3,369.37 DR
28/05/2020				2,541.73	827.64 DR
			7,943.97	8,119.63	827.64 DR
Sundry Debtors (68000)					
<u>Sundry Debtors (68000)</u>					
01/07/2019	Opening Balance				4,823.15 DR
01/07/2019	net amount (i.e. sundry creditor + debtor as at 01/07/2019) treated as Tony's personal contribution as discussed in 2019 tax work			4,823.15	0.00 DR
				4,823.15	0.00 DR
Real Estate Properties (Australian - Residential) (77200)					
<u>Lot 2 - Improvements (GRIM_LOT2-IMPROVEMEN)</u>					
01/07/2019	Opening Balance	1.00			1,951.82 DR
		1.00			1,951.82 DR
<u>Lot 87 - Improvements (GRIM_LOT87-IMPROVEME)</u>					
01/07/2019	Opening Balance	1.00			32,496.81 DR
		1.00			32,496.81 DR
<u>Plant & Equipment - Lot 87 (GRIM_PLANT&EQUIPMENT)</u>					
01/07/2019	Opening Balance	2.00			15,454.55 DR
		2.00			15,454.55 DR
<u>Lot 2 Stretton Drive, Teelah QLD (valuation due 2021 FY) (LOT2)</u>					
01/07/2019	Opening Balance	1.00			102,998.18 DR
23/09/2019		0.00	647.86		103,646.04 DR
28/05/2020		0.00	708.37		104,354.41 DR
30/06/2020	Revaluation - 30/06/2019 @ \$102,998.180000 (Exit) - 1.000000 Units on hand			1,356.23	102,998.18 DR
		1.00	1,356.23	1,356.23	102,998.18 DR
<u>Lot 33 Gayle Street Oakey Qld (valuation due 2021 FY) (LOT33)</u>					
01/07/2019	Opening Balance	1.00			65,000.00 DR
23/09/2019		0.00	659.94		65,659.94 DR
28/05/2020		0.00	464.88		66,124.82 DR
28/05/2020		0.00	659.94		66,784.76 DR
30/06/2020	Revaluation - 30/06/2019 @ \$65,000.000000 (Exit) - 1.000000 Units on hand			1,784.76	65,000.00 DR
		1.00	1,784.76	1,784.76	65,000.00 DR
<u>Lot 87 Stretton Drive, Teelah QLD (valuation due 2021 FY) (LOT87)</u>					
01/07/2019	Opening Balance	1.00			125,003.19 DR
23/09/2019		0.00	652.10		125,655.29 DR
28/05/2020		0.00	708.54		126,363.83 DR
30/06/2020	Revaluation - 30/06/2019 @ \$125,003.190000 (Exit) - 1.000000 Units on hand			1,360.64	125,003.19 DR
		1.00	1,360.64	1,360.64	125,003.19 DR
Income Tax Payable/Refundable (85000)					
<u>Income Tax Payable/Refundable (85000)</u>					

Grimason Superannuation Fund

General Ledger

As at 30 June 2020

Transaction Date	Description	Units	Debit	Credit	Balance \$
01/07/2019	Opening Balance				2,556.75 DR
24/04/2020	ATO - \$805.65 Paid 01/09/2020			2,556.75	0.00 DR
30/06/2020	payg instalment paid 02/09/2020		144.00		144.00 DR
30/06/2020	Create Entries - Income Tax Expense - 30/06/2020			1,134.90	990.90 CR
			144.00	3,691.65	990.90 CR
PAYG Payable (86000)					
<u>PAYG Payable (86000)</u>					
01/07/2019	Opening Balance				978.00 CR
19/08/2019			978.00		0.00 DR
30/06/2020	payg instalment paid 02/09/2020			144.00	144.00 CR
			978.00	144.00	144.00 CR
Sundry Creditors (88000)					
<u>Sundry Creditors (88000)</u>					
01/07/2019	Opening Balance				10,448.51 CR
01/07/2019	net amount (i.e. sundry creditor + debtor as at 01/07/2019) treated as Tony's personal contribution as discussed in 2019 tax work		10,448.51		0.00 DR
24/04/2020	ATO - \$805.65 Paid 01/09/2020			805.65	805.65 CR
			10,448.51	805.65	805.65 CR
Deferred Tax Liability/Asset (89000)					
<u>Deferred Tax Liability/Asset (89000)</u>					
01/07/2019	Opening Balance				8,286.28 DR
30/06/2020	Create Entries - PDIT Entry - 30/06/2020		450.16		8,736.44 DR
			450.16		8,736.44 DR
Total Debits:	73,746.96				
Total Credits:	73,746.96				

Grimason Superannuation Fund

Create Entries Report

For the period 01 July 2019 to 30 June 2020

Create Entries Financial Year Summary 01 July 2019 - 30 June 2020

Total Profit	Amount
Income	6,216.30
Less Expense	3,151.00
Total Profit	3,065.30
Tax Summary	Amount
Fund Tax Rate	15.00 %
Total Profit	3,065.30
Less Permanent Differences	(1,500.54)
Less Timing Differences	(3,001.09)
Less Exempt Pension Income	0.00
Less Other Non Taxable Income	0.00
Less LIC Deductions	0.00
Add SMSF Non Deductible Expenses	0.00
Add Other Non Deductible Expenses	0.00
Add Total Franking/Foreign/TFN/FRW Credits	0.00
Less Realised Accounting Capital Gains	0.00
Less Tax Losses Deducted	0.00
Add SMSF Annual Return Rounding	(0.93)
Taxable Income	7,566.00
Income Tax on Taxable Income or Loss	1,134.90
Profit/(Loss) Available for Allocation	Amount
Total Available Profit	(7,652.63)
Franking Credits	0.00
TFN Credits	0.00
Foreign Credits	0.00
FRW Credits	0.00
Total	(7,652.63)
Income Tax Expense Available for Allocation	Amount
Income Tax on Taxable Income or Loss	1,134.90
Deferred Tax	(450.16)
Member Specific Income Tax	(1,607.69)
Total Income Tax Expense Allocation	(922.95)

Final Segment 1 from 01 July 2019 to 30 June 2020

Pool Name Unsegregated Pool

Total Profit	Amount
Income	6,216.30
Less Expense	3,151.00
Total Profit	3,065.30

Create Entries Summary	Amount
Fund Tax Rate	15.00 %
Total Profit	3,065.30
Less Permanent Differences	(1,500.54)
Less Timing Differences	(3,001.09)
Less Exempt Pension Income	0.00
Less Other Non Taxable Income	0.00
Add SMSF Non Deductible Expenses	0.00
Add Other Non Deductible Expenses	0.00
Add Total Franking/Foreign/TFN/FRW Credits	0.00
Less Realised Accounting Capital Gains	0.00
Less Tax Losses Deducted	0.00
Add Taxable Income Adjustment	(0.93)
Taxable Income	7,566.00
Income Tax on Taxable Income or Loss	1,134.90

Member Weighted Balance Summary	Weighting%	Amount
Anthony James Grimason(GRIANT00002A)	77.74	275,765.21
Susan Barbara Grimason(GRISUS00001A)	22.26	78,949.08

Profit/(Loss) Available for Allocation	Amount
Total Available Profit	(7,652.63)
Franking Credits	0.00
TFN Credits	0.00
FRW Credits	0.00
Total	(7,652.63)

Allocation to Members	Weighting%	Amount
Anthony James Grimason(GRIANT00002A)	77.74	(5,949.15)
Susan Barbara Grimason(GRISUS00001A)	22.26	(1,703.48)

Accumulation Weighted Balance Summary	Weighting%	Amount
Anthony James Grimason(GRIANT00002A)	77.74	275,765.21
Susan Barbara Grimason(GRISUS00001A)	22.26	78,949.08

Income Tax Expense Available for Allocation	Amount
Income Tax on Taxable Income or Loss	1,134.90
Deferred Tax	(450.16)
Member Specific Income Tax	(1,607.69)
Total Income Tax Expense Allocation	(922.95)

Allocation to Members	Weighting%	Amount
-----------------------	------------	--------

Allocation to Members	Weighting%	Amount
Anthony James Grimason(GRIANT00002A)	77.74	(717.50)
Susan Barbara Grimason(GRISUS00001A)	22.26	(205.45)

Calculation of daily member weighted balances

Anthony James Grimason (GRIANT00002A)

Member Balance

01/07/2019	50010	Opening Balance	271,360.95	271,360.95
01/07/2019	52420	Contributions	4,775.35	4,775.35
01/07/2019	53800	Contributions Tax	(716.30)	(716.30)
18/09/2019	52420	Contributions	252.00	197.61
18/09/2019	53800	Contributions Tax	(37.80)	(29.64)
13/05/2020	52420	Contributions	1,557.50	208.52
13/05/2020	53800	Contributions Tax	(233.63)	(31.28)
Total Amount (Weighted)				275,765.21

Susan Barbara Grimason (GRISUS00001A)

Member Balance

01/07/2019	50010	Opening Balance	76,786.57	76,786.57
01/07/2019	52420	Contributions	850.01	850.01
01/07/2019	53800	Contributions Tax	(127.50)	(127.50)
20/09/2019	52420	Contributions	2,000.00	1,557.38
20/09/2019	53800	Contributions Tax	(300.00)	(233.61)
13/05/2020	52420	Contributions	428.07	57.31
13/05/2020	53800	Contributions Tax	(64.21)	(8.60)
28/05/2020	52420	Contributions	855.00	79.43
28/05/2020	53800	Contributions Tax	(128.25)	(11.91)
Total Amount (Weighted)				78,949.08

Calculation of Net Capital Gains

Capital gains from Unsegregated Pool	0.00
Capital gains from Unsegregated Pool - Collectables	0.00
Capital Gain Adjustment from prior segments	0.00
Realised Notional gains	0.00
Carried forward losses from prior years	0.00
Current year capital losses from Unsegregated Pool	0.00
Current year capital losses from Unsegregated Pool - Collectables	0.00
Total CGT Discount Applied	0.00
Capital Gain /(Losses carried forward)	0.00
CGT allocated in prior segments	0.00
Allocations of Net Capital Gains to Pools	
Capital Gain Proportion - Unsegregated Pool (0/0)=100.00%	0.00

Foreign Tax Offset Calculations

Segment 01 July 2019 to 30 June 2020

Claimable FTO - Unsegregated Pool 0.00

Claimable FTO 0.00

Total Claimable Foreign Credits for the Year 0.00

Foreign Tax Offset (Label C1) 0.00

Applied/Claimed FTO 0.00

Allocations of Foreign Tax Offset to Members

Anthony James Grimason(GRIANT00002A) - 100.00 % 0.00

Susan Barbara Grimason(GRISUS00001A) - 0.00 % 0.00

Total Foreign Tax Offset Allocated to Members 0.00



Australian Government

Australian Taxation Office


Agent HERRON ACCOUNTANTS
Client GRIMASON SUPERANNUATION FUND
ABN 39 403 533 916
TFN 868 602 840

Income tax 551

Date generated	19/02/2021
Overdue	\$0.00
Not yet due	\$0.00
Balance	\$0.00

Transactions

5 results found - from **01 July 2019** to **19 February 2021** sorted by **processed date** ordered **newest to oldest**

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
2 Sep 2020	1 Sep 2020	Payment received		\$805.65	\$0.00
11 Aug 2020	10 Sep 2020	Shortfall interest charge			\$805.65 DR
11 Aug 2020	10 Sep 2020	Client initiated amended Tax return Self Man Superfund - Income Tax for the period from 01 Jul 18 to 30 Jun 19	\$805.65		\$805.65 DR 
21 Apr 2020	24 Apr 2020	EFT refund for Income Tax for the period from 01 Jul 18 to 30 Jun 19	\$3,103.40		\$0.00
21 Apr 2020	21 Apr 2020	Tax return Self Man Superfund - Income Tax for the period from 01 Jul 18 to 30 Jun 19		\$3,103.40	\$3,103.40 CR



Australian Government

Australian Taxation Office

Agent HERRON ACCOUNTANTS
Client GRIMASON SUPERANNUATION FUND
ABN 39 403 533 916
TFN 868 602 840

Activity statement 001

Date generated	19/02/2021
Overdue	\$0.00
Not yet due	\$0.00
Balance	\$0.00

Transactions

11 results found - from **01 July 2019** to **19 February 2021** sorted by **processed date** ordered **newest to oldest**

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
24 Nov 2020	24 Nov 2020	General interest charge			\$0.00
24 Nov 2020	23 Nov 2020	Payment received		\$338.00	\$0.00
2 Nov 2020	2 Nov 2020	General interest charge			\$338.00 DR
1 Nov 2020	28 Oct 2020	Original Activity Statement for the period ending 30 Sep 20 - PAYG Instalments	\$338.00		\$338.00 DR
2 Sep 2020	2 Sep 2020	General interest charge			\$0.00
2 Sep 2020	1 Sep 2020	Payment received		\$144.00	\$0.00
3 Aug 2020	3 Aug 2020	General interest charge			\$144.00 DR
2 Aug 2020	28 Jul 2020	Original Activity Statement for the period ending 30 Jun 20 - PAYG Instalments	\$144.00		\$144.00 DR
31 Aug 2019	31 Aug 2019	General interest charge			\$0.00
20 Aug 2019	19 Aug 2019	Payment		\$978.00	\$0.00
4 Aug 2019	29 Jul 2019	Original Activity Statement for the period ending 30 Jun 19 - PAYG Instalments	\$978.00		\$978.00 DR



Australian Government
Australian Taxation Office

PAYG Instalments report 2020

Tax Agent 79549002
Last Updated 13/02/2021

TFN	Client Name	Quarter 1 (\$)	Quarter 2 (\$)	Quarter 3 (\$)	Quarter 4 (\$)	Total Instalment (\$)
868602840	GRIMASON SUPERANNUATION FUND	Not Applicable	Not Applicable	Not Applicable	144.00	144.00

Total No of Clients: 1

Grimason Superannuation Fund

Contributions Breakdown Report

For The Period 01 July 2019 - 30 June 2020

Summary

Member	D.O.B	Age (at 30/06/2019)	Total Super Balance (at 30/06/2019) *1	Concessional	Non-Concessional	Other	Reserves	Total
Grimason, Anthony James	25/06/1956	63	271,360.95	6,584.85	0.00	0.00	0.00	6,584.85
Grimason, Susan Barbara	16/05/1958	61	76,786.57	4,133.08	0.00	0.00	0.00	4,133.08
All Members				10,717.93	0.00	0.00	0.00	10,717.93

*1 Total Super Balance is per individual across funds within a firm.

Contribution Caps

Member	Contribution Type	Contributions	Cap	Current Position
Grimason, Anthony James	Concessional (5 year carry forward cap available)	6,584.85	37,880.17	31,295.32 Below Cap
	Non-Concessional	0.00	100,000.00	100,000.00 Below Cap
Grimason, Susan Barbara	Concessional (5 year carry forward cap available)	4,133.08	50,000.00	45,866.92 Below Cap
	Non-Concessional	0.00	100,000.00	100,000.00 Below Cap

Carry Forward Unused Concessional Contribution Cap

Member	2015	2016	2017	2018	2019	2020	Current Position
Grimason, Anthony James							
Concessional Contribution Cap	35,000.00	35,000.00	35,000.00	25,000.00	25,000.00	25,000.00	
Concessional Contribution	7,000.00	7,200.00	25,245.50	5,069.00	12,119.83	6,584.85	
Unused Concessional Contribution	0.00	0.00	0.00	0.00	12,880.17	18,415.15	
Cumulative Carry Forward Unused	N/A	N/A	N/A	N/A	0.00	12,880.17	
Maximum Cap Available	35,000.00	35,000.00	35,000.00	25,000.00	25,000.00	37,880.17	31,295.32 Below Cap
Total Super Balance	0.00	0.00	0.00	304,161.84	262,195.31	271,360.95	

Grimason, Susan Barbara

Concessional Contribution Cap	35,000.00	35,000.00	35,000.00	25,000.00	25,000.00	25,000.00	
Concessional Contribution	0.00	0.00	2,403.50	0.00	0.00	4,133.08	
Unused Concessional Contribution	0.00	0.00	0.00	0.00	25,000.00	20,866.92	
Cumulative Carry Forward Unused	N/A	N/A	N/A	N/A	0.00	25,000.00	
Maximum Cap Available	35,000.00	35,000.00	35,000.00	25,000.00	25,000.00	50,000.00	45,866.92 Below Cap
Total Super Balance	0.00	0.00	0.00	90,368.58	77,117.39	76,786.57	

NCC Bring Forward Caps

Member	Bring Forward Cap	2017	2018	2019	2020	Total	Current Position
Grimason, Anthony James	N/A	1,625.31	0.00	0.00	0.00	N/A	Bring Forward Not Triggered
Grimason, Susan Barbara	N/A	0.00	0.00	0.00	0.00	N/A	Bring Forward Not Triggered

Grimason, Anthony James

Date	Transaction Description	Ledger Data				SuperStream Data				
		Contribution Type	Concessional	Non-Concession	Other	Reserves	Contribution	Employer	Concessional	Non-Concess
01/07/2019	net amount (i.e. sundry creditor + debtor as at 01/07/2019) treated as Tony's personal contribution as discussed in 2019 tax work	Employer	4,775.35							
18/09/2019	ASIC + Acc Fee - paid out of pocket (not from Fund's Bank acc)	Employer	252.00							
13/05/2020		Employer	1,557.50							
Total - Grimason, Anthony James			6,584.85	0.00	0.00	0.00			0.00	0.00

Grimason, Susan Barbara

Date	Transaction Description	Ledger Data				SuperStream Data			
		Contribution Type	Concessional	Non-Concession	Other	Reserves	Contribution	Employer	Concessional

01/07/2019	net amount (i.e. sundry creditor + debtor as at 01/07/2019) treated as Tony's personal contribution as discussed in 2019 tax work	Employer	850.01				
20/09/2019	Tonys Cars	Employer	2,000.00				
13/05/2020		Employer	428.07				
28/05/2020		Employer	855.00				
Total - Grimason, Susan Barbara			4,133.08	0.00	0.00	0.00	0.00 0.00
Total for all members			10,717.93	0.00	0.00	0.00	

Eddy Lee

From: Jacquie Pares
Sent: 23 February 2021 8:57 AM
To: Eddy Lee
Cc: Julie Fuller; Stuart Arthur; Mark Herron
Subject: RE: Tony Grimason Pt 2

Eddy

All of the payments to Tony & Sue should be taken up as Employer contributions and this is the breakup that I used in Popton Pty Ltd:-

Breakup of super in Goodjudgement:-

01/07/2019 Employer - Anthony	\$	4,775.35
18/09/2019 Employer - Anthony	\$	252.00
20/09/2019 Employer - Anthony	\$	-
13/05/2020 Employer - Anthony	\$	1,557.50
	\$	<u>6,584.85</u>

01/07/2019 Employer - Sue	\$	850.01
20/09/2019 Employer - Sue	\$	2,000.00
13/05/2020 Employer - Sue	\$	428.07
28/05/2020 Employer - Sue	\$	855.00
	\$	<u>4,133.08</u>
	\$	<u><u>10,717.93</u></u>



Let me know if you have any questions.

Regards
Jacquie

Jacquie Pares

ACCOUNTANT

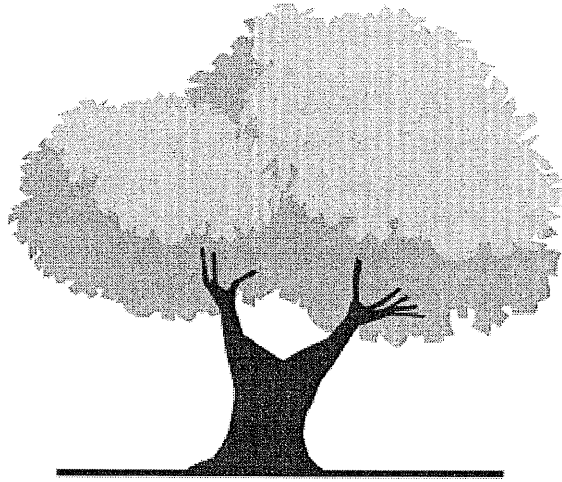
P 07 3204 4166

NORTH LAKES

Unit 1, 48 Flinders Pde, North Lakes Qld 4509
PO Box 504 North Lakes Qld 4509

FORTITUDE VALLEY

Level 2, 47 Warner St Fortitude Valley Qld 4006



The *Strategist* SMSF

A Living Super deed

Grimason Superannuation Fund

Replacement Date: 24th December 2008

- **Product Disclosure Statement**
- **Replacement Rules of the Fund**

Deed of Establishment and Rules of the Fund prepared by:

Robert Richards

Robert Richards & Associates

Revenue and Corporate Law

Suite 3, Level 12, 53 Martin Place

Sydney, New South Wales

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Introduction

Thank you for choosing the *Strategist* Deed to operate your self managed superannuation fund ('SMSF'). We know you have made the right choice as the *Strategist* Deed has been developed by key industry experts that cover all aspects of SMSFs.

Legal structuring, asset protection, investment options and administrative management have all been keenly debated in order to bring you this document from a wide breadth of experience in the SMSF arena. The people who have been involved in this process are proud of their work and as such we would like to take the opportunity to introduce them to you. Please see over the page.

Most SMSF deeds are created by an individual who may have a very narrow and singular focus regarding this important area. We believe that although this is an easier way to deliver a product it lacks credibility and robustness. Our aim in delivering the *Strategist* Deed is to provide a document that has been debated and tested by the best in the industry.

The *Strategist* Deed Review Panel

Paul Berresford – Optimus Private Super Pty Ltd

Paul is a SMSF Specialist Advisor, Chartered Accountant (accredited Financial Planning Specialist) with in excess of 20 years experience in the financial services industry. Paul is a director of a SMSF Specialist Practice in Perth, WA, and has a wealth of knowledge in the areas of retirement & wealth accumulation strategies, asset protection, taxation, estate and business succession planning and SMSF compliance.

Peter Bishell – Self Managed Superannuation Members Association

Peter is a SMSF Specialist Advisor, a CPA and a Certified Financial Planner with over 25 years experience in financial services. Until recently Peter was Principal of Phase Three Superannuation and Retirement Consultants and is now CEO of SMSMA (Self Managed Superannuation Members Association Limited) where he regularly makes submissions to the government on consumer related issues relating to self managed superannuation funds. Peter is the author of "The Self Managed Superannuation Trustee's Handbook".

David Busoli – Total Super Pty Ltd

David is a SMSF Specialist Advisor, CEO of a national SMSF compliance & administration company and founding member of SPAA. David provides education and strategy advice to financial advisers, accountants and trustees and has qualifications from four universities and 29 years practical superannuation experience.

Cindy McDonald – Opez Superannuation Services Pty Ltd

Cindy is a SMSF Specialist Advisor, a CPA and CEO of a SMSF practice in Perth, WA. Cindy has worked in the industry for over 16 years and has in-depth knowledge and experience in the SMSF arena. Cindy regularly contributes to industry submissions. She is currently the WA Chairperson for SPAA and sits on the SPAA National Membership Committee.

Robert Richards – Robert Richards & Associates

Robert is a Solicitor and Public Accountant specialising in revenue and superannuation law, the management of tax audits and litigation and associated corporate and trust law. Robert is a regular contributor to articles in leading business and industry magazines on commercial law and current issues. As a legal practitioner, Robert is responsible for preparing the *Strategist* Superannuation Deed.

Russell Scott – Espreon Corporate Services Pty Ltd

Russell is a Chartered Accountant, a CPA, a qualified Company Secretary, a registered tax agent and a member of the ASIC Advisory Committee. Russell is General Manager of Espreon Corporate Services, a leading provider of documentation to establish companies, trusts and self managed superannuation funds. Russell has over 20 years experience in the finance sector, having worked with PriceWaterhouseCoopers, his own chartered accountancy practice and in senior financial management roles.

Susie Thearle – The Real Issue Pty Ltd

Susie is a SMSF Specialist Advisor and Chartered Accountant with over 16 years in Public Practice. Suzie is on the SPAA Audit Sub Committee and assists SPAA in submissions to the government. She is also on the ATO *Simpler Super* Working Group for SMSF Approved Auditors and her practice provides specialist consultancy services in the areas of taxation and superannuation.

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PRODUCT DISCLOSURE STATEMENT

1. Introduction

Self Managed Superannuation Funds ("SMSF's") are very popular with Australians wanting to take control and manage their own superannuation assets. There is a considerable amount of legislation that governs SMSF's. So too are there various regulators such as the Australian Taxation Office ("ATO") and the Australian Securities and Investment Commission ("ASIC"). To commence or be a part of a SMSF is a big responsibility and one not to be taken lightly. The responsibility extends to each member of a SMSF having to become a trustee of the fund or if the fund has a corporate trustee – a director of the trustee company under the *Superannuation Industry (Supervision) Act 1993* ("SIS Act").

2. The *Strategist* SMSF

This *Strategist* SMSF trust deed package contains information and the governing rules to operate your own self managed superannuation fund. It has been designed to enhance your understanding, as a member and a trustee, of the benefits and strategies available within a self managed superannuation fund, or SMSF as they are commonly known. As well, this *Strategist* deed package highlights the important obligations for the trustee that go hand in hand with these benefits.

In May 2006 the government announced sweeping changes to superannuation, known as the *Simpler Super* reforms. These reforms have introduced new benefits and opportunities for members of a SMSF that are generally available from 1 July 2007. The *Strategist* SMSF trust deed package allows for these new benefits.

The *Simpler Super* regime is, however, a constantly evolving legislation which means that the information and governing rules in the *Strategist* SMSF are regularly reviewed and updated to reflect all new changes. Before establishing a *Strategist* SMSF, it is vital that a potential member carry out the following tasks:

- (1) Read the information in this product disclosure statement, commonly referred to as a PDS, along with the governing rules. These documents provide the potential member with all the benefits that are payable by the trustee of the fund, when those benefits may be paid and how they will be paid. They also cover how a member's benefits are taxed or may be exempt from tax, the risks involved in being a trustee and member of a SMSF and how a SMSF compares with other superannuation funds;
- (2) Watch the DVD that is supplied with the *Strategist* SMSF, which covers many of the issues in the PDS in an audiovisual format; and
- (3) Read the ATO's publication titled "DIY Super: It's your money ... but not yet" A publication which provides an excellent guide to trustees on what can and cannot be done in a SMSF.

3. Why the need to know so much?

The *Corporations Act 2001* provides that where a person is provided with a financial product they must receive a Product Disclosure Statement (PDS).

A PDS is a statement that contains information required by the *Corporations Act 2001* to provide a person with sufficient information to make an informed decision about acquiring a financial product.

Importantly the PDS must provide information about any significant benefits of a fund to which any prospective or existing member may become entitled as well as the circumstances, process and timeframe in which those benefits may be provided.

A financial product in relation to a SMSF includes various superannuation interests, including some of the following:

- ▶ making a contribution into a fund;
- ▶ paying a lump sum or pension from a fund;
- ▶ receiving a disability benefit from a fund;
- ▶ putting in place an investment strategy for a fund;
- ▶ paying out benefits after a member's death;
- ▶ making an investment that is a financial product;
- ▶ creating an insurance plan for the trustee of the fund.

It is important to understand that it is the trustee's responsibility to provide members and prospective members with a PDS. This is the case even though the members of the fund are trustees or directors of the corporate trustee.

4. Superannuation Product Comparisons

A SMSF is one of a number of types of superannuation funds in which a person may accrue their retirement savings and receive retirement benefits.

The table below is an indicative guide that seeks to highlight the main differences between the most common forms of superannuation for a member of a superannuation fund. However before choosing any type of superannuation, a member should seek professional advice.

A specialist superannuation adviser can provide a detailed understanding of the differences between various types of superannuation fund.

FEATURE	SELF MANAGED SUPERANNUATION FUND	RETAIL SUPERANNUATION FUND	INDUSTRY SUPERANNUATION FUND
Investment choice	Unlimited*	Limited	Limited
Control of the fund	Yes as trustee or director of a trustee company	No	No
Compliance responsibilities	Full responsibility as trustee or director of a trustee company	None	None
Fees payable: - Establishment - Ongoing	Yes Flexible	Yes % Funds under management	Nil % Funds under management or set fee per month
Pension types available	Wide range*	Restricted	Restricted
Binding Death Benefit Nomination	Permanent if the Deed Rules allow it	Must be renewed every 3 years	Must be renewed every 3 years
Receive a pension* and continue contributing to super	Yes	May apply	May apply
Death benefits available: - Lump Sums - Pensions	Yes Only to dependants	Yes Limited and only to dependants	Yes Limited and only to dependants
Disability benefits available - Temporary - Permanent	Yes Yes	No Yes – Limited	No Yes – Limited
Membership	Number of members limited otherwise wide provided the member acts as trustee or director of a trustee company	Conditions Applying	Conditions Applying
Spouse Splitting	Yes*	May apply	May apply

*Subject to compliance with the relevant laws.

5. Are all SMSF's the same?

Not all SMSF's are the same. The governing rules of a SMSF provide the trustee with its powers and the members with their benefit entitlements, as well as dealing with the general operation of the fund. However the governing rules vary according to the lawyer who has drafted the rules and whether they have been regularly updated or not. For example many current SMSF governing rules do not allow for benefit payments in the event of temporary incapacity, taking a pension before retirement, splitting super contributions with a spouse, or borrowing. Also, many SMSF's will force a member to cash in their benefits or commence a pension upon the earlier time of reaching age 65 or full retirement though this compulsory cashing rule in the super laws was abolished in 2006 allowing a person to leave their benefits in their SMSF if they do not need the income.

The governing rules of the *Strategist* SMSF have been specifically designed to provide a wide range of benefits to members, including those mentioned above, and provide trustees with flexible powers to simplify the operation of the fund. It is crucial that a member, trustee, director of a trustee company or prospective member read, understand and be aware of these rules.

6. The Purpose of the Fund

The fund is a Self Managed Superannuation Fund (SMSF). Many members of SMSF's may know their funds as family superannuation funds. This means that the members of the fund would normally only be family members; for example the members might be a husband and wife and their children. The fund may, however, also include brothers, sisters, grandparents and other family members. The trustee may accept non-family members into the fund but as membership of the fund is limited it may be appropriate to restrict membership to immediate family.

The sole or core purpose of a SMSF must be to provide retirement benefits to the members or benefits to a deceased member's dependants or legal estate. Other purposes may be to provide members who have reached their preservation age – age 55 for those born before 1960 - with a transition to retirement pension, even though the member is still working, or incapacity benefits to members who are temporarily or permanently disabled. Benefits may be provided by way of lump sum or a pension or as a combination of lump sum and pension.

7. The Ten Key Benefits of a *Strategist* SMSF

The following benefits may arise where you choose to use the *Strategist* SMSF governing rules and have structured the SMSF to take full advantage of these rules - the services of a specialist SMSF adviser is recommended.

Caution: Please be aware that these benefits do not necessarily apply to any other SMSF governed by different rules including prior versions of the *Strategist* SMSF governing rules.

(1) The fund lets you look after your family

For many people their family is the most important thing in their lives. As such, the provision of financial benefits to the family is a major concern and consideration.

Where a family member is a member of a fund they may access a variety of superannuation benefits at certain stages of their lives. In addition a member may look after their dependants in the event of their death by way of a lump sum or income stream.

(2) Providing a supplement to salary while working

The governing rules provide a member of the fund with the ability to access their superannuation benefits before retirement as a transition to retirement pension. The transition to retirement rules provide that once a person reaches age 55 (if they are born before 1960 – a later age applies for those born after 1960) they can *access all or part of their superannuation* as a pension provided the pension cannot be converted to a lump sum. Once they retire they should be able to take part or all of their superannuation as a lump sum provided this has been documented in the terms and conditions of the pension.

(3) Provide a secure income in retirement

In retirement an income from alternative sources other than employment is a necessity. This may come from investments or from other sources such as social security. Upon retirement, a trustee may establish a pension to provide a member with a comfortable lifestyle for the rest of their life. The size and duration of the pension will depend upon a number of factors including the balance of the member's account at the time of retirement, the amount of pension income drawn each year, the size of the member's account and the return on the assets funding the pension.

For example if the member commences an allocated pension or the new *Simpler Super* account based pension these pensions will only last as long as the underlying pension capital remains. Once the capital reduces to nil, then the pension ceases. However if the member only withdraws a minimum amount each year and the assets backing the pension perform well then the capital may actually increase rather than diminish.

Trustees seeking to pay a member a pension should ensure that they receive advice from a specialist SMSF adviser as the government has made a number of important changes to pensions paid from superannuation funds in the *Simpler Super* reforms that commenced from 1 July 2007. If the trustee breaches these rules the fund may be considered a non-complying SMSF and the trustee may be liable to serious penalties.

(4) Offering a financial helping hand if your health deteriorates

Health is one of those things that can never be taken for granted. A SMSF may provide members with income if they become seriously ill or incapacitated. This income is to compensate a member for lost income from employment. It may be payable for a certain period of time if a member is only temporarily incapacitated or until the normal age of retirement if a member is permanently incapacitated.

As with retirement income the length and quantum of the income stream depends upon the balance of a member's account at commencement of the income stream. However the amount payable to an incapacitated member may be supplemented by reserves, this is known as self-insurance.

Additionally, a trustee may insure against a member becoming incapacitated so as to be able to pay a pension to a member if the member becomes incapacitated.

(5) Investment choice

One of the major reasons that SMSF's have become so popular is the ability of the trustee to invest the fund's assets so as to reflect a member's wishes.

The governing rules of the *Strategist* SMSF provide the trustee with wide ranging investment powers allowing the trustee to invest in shares, property, trusts, options, bonds, overseas investments as well as property development ventures and to borrow to buy an investment via instalment warrants. However the trustee must ensure, in terms of any investment, that:

- ▶ All investments are made on arm's length terms;
- ▶ The trustee may not lend to members or related parties;
- ▶ The trustee may not invest more than 5% of the assets of the fund in related entities such as a unit trust that the member controls or in shares of an employer that contributes to the fund;
- ▶ The trustee cannot borrow or use the assets of the fund as security for any borrowing except as allowed under the Act;
- ▶ The purpose of any investment is to secure benefits for members in the event of their retirement, incapacity or for their legal estate or dependants in the event of a member's death. Any investment seeking to provide a member or related party with a benefit not having one of these purposes is prohibited; and
- ▶ Generally the trustee cannot acquire an asset from a member or related party unless the asset is a listed share, managed fund, fixed term deposit or business real property.

(6) Low taxation fully sanctioned by the government

A SMSF is very tax effective for its members if properly established and maintained, particularly now that the *Simpler Super* reforms have been introduced and came into effect from 1 July 2007 which:

- abolished the reasonable benefit limits ('RBLs') for the payment of benefits to members; and
- introduced the payment of tax free lump sums or pensions to members age 60 and over.

This means setting up the fund with the appropriate trustee/member structure for the purposes as mentioned previously and operating the fund as a 'complying' SMSF. A complying SMSF is a fund where the trustee does not breach any of the laws in the *SIS Act* and its regulations, which we will call the superannuation laws, during the income year. Further, the trustee must not breach any of the governing rules of the fund, which is the main reason why the trustee and members should make themselves familiar with the rules.

As a complying SMSF the fund will benefit from a concessional rate of tax of no more than 15% on its taxable income (assessable income less allowable deductions). The only exceptions to this relate to the taxation treatment of excess contributions and non-arm's length income received by the fund; discussed in more detail further on and in the section headed 'Taxation'.

If the fund is **not** maintained as a complying fund then the fund may be taxed at a rate of 45% which includes as fund income the market value of the assets of the fund comprising the taxable component.

A contribution made by an employer or a member where that member has claimed a tax deduction for the contribution will be included in the fund's assessable income. Another of the important *Simpler Super* changes has seen the introduction of a cap on the amount of contributions that can be made by or for the benefit of a member. Where contributions are made in excess of the relevant caps, the individual member is taxed on the excessive amount.

Where a capital gain is realised on the disposal of an asset held for more than one year, only two thirds of that gain will be included in the fund's assessable income.

Where assets are set aside to pay pensions to members then any assessable income including capital gains made by the fund on those assets is exempt from tax. Benefits payable to members, either as a lump sum, a pension or combination of both after attaining age 60 are tax free. For those under age 60, benefits are subject to concessional rates of tax which are discussed further on.

(7) Looking after your family when you die

For many families a SMSF is the most flexible, most targeted and the most tax effective vehicle to provide benefits to a member's spouse or children when the member dies. For example a fund may provide a minor dependant of a deceased member with a pension until the minor reaches age 25. This pension income is tax free to the minor if the deceased was over 60 when they died, or if the minor has no other assessable income and the amount is less than \$25,000. As with incapacity benefits referred to above, the quantum of the benefits payable to a member's dependants or their legal estate may be enhanced where the trustee has chosen to insure or self-insure against the member's life.

The *Simpler Super* reforms mean that a member of a SMSF may now leave their benefits in the fund for the remainder of their lives and draw upon them at will. Any benefits remaining on death may be passed to a deceased member's dependants, tax free. If the member was receiving a pension prior to death and the member had set up the pension to revert to their dependant upon death, then the pension may continue and be paid to that dependant. If the deceased was over age 60 at the time of death, the pension will be tax free in the dependant's hands otherwise it will be included in the dependant's assessable income but will attract a 15% tax rebate. Dependant, for the purposes of these comments, is a tax dependant. Further information about the payment of death benefits is provided below under the heading 'Estate Planning'.

(8) Access to the age pension

Benefits from a fund are treated favourably for Centrelink purposes. In terms of the assets test, the member's account balance in the fund is not tested until the member becomes entitled to an age pension – for a male this is at age 65 and for a female it is currently at age 63 but increasing to age 65 by 2014 – or commences a pension from their member account.

Until 20 September 2007 a member may have commenced a partially or fully assets test exempt pension from the fund. The underlying capital from which such a pension is paid is discounted for assets test purposes and favourably treated for income test purposes. This may have enabled some members to access the age pension, on top of the private pension that they receive from their fund, if they chose to transfer the majority of their assets into the fund (subject to the investment restrictions and excluding the family home). The establishment of assets test exempt pensions has been abolished from 20 September 2007 under the *Simpler Super* reforms although existing pensions of this type may continue.

(9) Protection from creditors

Protecting assets from creditors is a major concern for many people. One of the key benefits of a superannuation fund is that when a person gets into serious financial difficulty, a member's benefits may be protected from creditors. Clawback rules apply where a person has sought to escape their creditors by deliberately transferring assets or monies into a SMSF. One downside of bankruptcy is that a person cannot remain as a member of a SMSF if they are bankrupt as this will jeopardise the fund's complying status. Should this arise the trustee should consider various actions including transferring the member's benefits to a commercial superannuation fund where they may also be protected. Another alternative is to remove the existing trustees and appoint a professional trustee, also known as an approved trustee.

(10) Splitting benefits with a spouse

A member of a SMSF may apply to the trustee to transfer some of their benefits to their spouse – including a de-facto spouse. It is only those contributions made since 1 January 2006 that can be split from one member to another. There is a limit on the amount of contributions that can be transferred. The limit is 85% of any deductible contributions made on behalf of the member. Non-deductible contributions cannot be split.

8. Trustee of the Fund

A SMSF is a trust. A trust, in essence, is a relationship or a set of obligations between the trustee and the beneficiaries of the trust. In a SMSF the beneficiaries are the members of the fund. The trustee holds and invests property, being contributions, rollovers and other monies received for the benefit of members under the terms of the trust deed and at some time in the future – subject to an event such as retirement, disability or death - pays benefits to the member, their dependants or estate.

As noted previously all members must be trustees or directors of a trustee company of the fund. As such a member, in their role as trustee, has significant influence and control in the fund. This differs from retail and industry based superannuation funds where the trustee stands apart from the members.

There are limited exceptions to the rule that a member must be a trustee. Where a member is a minor the law does not allow them to be a trustee or director of a trustee company. This means that their legal personal representative, parent or guardian must be appointed as trustee on their behalf until they reach age 18 if the fund is to remain a complying SMSF. Likewise, where a person becomes mentally incapacitated and is unable to make sound decisions, a legal personal representative may be appointed to take the incapacitated member's place as trustee.

There is an additional requirement that all trustees be members of the fund. This means, for example, that a trustee company cannot have a director who is not also a member. As such it is generally advisable that where a trustee company is appointed that the company act as trustee of the SMSF only – not for other trusts – and not carry on investments or business in its own right.

There are limited exceptions to the rule requiring all trustees to be members of the fund. In the event of the death of a member the deceased member's legal personal representative – normally the executor of their legal estate - may be appointed as trustee from the time of the member's death until the time when any death benefits commence to become payable.

This appointment will depend upon the terms of the trust deed of the fund. The rules of the *Strategist* SMSF (Rule 52) provide that the appointment as trustee of the legal personal representative is automatic on death of the member.

Where there is only one member there is a need to have more than one trustee since a person cannot be a trustee for themselves. As such, in a single member fund, another person must be appointed as trustee provided they are not an employer of the member. Alternatively a trustee company with a sole director may be appointed as trustee.

Where trustees hold a meeting to decide various matters in the fund such as the establishment of an investment strategy, the making of investments, the acceptance of contributions, the payment of benefits and the like, the rules of the *Strategist* SMSF (Rule 7) provide that each individual trustee will hold that number of votes as is equal to the account balance of the members that they represent (including themselves). This should also be the case for a director of a corporate trustee where a *Strategist* special purpose SMSF Trustee Company has been established but may not be where another type of company has been appointed trustee.

Great care needs to be taken at the time of establishment of the fund as to the type of trustee. Although individual trustees do not cost anything in terms of establishment they may cost the fund and its members a considerable amount – see the following table.

Benefits of a Trustee Company v Individual Trustees

One of the trustee's more important obligations under the SIS Act is to keep the assets of the fund separate from its own or those of the members. It is much simpler to manage this obligation if title to the assets is held in the name of a trustee company, particularly when holding real estate. Where there are individual trustees it is not often clear on the title deed whether the owners of the property are the trustees in their own names or in their capacity as trustees. This may lead to a dispute in the future or cause problems during an audit of the fund. A trustee company provides for greater asset protection.

Where there are individual trustees and a trustee dies, retires or is removed then any assets of the fund in the name of the departed trustee must be switched into the names of the remaining trustees. Similarly, when a new member joins the fund and is appointed as a trustee. This can be time consuming and expensive.

If a trust incurs a liability, the trustee's personal assets may be exposed; for example, a contractor engaged to repair a rental property held by the fund may suffer an injury and can sue the trustee for damages, however as a company has a limited liability a trustee company will remove the risk, while an individual trustee would suffer a personal liability.

A trustee company is able to pay members a lump sum as well as a pension. The SIS Act states that where the trustees are individuals then a pension and not a lump sum needs to be taken by the members. Practically though, the ATO does not generally enforce this rule where the trust deed of the fund with individual trustees provides for the payment of a lump sum. With the Simpler Super reforms allowing retiree members to draw upon their lump sum account at will for the remainder of their lives, a corporate trustee is recommended for SMSF's with members using this strategic lump sum option.

9. Responsibilities of the Trustee

Being a trustee or director of a trustee company provides the member/trustee with a wide range of investment and other powers not seen in retail, employer and industry based superannuation funds. However, being a trustee is also about legal responsibility. This means at all times, a trustee is required to act honestly, prudently and in the best interests of members in relation to all matters concerning the fund.

Member and prospective members should be aware that both civil and criminal penalties can be imposed under the superannuation laws for any breach of these and other trustee responsibilities including breaking the fund's governing rules.

Prior to accepting an appointment as trustee, it is important that a person consider the risks associated with such an appointment. The excuse that the trustee was not aware of the superannuation laws or the rules of the fund is not valid at law. This is particularly relevant now that as from 1 July 2007 a person becoming a trustee or a director of a trustee company of a SMSF must sign a declaration that they understand their duties attached to this role.

If a person is unwilling to take on the responsibilities as trustee or director of a trustee company then it may be advisable to become a member of a Retail or Industry based superannuation fund.

Some of the more important responsibilities of a trustee include but are not limited to:

- ▶ Act honestly;
- ▶ Act in the best interests of members and other beneficiaries;
- ▶ Keep the money and assets of the fund separate from the trustee's personal assets and money or those of another person including other trusts, companies and businesses that the member or trustee may have an interest in;
- ▶ Formulate and implement an investment strategy for the fund. This strategy must follow the fund's investment objective and should be detailed in writing;
- ▶ Abide by the rules of the fund at all times;
- ▶ Ensure that the trustee does not breach any of the superannuation laws;
- ▶ Ensure proper accounting including the maintenance of member accounts;
- ▶ Appoint an auditor and other specialists to the fund;
- ▶ Meet all regulatory obligations.

Failure to properly meet any of these responsibilities may render the trustee liable to a substantial fine and, if the breach has been wilful, may result in a term of imprisonment. It is important therefore that the trustee seeks the help of a specialist SMSF adviser where appropriate.

Additionally, the Regulator of SMSF's – the ATO - may also determine the fund to be a non-complying fund and therefore lose its many concessional tax advantages.

The ATO has the power to remove the trustees of a SMSF who have not met their responsibilities and appoint their own trustee to manage and operate the fund thereby ensuring that it finds its way back to complying status.

10. Approved Trustee

As mentioned previously there may be circumstances where it is appropriate or necessary to appoint an approved trustee in place of the members being appointed as trustee under the mechanism described above. For example if a member is prohibited by the superannuation laws from acting as a trustee or simply does not wish to assume the role and responsibility associated with being a trustee then an approved trustee may be appointed. The effect of the appointment is that the fund is converted from a SMSF to a "small APRA fund" or SAF as they are commonly known.

These funds are regulated by APRA rather than the ATO. While the rules of the fund may permit the appointment of an approved trustee it is usually the case that the newly appointed approved trustee will amend the deed and rules at that time to reflect the change in the type of superannuation fund. A small APRA fund is a public offer superannuation fund and is therefore subject to more stringent regulation in the superannuation laws. The rules attached to this PDS are designed entirely to reflect the intention for a fund to be a complying SMSF.

11. Member Rights and Entitlements

Under the *Strategist* SMSF governing rules members have a number of rights and entitlements. It is incumbent upon members and trustees to make themselves aware of these entitlements and more importantly when and how they may be claimed. A thorough reading of the rules is required prior to any person being accepted as a member. The ATO requires the trustee to ensure that they know the rules of the fund as well as the superannuation laws that apply to the trustee. As stated previously ignorance is no excuse!

Some of the more important rights and entitlements subject to superannuation laws are:

Membership

Any person is able to become a member provided the person completes an application form stating that they have read the rules, agree to abide by the rules and will also accept appointment as trustee or become a director of the trustee company and the trustee accepts the person as a member;

Trusteeship

As a member of the fund the member has the right to (and in fact must) become a trustee or appoint a person to become a trustee in their place if allowed;

Contributions

A member or any other person such as an employer may contribute on behalf of the member. These contributions may be made in cash or by an in specie transfer of assets. The *Simpler Super* reforms have introduced significant changes in relation to super contributions. Prior to 1 July 2007 no limit existed on the amount of contributions made – whether taxable contributions such as those made by an employer or by the member themselves as a self employed or other eligible person; or non-taxable contributions such as a personal contribution made by a member from after tax income (also called un-deducted contributions). However an age based limit applied to limit the tax deductibility of the employer, self-employed or other eligible member contributions.

The *Simpler Super* changes are incorporated in the *Income Tax Assessment Act 1997* ('*Tax Act*') and include:

- ▶ the removal of the age based limits from 1 July 2007 for employer and self employed member contributions;
- ▶ the introduction of a 'Concessional Contributions' cap of \$50,000 per person per year on what are known as 'concessional contributions':
 - This cap applies from 1 July 2007;
 - This cap or limit is imposed on the amount of employer, self-employed or other eligible member contributions made for the benefit of a member and taxed at the concessional rate (of no more than 15%) available to superannuation funds;
 - This cap will be indexed in increments of \$5,000 only in line with AWOTE;
 - An amount allocated from any reserve in the fund to a member's account from time to time may also be counted towards this cap;
 - Any contributions made in excess of the cap are taxed in the hands of the individual member at an extra 31.5%. The member is able to request the trustee to pay the tax from the member's entitlement in the fund;
 - Any excess contributions will be counted against the 'Non-Concessional' cap (see below);and
 - Transitional arrangements exist during the financial years from 2007/08 to 2011/12 whereby this cap is \$100,000 per person per year for members turning 50 or more during that period, so as to allow people nearing retirement to fulfil expectations of amounts planned to be contributed to their fund during this period.
- ▶ the introduction of a 'Non-Concessional Contributions' cap of \$150,000 per person per year on the amount of un-deducted or non-taxable contributions that may be made by a member:
 - This cap applies from 1 July 2007;
 - These contributions are generally not included in the assessable income of the fund;
 - These contributions are now known as 'non-concessional' contributions;
 - This cap will be indexed to equate to three (3) times the value of the concessional cap;
 - Averaging rules will apply allowing a member under age 65 to contribute \$450,000 in one year providing no further contributions are made in the following two income years;
 - Any contributions made in excess of the cap each year are taxed in the hands of the individual member at an extra 46.5%. The member must withdraw money from the fund to pay the tax; and
 - Excess concessional or deductible contributions are counted towards this non-concessional contributions cap.

A very important word of caution:

*If excess concessional contributions are made and this results in the non-concessional cap to be exceeded then **93%** tax may be paid on these excess concessional contributions. For example if a concessional contribution of \$60,000 and a non-concessional contribution of \$150,000 is made into a fund during the year ended 30 June 2008 then the \$10,000 excess will be counted towards the non-concessional cap. Therefore the tax payable on this excess contribution will be 15% contributions tax plus 31.5% excess contributions tax per the concessional cap limits plus 46.5% excess contributions tax per the non-concessional cap limit.*

Other transitional arrangements existed for the period 10 May 2006 to 30 June 2007 which allowed members to make un-deducted contributions of up to \$1,000,000.

Members aged 65-74 must meet the work test in the superannuation laws to be eligible to contribute.

There are two exemptions to these new contribution rules:

- (i) a member is able to contribute amounts up to a lifetime limit of \$1m (indexed) from the sale of assets qualifying under the small business capital gains tax (CGT) concessions. This exemption will also apply to pre-CGT assets that would otherwise have qualified but for their pre-CGT status or to assets sold as a result of the business owner suffering permanent incapacity; and
- (ii) a member is able to contribute the proceeds of any settlement received for injuries resulting in permanent disablement;

Transfers

A member may transfer benefits into and out of the fund;

Investments

A member may request the trustee to implement a separate investment strategy in the fund for the member;

Retirement Benefits

The trustee may pay the member a retirement benefit by way of a lump sum or a pension. There is no longer a compulsory requirement for a retired member to withdraw benefits upon reaching age 65. This means that the member may make a choice to leave their benefits in the fund until their death after which the benefits may be paid to a dependant or to their estate;

Access to benefits while still working

The trustee may commence a transition to retirement pension for a member that has reached their preservation age but still continues to work. The fund may still continue to accept contributions on behalf of the member in these circumstances thereby enabling the member to have both a member's accumulation account and pension account operating simultaneously;

Incapacity Benefits

The trustee may pay the member an incapacity benefit in the event the member is temporarily or permanently incapacitated;

Death Benefit Nominations

The trustee may accept a binding death benefit nomination (Rule 15) from a member requiring the trustee to pay out the member's benefits in the event of the member's death to the dependants named in the nomination form. Unlike other types of superannuation funds where this nomination form must be renewed every three years the *Strategist* SMSF deed enables you to create a permanent binding death benefit nomination which only you can change.

The governing rules of the *Strategist* SMSF (Rule 16) also allow a member to provide the trustee with a written request to pay out their death benefits in a particular manner and form. Once this request is accepted, the trustee is required to pay the benefits in the event of the member's death to the dependants named in the written request in accordance with the member's instructions. This request forms part of the governing rules of the fund and may not be amended without the consent of the member making the request. The form is not required to be renewed every three years however the member may amend or revoke the request at any time;

Both options require the trustee to ensure that any death benefits paid are made in accordance with the superannuation laws otherwise the fund could become non-complying.

Death Benefits

The trustee may pay death benefits by way of a lump sum or a pension to the deceased member's legal estate or their dependants in such proportions and in such manner as the trustee sees fit unless a binding death benefit nomination or death benefit rule is operative.

12. Pension Entitlements

A member or a dependant of a member may become entitled to be paid an income stream – called a pension - from the fund.

Prior to 20 September 2007 new pensions available from a SMSF included the allocated pension, the non-commutable allocated pension and the market linked pension. Earlier still there was another class of pensions available to members of a SMSF – defined benefit pensions – however these ceased to be available from 1 January 2006. Those that commenced prior to this date may continue.

From 1 July 2007 the rules governing these pension types were largely replaced by new 'simplified and streamlined' pension rules introduced under the *Simpler Super* reforms. This meant that from 1 July 2007 existing pensions may have adopted the new minimum payment rules described below and be taken to meet the new rules in the pension standards in the *SIS Regulations*. New pensions may commence under the new rules. From 20 September 2007 all new pensions should have commenced in line with the new rules.

There are now two main categories of superannuation pension: an account based pension that commences with all or part of a member's account balance in the fund; or a non-account based pension. The latter has little application in a SMSF so will not be addressed in this PDS. The rules applicable to the new account based pension are covered below as well as the variation to these rules for a transition to retirement ('TTR') option. The implications for continuing defined benefit pensions are also addressed.

(1) The new account based pension

The new pension:

- ▶ has a band for minimum payments of income each year as per the table below;
- ▶ the account cannot be increased after the commencement date by the addition of contributions or rollovers to the underlying capital of the pension;
- ▶ is commutable¹ subject to special rules applying for transition to retirement pensions (see below);
- ▶ cannot be used as security for any borrowings (income or underlying capital);
- ▶ can be transferred upon death of the member to a dependant as a reversionary pension or the balance of the pension account may be cashed and paid as a lump sum to a dependant or to the estate of the member.

An important issue to highlight here relates to the transfer of a pension to a 'reversionary beneficiary' upon a member's death.

The pension rules prohibit the reversion or transfer of a pension to a dependant where that person is an adult child (25 or older) of the member unless they have a specified permanent disability and are in need of ongoing support.

The pension rules specify that a pension (of any type) WILL NOT satisfy the rules if this occurs which means that the trustee is in breach of the superannuation laws and could cause the fund to become a non-complying fund.

Age of member	% of account balance to be taken
Under 65	4
65-74	5
75-79	6
80-84	7
85-89	9
90-94	11
95+	14

(2) The transition to retirement pension

This pension operates in the same way with two important differences:

- ▶ The pension cannot be taken as a lump sum until the member meets a condition of release such as retirement, death, permanent disability or age 65;
- ▶ The maximum pension payment in any one year is limited to 10% of the member's account balance. For example if a 56 year old member commenced a transition to retirement pension on 1 July 2007 with a \$1.8M account balance then the minimum pension payment would be \$72,000 and the maximum amount available would be \$180,000.

¹ Commutable means the ability to convert the pension into a lump sum. Partial commutations are also available.

(3) Implications for defined benefit pensions

A defined benefit pension includes income streams such as a lifetime complying pension or a fixed term pension to name the most common. The lifetime options are generally non-commutable except in very limited circumstances. One option for a member is to roll the current lifetime pension into another non-commutable income stream.

Given that the new *Simpler Super* account based pensions are generally commutable (excluding TTR) and that the only other non-commutable lifetime pension remaining in a SMSF – the market linked pension – would cease to be available after 20 September 2007 a roll over could not occur except outside of the SMSF into a life insurance company pension product. This is not an attractive option as a member would sacrifice their capital in these circumstances. Therefore special rules were introduced under *Simpler Super* that allow a member to roll over their complying defined benefit lifetime pension into a market linked pension within a SMSF and still satisfy the new pension rules. The governing rules of the *Strategist* SMSF allow this to occur for any members wishing to take advantage of these new rules. There may be strategic and taxation consequences of doing this so a member is best served if they seek appropriate advice before taking any action.

13. Estate Planning

A key feature of a SMSF is the ability of a member to directly provide for their dependants in the event of their death. A member may also direct some or all of their superannuation benefits into their legal estate on death and allow those benefits to be distributed according to the deceased's will. This includes a pension that may have been payable to a member at the time of their death.

A member may provide the trustee with binding and non-binding directions as to how their superannuation benefits are to be distributed in the event of their death. Such benefits are called death benefits and may be paid by way of lump sum or pension. The governing rules of the *Strategist* SMSF provide that a lump sum death benefit payment may consist of assets of the fund. The following provides an overview of the important aspects of estate planning in a SMSF.

What happens on death of a member?

As the member was a trustee or director of the trustee company at the time of death, then the governing rules of the *Strategist* SMSF (Rule 52) provides that the deceased member's executor is appointed as trustee or director of the corporate trustee. The purpose of this is to ensure that the member's death benefit nominations are carried out according to their wishes. However the appointment can only be in force until the death benefits commence to be paid out. At that time the executor must resign as trustee otherwise the fund may lose its complying SMSF status.

Paying death benefits

The distribution of superannuation benefits upon death of a member is not covered in a person's will. This is because the trustee generally has full discretion as to the payment of benefits and in the absence of any specific directions from the member must pay out the death benefits as soon as practical after the member's death. However as mentioned above there are a couple of different ways in which a member may communicate their wishes for the disbursement of their benefits. These are covered below and references are made to the relevant rule in the *Strategist* SMSF where appropriate:

a. Non-binding death benefit nomination ('NBDBN') – Rule 14

A NBDBN is where the member requests the trustee to make certain payments to specified beneficiaries. This is generally done in writing in the application form when applying to become a member of the fund. However as the nomination is non-binding the trustee is not obliged to carry out the request.

b. Binding death benefit nomination ('BDBN') – Rule 15

A BDBN is where a member requests that the trustee pay all or part of their benefits to a nominated dependant or dependants which can include the estate of a deceased member. Typically, the member will nominate a percentage of benefits to be paid in each case. The BDBN must be made in writing, in a specified format and witnessed by two people who are not named beneficiaries in the BDBN. The trustee must accept a legally valid request and on the member's death the trustee is bound to pay those benefits in accordance with the member's nomination. The Strategist SMSF Deed allows this nomination to be indefinite. Other Funds will generally require that it be renewed every three years.

c. Death benefit rule ('DBR') – Rule 16

If the member desires more certainty that death benefits will be paid in accordance with their wishes then they can request the trustee to establish a DBR. The member provides a written request to the trustee stating the amount, form and circumstances in which a benefit is to be paid to nominated dependants. The trustee must be satisfied that the request complies with the rules of the fund and all relevant legislation including the *SIS Act* and the *Tax Act*.

Upon acceptance of the member's request the DBR is documented and incorporated as a rule of the fund. The member can amend or revoke a DBR at any time and it can only be amended or revoked with the consent of the member.

d. Reversionary pension – Rule 17

A reversionary pension is a pension payable to a member that reverts or automatically carries on in the name of the spouse, dependant or legal estate. A reversionary pension has built in estate planning however the decision as to whom the pension is to be transferred is generally made at the time of commencement of the pension. It is the pension documentation that guides what happens on the death of the pension member not a BDBN, NBDBN or DBR.

Pension rules prohibit the reversion or transfer of a pension to a dependant who is an adult child (25 or older) of the member unless they have a specified permanent disability and are in need of ongoing support. This prohibition applies even if they were named as a reversionary beneficiary of a pension which commenced under the previous rules.

Who is a dependant?

Both the *SIS Act* and the *Tax Act* provide a definition for a dependant. A dependant under the *SIS Act* (SIS dependant) includes a member's spouse (legal or defacto), their children and a person who is financially dependant on them. It also includes a person who is in an interdependant relationship with the member such as a sister living with a member or possibly a same sex partner of a member who lives under the same roof.

The SIS dependant differs from the dependant for the purposes of the taxation laws (Tax dependant) in that the tax definition excludes a child aged 18 and over unless they are financially dependant or in an interdependant relationship with the member. This means that the tax treatment of benefits received by a SIS dependant who is not also a tax dependant may not be as advantageous.

The new pension rules restrict the definition even further by excluding as a reversionary pensioner an adult child of a member who is financially dependant or in an interdependant relationship with the member.

Consider the relationship between a 50 year old woman living with and caring for her elderly mother. This is clearly an interdependant relationship however any superannuation pension received by the mother would not be able to revert to the daughter under the new rules. A lump sum payment would be required.

The importance of estate planning

Until a SMSF estate plan is created for the member, the trustee will have full control of what happens to the member's superannuation benefits in the event of their death. As such, estate planning is vital in a SMSF and needs to be considered at the time a person becomes a member or soon thereafter and then reviewed regularly to capture changes in circumstances. As it is complex and the options are many, the member should seek specialist SMSF advice to assist them in creating and managing their SMSF estate plan.

14. Taxation

One of the major benefits of commencing a SMSF is that a fund is concessionally taxed on its income and members and their dependants may be concessionally taxed on benefits received from the fund. Importantly these taxation concessions only apply where a fund is a complying superannuation fund during the income year. A non-complying SMSF is taxed at a rate of 45% on its income and capital gains. This once again emphasises the need for trustees to be vigilant in monitoring the compliance of the fund and ensuring that they abide by the governing rules of the fund and also the relevant superannuation and taxation laws.

The area of greatest change under the *Simpler Super* reforms has been the taxation of contributions received by the fund and benefits received by members and their dependants. These changes were effective from 1 July 2007 and are included below.

(1) Taxation of the Fund

Broadly the trustee of the fund is taxed like any other taxpayer except that:

- ▶ any taxable income of a complying superannuation fund is taxed at a 15% rate excluding non-arm's length income received by the fund which is taxed at a 45% rate. Previously known as 'special income', non-arm's length income may arise on income received from a fund's investments in private companies or trusts or from other non-arm's length transactions undertaken by the fund where the income has not been received on an arm's length basis;
- ▶ any capital gains earned by the trustee upon the disposal of an asset that has been held for more than one year is entitled to a 33 1/3% discount;
- ▶ tax-deductible or 'concessional' contributions are included in the assessable income of the fund up to a limit of \$50,000 per member per year (across all their superannuation fund interests). A \$100,000 cap applies during the period 1 July 2007 until 30 June 2012 for those aged 50 or more or turning 50 during this period. Any contributions received in excess of these thresholds will be subject to tax in the individual's hands at a rate of 31.5%;
- ▶ taxable income excludes any income or capital gains earned on assets being used by the trustee to provide pensions. These are exempt from taxation provided that the trustee has segregated those assets from the accumulation assets of the fund. Upon segregating, the fund will have two parts – the accumulation side and the pension side – each with different taxation consequences. If the trustee does not segregate the assets of the fund when a pension commences then the trustee is required to obtain an actuarial report each year that will ascertain the portion of the income and capital gains of the fund that will be tax exempt;
- ▶ the trustee may obtain a tax deduction for premiums paid for life insurance, permanent disability and temporary incapacity. The trustee may also receive a tax deduction for self-insurance provided an actuary determines the arm's length amount of the premium that could have been claimed. The *Strategist* SMSF governing rules allow the trustee to self insure (Rule 40);
- ▶ where a member dies or becomes permanently incapacitated prior to age 65 and while they are working the trustee may obtain a significant tax deduction based on a proportional amount of benefit paid to the member or the member's dependants or legal estate;
- ▶ where a member dies and the trustee has included some of the contributions on behalf of the member in its assessable income in prior years, then the trustee may be able to claim a tax deduction for any bonus payment made to the deceased member's dependants or legal estate to compensate them for contributions tax paid on these contributions. However this bonus payment must be sourced from a appropriate reserve to be established by the trustee for this purpose.

(2) Taxation of Benefits to a Member

Benefits paid to a member are taxed according to their age, the type of benefit and the components that make up the member's balance in the fund. Prior to the introduction of the *Simpler Super* reforms and up until 30 June 2007 benefits have been taxed with reference to the lump sum or pension 'Reasonable Benefit Limits' or RBLs. These are now abolished with effect from 1 July 2007.

Further, the member's balance in the fund may have been made up of up to eight components with differing tax treatments. From 1 July 2007 there are only two components - a 'taxable' component and a 'tax-free' component.

The tax free component includes:

- ▶ A consolidation of existing superannuation interests calculated as at 30 June 2007 as a fixed amount and includes any un-deducted contributions, pre-July 1983 component, CGT exempt component, concessional component and post-June 1994 invalidity component. This is called the 'crystallised segment' of the tax free component; and
- ▶ Non-concessional contributions (un-deducted) made on or after 1 July 2007 that have not been included in the assessable income of the fund. This is called the 'contributions segment' of the tax free component.

Tax free benefits received are not required to be included in a person's income tax return.

The taxable component is calculated to be the total of the member's superannuation interest in the fund less the tax-free component and will comprise an element taxed in the fund and in limited circumstances perhaps an element untaxed in the fund. An element taxed in the fund refers to that part of a member's benefits - contributions and earnings - that have been subject to tax in the fund, which is typically the case for members of a SMSF.

The following table summarises the tax treatment applicable to the taxed element of the taxable component of benefits received by members from 1 July 2007. The Medicare levy is also payable on top of any rate > 0% quoted below.

Age	Lump Sum	Pension
Age 60 and over	Tax free	Tax free
Preservation age ² up to age 59	0% up to low rate cap of \$140,000 (2007/08 starting threshold & indexed thereafter) 15% tax on amount above low rate cap	Marginal income tax rates with a 15% tax rebate
Below preservation age	20%	Marginal income tax rates with no 15% tax rebate with the exception of disability pensions

² Currently age 55 for those born before 1960 - please refer to the definition of Preservation Age in the rules of the fund.

(3) Taxation of Death Benefits

There are significant taxation advantages of paying a death benefit directly from a fund to a dependant rather than through the deceased's legal estate. This is despite *Simpler Super* reforms having introduced various restrictions with respect to the payment of pensions to non-tax dependants.

The table below summarises rules that apply in relation to death benefits paid from the taxable component of a member's benefits and were applicable from 1 July 2007. The Medicare Levy is also payable on top of any rate > 0% quoted below unless paid from the deceased's legal estate.

While a person may be receiving a tax free income stream while they are alive it may not seem important to keep track of the tax-free and taxable components. Upon death of a member however it may be important if paying out death benefits to a non-dependant (within the meaning of the *Tax Act*) as the tax-free component retains its status in the hands of the dependant.

Age of Deceased Member	Death Benefit	Age of Recipient	Taxation Treatment ³ (of Taxed Element)	Taxation Treatment (of Untaxed Element)
Any age	Lump sum	Any age	Dependant: tax free Non-dependant: 15% tax	Dependant: tax free Non-dependant: 30% tax
Aged 60 and over	Pension	Any age	Dependant: tax free Non-dependant: Not allowable	Dependant: subject to marginal tax rates of the recipient with a 10% tax offset Non-dependant: Not allowable
Under age 60	Pension	Aged 60 & over	Dependant: tax free Non-dependant: Not allowable	Dependant: subject to marginal tax rates of the recipient with a 10% tax offset Non-dependant: Not allowable
		Under age 60	Dependant: marginal tax rates with a 15% tax rebate Non-dependant: Not allowable	Dependant: marginal tax rates Non-dependant: Not allowable

There are few circumstances in which a person may receive a death benefit that is sourced from an untaxed element in the fund. The most typical situation is where the trustee receives a payout on a life insurance policy held by the fund on the life of the deceased Member. Where the fund had claimed a tax deduction for the insurance premiums then a calculation is required to determine the proportion of the proceeds to be treated as an element untaxed in the fund.

³ The tax free component of a member's death benefit will always be tax free.

15. Appointment of Specialists

The superannuation and taxation laws, particularly as they apply to SMSFs, are complicated. Serious breaches may render a fund to be non-complying which means that the fund is taxed on its income at a rate of 45%. In addition the trustee may be subject to financial and criminal penalties. The rules allow a trustee to appoint managers, advisers, and to engage other specialists to assist the trustee in the management of the fund. It is highly recommended that the trustee appoint an experienced SMSF auditor and specialist SMSF adviser to look after the fund.

16. Costs and Expenses of the Fund

SMSFs can be costly to run depending on the size of the fund as most of the costs are fixed. For example the costs of administering a fund with assets of \$100,000 may be the same as a fund with \$2M in assets.

However administration costs, although important, are not the only costs for a trustee to manage and operate a complying SMSF. Some other costs include but are not limited to:

- ▶ The acquisition of the deed and the rules and establishment of the fund as a regulated self managed superannuation fund;
- ▶ The potential acquisition of a trustee company – see above on why a special purpose trustee company is recommended;
- ▶ The provision of specialist advice to the trustee or members in relation to the establishment of the fund, restructuring of assets into the fund, plans for member retirement incomes, incapacity benefits or benefits payable in the event of the member's death;
- ▶ The provision of investment advice concerning the development and implementation of the fund's investment strategy;
- ▶ Brokerage and commissions payable in relation to investing the assets of the fund;
- ▶ The acquisition by the trustee of insurance for the fund for the benefit of members including life, total and permanent disablement as well as temporary incapacity insurance;
- ▶ Insurance where the assets of the fund include real property or valuables such as antiques or art;
- ▶ Accounting and audit fees in relation to the preparation of audited accounts and tax return as required by the superannuation laws;
- ▶ The provision of actuarial advice should the fund self-insure or the trustee pay a pension from a pool of the fund's assets not segregated for this purpose; and
- ▶ Maintaining currency of the rules of the fund and the product disclosure information supplied to members.

Costs associated with the administration of Fund and relating to any of the above may be obtained in a schedule from the provider of any financial services to the trustee.

17. Understanding the Governing Rules of the Fund

A SMSF has a lifecycle and the governing rules of the *Strategist SMSF* have been designed to reflect this.

This lifecycle at first requires the fund to be formed, a trustee appointed and members admitted.

The fund will then receive contributions and may receive transfers of benefits from other superannuation funds.

Once received the trustee then invests those monies or assets. The trustee must comply with the superannuation laws in all its operational activities.

The *SIS Act* requires the fund to be audited each and every year.

Benefits are provided to the members - an important part of the lifecycle - the most important for members - when, how and the quantity that are to be paid to members.

Although SMSF's can continue indefinitely the trustee may also terminate the fund.

To reflect the lifecycle of the fund the governing rules are contained in the following Parts:

- Part One - Establishment of the Fund
- Part Two - Operation and Administration of the Fund
- Part Three - Payment of Benefits by the Trustee
- Part Four - Changes to the Fund
- Part Five - Winding up of the Fund
- Part Six - Interpretation

For a more detailed look at what each part contains refer to the index at the start of the rules.

Great care has been taken to ensure that the rules remain as flexible as possible yet still ensure that they meet current standards of the superannuation laws as well as other laws that may impact on the trustee and members of the fund. These other laws include taxation, bankruptcy, family, social security and trustee laws.

Most rules have been divided into two parts. The first part provides a broad explanation of the rule. This explanation is designed to assist the reader to understand the purpose of the rule. Importantly the explanation does not form part of the rules; rather it is ancillary to them. The second part of each rule is the rule itself.

At the end of the rules are interpretative provisions. When reading the rules, if a particular term or word is capitalised, then a definition may be found in Rule 62.

THE RULES OF THE FUND

Note – terms capitalised are defined in the Definitions.

Part One: Establishment of the Fund

Purpose of the Fund

Rule 1. The Fund must satisfy the sole purpose test

Explanation

- *The Fund must be established and must be maintained solely for the provision of Core Purposes or for the provision of Core Purposes and Ancillary Purposes of the 'sole purpose test' in the SIS Act.*
- *The SIS Act defines Core Purposes to include the provision of Benefits to a Member upon his or her retirement or to the Legal Personal Representative or Dependants of the Member in the event of the Member's death.*
- *The SIS Act also provides that the Trustee may maintain the Fund for both Core Purposes and for Ancillary Purposes. An Ancillary Purpose may include the provision of Temporary or Permanent Incapacity Benefits to a Member where the Member terminates employment as a consequence of ill health.*
- *An Ancillary Purpose also includes the provision of such Benefits as the Regulator has approved in writing.*
- *Tax concessions will not be available to the Fund unless the Trustee of the Fund is either a "constitutional corporation" (that is company) or its sole or primary purpose is the provision of old age pensions (this however does not mean that a fund which does not have a corporate trustee cannot pay a pension). Rule 1.2 reflects this requirement.*

Rule

- 1.1.** The Trustee must ensure that the Fund is maintained for one or more of the Core Purposes or for one or more of the Core Purposes and for one or more of the Ancillary Purposes and for no other purpose.
- 1.2.** If the Trustee is not a Constitutional Corporation the sole or primary purpose of the Fund is the provision of old age pensions.

Appointing the Trustee

Rule 2. Who may and may not be a Trustee

Explanation

- *The Fund must have a Trustee.*
- *Section 17A of the SIS Act must be satisfied in order for the Fund to be a Self Managed Superannuation Fund. This section requires that:*
 - *each Member must be a Trustee or if the Trustee is a company each Member must be a director of that company;*
 - *a person who is not a Member may not be a Trustee or a director of a company which is a Trustee,*
 - *except that a Legal Personal Representative may also be a Trustee.*
- *On the Death of a Member the Legal Person Representative of that Member should be appointed as a Trustee or as director of a company that is a Trustee – see Rule 52.*
- For single member funds another person is required to be appointed as a Trustee, not being an employer of the Member unless also a relative of the Member.

However these Rules do not allow:

- *for the purposes of administrative simplicity*
- *for a company to be a Trustee if a Member is also a Trustee.*

If a company is appointed Trustee the constitution of that company should be compatible with the Rules.

Any person accepting appointment as a Trustee or director of a company that is the Trustee must read and agree to the Rules.

A disqualified person may not be a Trustee. A disqualified person may include a person who has committed a civil or criminal offence or is bankrupt.

If a natural person is a Trustee a company cannot also be a Trustee.

Rule

Who may be a Trustee

- 2.1.** Natural persons may be Trustees or a company may be the Trustee but natural persons and companies cannot both be Trustees.
- 2.2.** Subject to this Rule and Rule 52 below (which applies on death of a Member) an individual may only be a Trustee if the individual is a Member.

- 2.3.** Subject to this Rule and Rule 52 below (which applies on the death of a Member) a company may only be a Trustee if all the directors of the company are Members.
- 2.4.** Notwithstanding Rule 2.2 and Rule 2.3 if there is only one person who is a Member then:
- (a) that Member or a Legal Personal Representative of that Member and one other natural person who is a Relative of the Member or is a person who is not an employer of the Member may be the Trustee; or
 - (b) a company may be the Trustee the sole director of which is the Member or a Legal Personal Representative of the Member or the company may have two directors one of which is the Member or the Legal Personal Representative of the Member and another person who is a Relative of the Member or is a person who is not an Employer of the Member.
- 2.5.** If the Member is under a legal disability then that Member cannot be appointed as a trustee but a Legal Personal Representative of that Member shall be appointed as a Trustee.
- 2.6.** If the Regulator appoints a person or company as a Trustee that person or company may be a Trustee.
- 2.7.** Notwithstanding any other provisions of these Rules a person or company shall not be appointed as a Trustee unless they have provided the Trustee with a written consent to that appointment and have acknowledged that they have read and agreed to be bound by the Rules.
- 2.8.** Notwithstanding any other provision of these Rules an Approved Trustee may be appointed as the Trustee.

Who may not be a Trustee

- 2.9.** A person cannot be a Trustee if:
- (a) at any time
 - (i) the person was convicted of an offence against or arising out of a law of the Commonwealth of Australia, a State or a Territory of Australia or a foreign country, being an offence in respect of dishonest conduct; or
 - (ii) a Civil Penalty Order was made in respect of the person; or
 - (b) the person is an insolvent under administration; or
 - (c) a Regulator has disqualified the person (for the purposes of section 120A of the *SIS Act*) and the Regulator has not waived that person's status as a disqualified person.

2.10. A company cannot be a Trustee if:

- (i) the company knows, or has reasonable grounds to suspect, that a person who is, or who is acting as a Responsible Officer of the company has been disqualified by the Regulator (for the purposes of section 120A of the *SIS Act*); and
- (ii) the company knows or has reasonable grounds to suspect that:
 - (1) the person is not eligible under section 126B(1) of the *SIS Act* to apply to APRA for a declaration waiving his or her status as a disqualified person; or
 - (2) the person is so eligible under section 126B(1) of the *SIS Act* to apply to APRA for a declaration waiving his or her status as a disqualified person but that person will not make an application under subsection 126B(3) of the *SIS Act* seeking a waiver of that status; or
- (a) a receiver, or a receiver and manager, has been appointed in respect of property owned by the company; or
- (b) an official manager, deputy official manager or administrator has been appointed in respect of the company; or
- (c) a provisional liquidator has been appointed in respect of the company; or
- (d) the company has begun to be wound up.

2.11. Notwithstanding Rules 2.9 and 2.10 above a person or company can be appointed as a Trustee if that appointment as a Trustee is authorised by the Regulator.

Rule 3. Appointment of a Trustee

Explanation

This Rule provides the mechanism for appointing those persons eligible to be appointed as Trustees. This Rule also allows an individual to be replaced as a Trustee by a company which is a Trustee and for a company which is Trustee to be replaced as Trustee by an individual.

Trustees of the Fund will be personally liable for any liabilities incurred by the Fund (although they may be entitled to indemnity by the Fund). Where there is more than one Trustee each Trustee is jointly and severally liable for the liabilities of the Fund. As a consequence persons causing the establishment of the Fund might prefer that a company be appointed the Trustee of the Fund rather than individuals being appointed Trustees of the Fund.

Rule

- 3.1.** Upon establishment of the Fund a person is appointed as Trustee provided that that person:
- (a) has agreed to be Trustee by reason of execution of the Deed; and
 - (i) has consented in writing to become a Member or is the Legal Personal Representative of a person; or
 - (ii) if the Fund has only one Member – is a Relative of the Member or is a person who is not an employer of the Member;
 - (b) has agreed to be bound by the Rules and has consented in writing to that person's appointment as a Trustee;
 - (c) is eligible to be appointed a Trustee; and,
 - (d) has read the Product Disclosure Statement.
- 3.2.** Upon establishment of the Fund a company is appointed as Trustee provided all the following conditions are met:
- (a) the company and its directors have agreed to be Trustee by reason of execution of the Deed;
 - (i) all directors have consented in writing to become Members or they are the Legal Personal Representative of a person and have agreed in writing to that person becoming a Member; or
 - (ii) if the Fund has only one Member and two directors – the director that is not a Member is a Relative of the Member or is a person who is not an employer of the Member;
 - (b) the company and its directors agree to be bound by the Rules and has consented in writing to its appointment as a Trustee;
 - (c) the company is eligible to be appointed a Trustee; and
 - (d) all the directors have read the Product Disclosure Statement.

- 3.3.** Subject to the provisions of these Rules where the Trustee accepts a person as a Member, that person or a Legal Personal Representative of that person is appointed as a Trustee unless that person or a Legal Personal Representative of that person becomes a director of a company which is the Trustee.
- 3.4.** On appointment of a person as a Trustee or on appointment of a company as a Trustee after 30 June 2007 that person or each director of that company shall sign a declaration in that form as required by the Act certifying that he or she understands their duties as a trustee of a self managed superannuation fund or as a director of a company which is a trustee of a self managed superannuation fund.
- 3.5.** If a person is a Trustee or a director of a company which is a Trustee and another person is appointed after 30 June 2007 as a Trustee or as a director of a company which is a Trustee then that person must ensure that the newly appointed person signs a declaration in that form as required by the Act certifying that he or she understands their duties as a trustee of a self managed superannuation fund or as a director of a company which is a trustee of a self managed superannuation fund.
- 3.6.** Any such declarations referred to in Rules 3.4 and 3.5 shall be kept for at least 10 years or such longer period so far as it is relevant and shall be available for inspection by the Regulator if so required.
- 3.7.** Upon the retirement or removal of a Trustee as Trustee or upon that Trustee being unable to act as Trustee including by reason of the death of the Trustee at the direction of that Trustee or if the Trustee is unable to make direction upon the appointment of a person as the Legal Personal Representative of that Trustee the following person or company is appointed as a Trustee in place of that Trustee, provided that Legal Personal Representative has consented in writing as to its appointment as a Trustee:
- (a) if that Trustee is a person - another person who is a Member or a Legal Personal Representative of a Member or a company of which the Member or the Legal Personal Representative of the Member is a director; or
 - (b) if that Trustee is a company - a company all the directors of which are Members or are Legal Personal Representatives of Members
 - (c) provided that person or company is not already a Trustee.

Becoming a Regulated Superannuation Fund

Rule 4. The Trustee must ensure that the Fund is a Regulated Superannuation Fund

Explanation

To obtain a tax concession the Fund must be a Complying Self Managed Superannuation Fund. A Self Managed Superannuation Fund will not be a Complying Self Managed Superannuation Fund if it is not a Regulated Superannuation Fund.

Rule

The Trustee must cause the Fund to at all times be a Regulated Superannuation Fund.

Trustee Operations and Obligations

Rule 5. Removal and Retirement of a Trustee

Explanation

The purpose of this Rule is to provide a mechanism for the removal or retirement of a person or company as a Trustee.

Rule

5.1. A Member may retire as a Trustee provided:

- (a) a company of which the Member is a director is appointed as Trustee; or
- (b) a Legal Personal Representative of that Member is appointed as a Trustee.

5.2. If the Fund has only one Member, a person who is not a member and who is a Trustee may retire as a Trustee provided that another person who is a Relative of the Member or is a person who is not an employer of the Member is appointed as a Trustee.

5.3. A company may retire as a Trustee provided:

- (i) all the directors of that company are appointed as Trustees; or
- (ii) another company is appointed as a Trustee, provided the directors of that company are also directors of the company retiring as Trustee.

- 5.4.** Notwithstanding any Rule a Trustee may retire as Trustee of the Fund if an Approved Trustee is or has first been appointed as the Trustee of the Fund;
- 5.5.** Subject to these Rules and the Act a person or company is removed as a Trustee:
- (a) if the Trustee is a Member – upon that person ceasing to be a Member;
 - (b) if the Trustee is a Member – upon that Member becoming incapable of acting as Trustee unless a Legal Personal Representative of that Member is appointed as a Trustee in place of that Member;
 - (c) if the Trustee is a company – on that date four months from the time one or all of the directors of the company cease to be Members or the Legal Personal Representatives of Members;
 - (d) if the Trustee is prohibited from being a Trustee by reason of Rules 2.9, 2.10 or Rule 2.11 – on that date a Trustee is so prohibited from being a Trustee;
 - (e) if the continued appointment of the Trustee as a Trustee will cause the Fund to be a Non-Complying Self Managed Superannuation Fund – on the day before the day the continued appointment of the Trustee as a Trustee will cause the Fund to be a Non-Complying Self Managed Superannuation Fund.

Rule 6. Remuneration and Indemnification of a Trustee

Explanation

A Fund will not be a Complying Self Managed Superannuation Fund if the Trustee receives any remuneration for acting as Trustee unless the Trustee is an Approved Trustee.

Rule

- 6.1.** A Trustee shall not be entitled to be remunerated for acting as a Trustee unless the Trustee is an Approved Trustee.
- 6.2.** A Trustee may apply the assets of the Fund in indemnification of itself or a former Trustee for expenses incurred by itself or a former Trustee in managing or administering the Fund provided:
- (a) the Trustee or the former Trustee acted honestly in the matter in respect of which the indemnification is sought;
 - (b) the Trustee or the former Trustee did not intentionally or recklessly fail to exercise, in relation to the matter in respect of which indemnification is sought, the degree of care and diligence that the Trustee or the former Trustee was required to exercise.

Rule 7. Meetings of the Trustees

Explanation

If there is more than one Trustee, the Trustees should meet to decide matters such as the:

- *appointment of various professional advisers to the Fund including the Auditor,*
- *establishment of a bank account or cash management trust for the Fund,*
- *setting of an investment objective and investment strategy for the Fund,*
- *admission of Members to the Fund,*
- *acquisition and disposal of investments pursuant to the Fund's investment strategy,*
- *approval of the payment of Benefits to a Member (including payment of a Pension),*
- *payment of a Death Benefit,*
- *acceptance of a Binding Death Benefit Nomination from a Member,*
- *review of audit reports,*
- *Creation of any Reserves.*

Normally the Manager, the person whom the Trustees have appointed to be responsible for the day-to-day administration of the Fund, will call meetings. However Members with Members' Account balances equal to 50% or more of the balances of all Members' Accounts can also call a meeting.

Where the Trustee is a company decisions will be made at meetings of the directors of that company rather than at meetings of the Trustees. In this case meetings of the company must be held in accordance with the constitution of that company. It is important that the constitution of any company that is a Trustee be compatible with the Rules.

These Rules are designed to ensure that Members would normally vote according to their interests in the Fund. The constitution of the Strategist special purpose company contains rules that are designed to only allow directors of any such company to vote at directors' meetings of that company according to the directors' interests in the Fund (or the interests of those Members who those directors represent).

Rule

- 7.1.** If there is more than one Trustee the Trustees must meet if the Manager or Members, the balance of whose Members' Accounts is equal to more than one half of the balance of all Members' Accounts, serves a notice of the meeting upon the Trustees requiring the Trustees to make a decision in respect of the Fund.

- 7.2.** The Manager or Members must give reasonable notice of any such meeting to each of the Trustees (which may be by mail, facsimile or email to that address, facsimile number or electronic address last nominated by each Trustee) unless the Trustees unanimously agree that the meeting may be held on some earlier date. Such written notice must:
- (a) set out the place, date and time for the meeting (and, if the meeting is to be held in two or more places, the technology that will be used to facilitate this); and
 - (b) state the general nature of the business of the meeting.
- 7.3.** Where, through a link established by means of any system of telephone, audio or audio-visual communication approved by the persons eligible to attend a Trustee Meeting those persons will be taken to be assembled together at a meeting and all proceedings of those persons, conducted with the aid of the link, will be as valid and effectual as if conducted at a meeting at which all those persons were physically present.
- 7.4.** At any Trustee Meeting a quorum is equal to that number of Members, or the Legal Personal Representatives of those Members, the balance of whose Members' Accounts, is equal to more than one half of the aggregate balance of all Members' Accounts.
- 7.5.** At any Trustee Meeting, unless the persons entitled to and present at that meeting unanimously agree otherwise, a person shall be entitled to cast that number of votes as is equal to the nearest number of whole dollars of the balance of the Member's Accounts of that person plus that amount in any Reserve which an actuary has determined is supporting that person's Member's Account in paying a Pension.
- 7.6.** A resolution shall not be passed at any Trustee Meeting unless it is passed by the casting of a majority of the votes entitled to be cast by persons who are present at that meeting.
- 7.7.** A person may appoint another person to act as that person's proxy at any Trustee Meeting.
- 7.8.** If a circulating minute, containing a statement that the Trustee is in favour of a resolution in the terms set out in that document, has been signed by all persons entitled to attend a Trustee Meeting, a resolution in those terms will be taken to have been passed at a meeting held on the day and at the time at which the document was last signed by any such person. Two or more separate documents containing statements in identical terms, each of which is signed by one or more persons, will together be taken to constitute one document for the purposes of this Rule.

Rule 8. Trustee's records

Explanation

A written record must be kept of all decisions made by the Trustee in relation to the Fund. Those records should be held for ten years.

Rule

- 8.1.** If there is only one person who is a Trustee that person must make a written record of all decisions made by that person as Trustee.
- 8.2.** If there is more than one person who is a Trustee the Trustee must keep minutes of every meeting held by the Trustees.
- 8.3.** If the Trustee is a company the minutes of the meetings of the directors of that company shall be deemed for the purposes of this Rule to be records of the Trustee.
- 8.4.** Records and minutes required by this Rule must be kept for at least ten years from the date the decision was made or the date of the meeting.

Rule 9. Trustee's covenants

Explanation

The Act requires that the rules of a Regulated Superannuation Fund contain certain covenants (if the rules do not contain these covenants the Rules are deemed to contain those covenants). Whilst some of those covenants are contained elsewhere in these Rules they have all been reiterated here to highlight the code of conduct that a Trustee must adopt as a Trustee.

Rule

A person by accepting appointment as a Trustee agrees:

- (a) to act honestly in all matters concerning the Fund;
- (b) to exercise, in relation to all matters affecting the Fund, the same degree of care, skill and diligence as an ordinary prudent person would exercise in dealing with property of another with whom the person felt morally bound to provide;
- (c) to ensure that duties and powers of the Trustee are performed and exercised in the best interests of the Members;
- (d) to keep the money and other assets of the Fund separate from any money and assets, respectively:
 - (i) that are held by a Trustee personally or,
 - (ii) that are money or assets as the case may be, of a Standard Employer-Sponsor, or an Associate of a Standard Employer-Sponsor, of the Fund;

- (e) not to enter into any contract or do anything else, that would prevent the Trustee from, or hinder the Trustee in properly performing or exercising the Trustee's functions and powers;
- (f) to formulate and implement a written investment strategy in accordance with the provisions of the Act;
- (g) if there are any Reserves – to formulate and implement a written strategy for the prudential management of those Reserves consistent with the Fund's investment strategy and its capacity to discharge liabilities (whether actual or contingent) as and when they fall due; and
- (h) to allow a Member access to Prescribed Information and any Prescribed Documents.

Admittance of Members

Rule 10. Who may become a Member

Explanation

There are generally no restrictions on who can be a Member of the Fund provided the Member or their Legal Personal Representative is eligible to be appointed a Trustee. For example a child or a person that is not employed may become a Member of the Fund.

This Rule would also allow the Trustee to admit a spouse of a Member who is not also a Member as a Member to allow any superannuation splitting arrangement as ordered by the Family Court.

Rule

- 10.1.** The Trustee may in its absolute discretion admit a person as a Member provided:
- (a) that person or that person's Legal Personal Representative has provided the Trustee with an Application Form and has agreed to be bound by the Rules;
 - (b) admission of that person as a Member would not cause the Fund to become a Non-Complying Self Managed Superannuation Fund; and
 - (c) the person or the Legal Personal Representative of that person is eligible to act and accept appointment as a Trustee or is eligible to be and is willing to accept appointment as a director of a company which is eligible to and will accept appointment as a Trustee.

10.2. Subject to these Rules and the Act the Trustee must admit a person as a Member where that person will be paid a Pension from the Fund.

10.3.

- (a) If a Member is the only Member of the Fund the Member can provide the Trustee with a notice requiring the Trustee not to admit any other person as a Member of the Fund and the Trustee shall not thereafter admit any person as a Member of the Fund, or
- (b) Alternatively, if a Member so elects by notice to the Trustee and notwithstanding any other provision of these Rules the property of the Fund transferred to the Fund by that Member can only be held in the Fund specifically for the Member and that property cannot be pooled with the contributions or other assets of other Members and no other Member can obtain an interest in that property.

Rule 11. Members have read and are bound by the Rules

Explanation

This Rule is to protect the Trustee against any claims made by a Member who claims not to understand what rights and obligations the Trustee and Member has under the Law and Rules.

Rule

By applying for membership of the Fund a Member acknowledges having read the Product Disclosure Statement and agrees to be bound by the terms of the Deed and the Rules. Subject to Rule 10.2 a Trustee may prohibit a person becoming a Member of the Fund if they are of the opinion that the person has not read and understood the Fund's Product Disclosure Statement, the Deed and the Rules of the Fund.

Rule 12. Application Form

Explanation

A person wishing to become a Member must provide the Trustee with an Application Form. The Application Form may (amongst other things) require such a person to:

- *acknowledge that the person has read the Product Disclosure Statement;*
- *agree to be bound by the Rules;*
- *be a Trustee of the Fund or a director of a company which is the Trustee of the Fund;*
- *provide such information (including medical information) to the Trustee as the Trustee requires;*
- *provide the Trustee with a death benefit nomination.*

Rule

- 12.1.** A person shall not be admitted as a Member or receive a Pension from the Fund unless that person has completed an Application Form in the form required by the Trustee and has confirmed in writing that he or she has read the Product Disclosure Statement, Deed and Rules of the Fund and has agreed to be bound by the Rules of the Fund.
- 12.2.** Where a person may be entitled to be paid a Pension following the death of a Member and that person does not wish to become a Member or the Trustee decides that the person should not become a Member then the Trustee is to transfer that amount as would have been added to a Member's Pension Account to fund the payment of the Pension to that person to another Complying Superannuation Fund or Eligible Rollover Fund. Any such transfer is to be made in accordance with Rule 27 and must occur within three months of the time that the person became entitled to be paid a Pension.

Rule 13. Receipt of an Application Form

Rule

- 13.1.** On receipt of an Application Form from a person and after that person produces such documents and evidence, and submits to such medical examination and checks, as the Trustee may reasonably and lawfully require the Trustee may admit that person as a Member.
- 13.2.** Within 6 weeks of receipt of an Application Form the Trustee shall advise the person applying for membership whether or not that person has been accepted for admission as a Member and whether or not any conditions will be attached to that person's membership of the Fund.
- 13.3.** If the Trustee has agreed to accept a person as a Member but subject to conditions as to that person's membership that person can within 6 weeks of notification by the Trustee pursuant to Rule 13.2 either accept or reject that offer of membership.
- 13.4.** If after six weeks a person neither accepts or rejects an offer of membership of the Fund that person shall be deemed to have accepted that offer of membership.

Estate Planning

Explanation

The assets of the Fund do not belong in whole or in part to any individual. That is, whilst a Member might think of his or her interest in the Fund as being an "asset" of that person as a matter of law this is not the case.

This means that when a Member dies the Member will not be able to dispose of his or her interest in a Fund by way of a Will.

Further Explanation

To allow a Member to effectively dispose of his or her interest in a Fund and to have some choice as to how to do so, these Rules allow:

- *A Member to provide the Trustee with a Non-Binding Death Benefit Nomination. The Member by way of that nomination requests that the Trustee pays Benefits in accordance with the Member's wishes but does not compel the Trustee to so pay the benefits. A Member might decide to provide a Trustee with a Non Binding Death Benefit Nomination where the Member wishes to provide some guidance to the Trustee (and to provide the Trustee with some measure of protection if the Trustee acts accordingly to that nomination) but – recognising that there may be a need for flexibility – does not want to bind the Trustee (Rule 14);*
- *A Member to provide the Trustee with a Binding Death Benefit Nomination in which the Member requires the Trustee to pay Benefits after that Member's death to a Legal Personal Representative or Dependant of the Member. Whilst such requests are mandatory such requests are restrictive (as to both whom Benefits may be paid and the mode of paying Benefits- for example the Member cannot compel the Trustee to pay a pension instead of a lump sum) and generally only have a three year life. This is not the case with the Strategist deed where a Binding Death Benefit is permanent if worded to that effect unless altered by the member (Rules 15.1 to 15.7)*
- *A Member to require his or her Legal Personal Representative to determine with the consent of the Trustee as to how a Member's Benefits should be applied on the death of the Member. The disadvantage of this alternative is that the Trustee might not consent to that determination (Rule 15.8);*
- *A Member to cause the Rules to be amended to ensure that Benefits payable as a consequence of that Member's death are paid in a particular way (there is no restriction to whom or how the Benefits might be paid). This Rule may only be varied with that Member's consent (Rule 16).*

Rule 14. Non-binding Death Benefit Nomination

Explanation

A Member might request the Trustee to pay a Benefit after the death of the Member to persons nominated by that Member. However the Member might prefer –so as to not bind the Trustee- that this direction is made more as a statement of wishes than as a mandatory order.

Rule

- 14.1.** A Member or the Legal Personal Representative of a Member may provide the Trustee with a Non-Binding Death Benefit Nomination. This Nomination may request the Trustee, at its discretion, to provide Benefits on death of the Member to persons named by the Member in that nomination.
- 14.2.** Subject to the Act the Trustee must accept a Non-Binding Death Benefit Nomination.
- 14.3.** A Non-Binding Death Benefit Nomination is not binding upon the Trustee.
- 14.4.** Prior to the death of a Member the Member or the Legal Personal Representative of the Member may confirm, amend or revoke a Non-Binding Death Benefit Nomination previously given by the Member to the Trustee.
- 14.5.** A Member or the Legal Personal Representative of a Member may also direct the Trustee to act, do or carry out a particular course of action on their death or incapacity. However the Trustee is not bound by any such direction and the Trustee must not comply with that direction if it causes the Fund to become a Non-Complying Self Managed Superannuation Fund.

Rule 15. Binding Death Nominations

Explanation

The SIS Act states that, if the Rules of a Fund permit it, a Member of the Fund may require the Trustee to provide any Benefits in respect of the Member, on or after the death of the Member, to the Legal Personal Representative or a Dependant of the Member. The Member does this by making what is commonly referred to as a "Binding Death Benefit Nomination".

The Trustee must accept a Binding Death Benefit Nomination. However the Trustee must first provide the Member with sufficient information for the purpose of submitting a Binding Death Benefit Nomination. It is important to understand that the nomination can only be for the benefit of SIS beneficiaries as defined under the ACT.

The Member may amend a Binding Death Benefit Nomination at any time provided the Trustee is notified in writing of that amendment.

A Binding Death Benefit Nomination (except if the Fund is a Self Managed Superannuation Fund) ceases to have effect on that date three years after it was first signed or last confirmed or updated by the Member.

Generally a Binding Death Benefit Nomination ceases to have effect on that date three years after it was first signed or last confirmed or updated by the Member. This is not the case with the Strategist SMSF deed where a Binding Death Benefit Nomination is permanent if worded to that effect unless altered by the member.

A Binding Death Benefit Nomination may be limited to the extent that a Member only nominates a person or persons and a proportion of the Member's Benefits to be paid to the person or each person. Accordingly a Member who wishes to have certainty about the manner in which Benefits are provided to a Dependant should consider making use of other options available as detailed in Rules 16 and 17. Alternatively, this Rule allows the Legal Personal Representative with consent of the Trustee after the death of a Member to apply the Member's Benefits as requested by the Legal Personal Representative.

Rule

- 15.1.** The Trustee must when required to do so by the Act provide a Member with that information that the Trustee reasonably believes the Member reasonably needs for the purpose of submitting a Binding Death Benefit Nomination.
- 15.2.** A Member or the Legal Personal Representative of a Member may provide the Trustee with a Binding Death Benefit Nomination or a replacement to a prior Binding Death Benefit Nomination.
- 15.3.** Subject to the Act the Trustee must accept a Binding Death Benefit Nomination and shall be bound to act in accordance with that Binding Death Benefit Nomination so long as, in doing so, the Fund is not in breach of the Act.
- 15.4.** A Binding Death Benefit Nomination:
- (a) must be in writing;
 - (b) must require the Trustee to provide any benefits in respect of the Member, on or after the death of the Member, to a Legal Personal Representative or a Dependant of the Member;
 - (c) must be signed, and dated, by the Member in the presence of two witnesses, being persons:
 - (i) each of whom has turned 18; and
 - (ii) neither of whom is a person mentioned in the notice; and
 - (d) must contain a declaration signed, and dated, by the witness stating that the notice was signed by the Member or the Legal Personal Representative of a Member in his or her presence.
- 15.5.** Prior to the death of a Member the Member or the Legal Personal Representative of the Member may confirm, amend or revoke a Binding Death Benefit Nomination previously given by the Member to the Trustee. A confirmation must be in writing, dated and signed by the Member or the Legal Personal Representative of the Member. An amendment or revocation of a Binding Death Benefit Nomination must be in writing and must be dated and signed by the Member or the Legal Personal Representative of the Member in the presence of two witnesses each of whom has turned 18 and neither of whom is mentioned in the notice.
- 15.6.** A Binding Death Benefit Nomination which requires a Benefit to be paid to the spouse of a Member will be deemed to have been revoked if proceedings have been commenced pursuant to the Family Law Act 1975 or some similar foreign legislation seeking the dissolution of that Member's marriage to that spouse.
- 15.7.** Unless sooner revoked by the Member or the Legal Personal Representative of the Member who gave the Binding Death Benefit Nomination or deemed to have been revoked a Binding Death Benefit Nomination will have an indefinite term unless the Member has stipulated otherwise.
- 15.8.** Alternatively to Rules 15.1 to 15.7 above the Legal Personal Representative with the consent of the Trustee may subject to the Rules and the Act require the Trustee to provide Benefits payable on the death of the Member to whomever and howsoever as that Legal Personal Representative directs.

Rule 16. Incorporation of a Death Benefit request in the Rules

Explanation

The SIS Act states that if the Rules of a Fund permit it a Member may request the Trustee to provide any Benefits in respect of the Member, on or after the death of the Member, to the Legal Personal Representative or a Dependant of the Member provided any such request would not render the Fund to be a Non-Complying Self Managed Superannuation Fund.

These Rules permit a Member to request that the Trustee establish a Death Benefit Rule. The request if accepted will bind the Trustee to pay a Member's Benefits upon the Member's death as that Member requests.

However before accepting a Member's request to establish a Death Benefit Rule, the Trustee should assess the taxation implications and cash flow requirements that may be faced by the Fund in the event of any Death Benefit becoming payable upon the Member's death.

If the Trustee is of the view that the Trustee may be unable to comply with the Member's request the Trustee may, after discussion with the Member, request that the Member resubmit the request. The Trustee may also need to reassess the Fund's insurance plan and increase any life insurance cover.

Warning: *Any requests for a Death Benefit Rule that was provided to the Trustee before 1 July 2007 should be reviewed in light of the new Simpler Super rules.*

Rule

- 16.1.** A Member or the Legal Personal Representative of the Member may provide the Trustee with a notice in writing requesting the Trustee to establish a Death Benefit Rule that requires the Trustee to pay Benefits in the event of the death of the Member in a manner and form that the Member or the Legal Personal Representative of the Member so chooses including whether the Benefit is to be a Lump Sum Benefit, a Pension Benefit or combination of both.
- 16.2.** The Trustee may accept or reject any notice referred to at Rule 16.1 and must reject it if it holds a Binding Death Benefit Nomination for that Member. If the Trustee accepts the notice the Trustee shall be bound to act in accordance with that Death Benefit Rule that is established as a consequence of it accepting the notice.
- 16.3.** A Member or the Legal Personal Representative of the Member may provide the Trustee with a notice in writing requesting the Trustee to delete or amend a Death Benefit Rule that was previously established at the request of the Member and if amended the Trustee shall act in accordance with that amended Death Benefit Rule.
- 16.4.** The Trustee shall not accept any notice referred to at Rule 16.1 or 16.3 if that would cause the Fund to become a Non-Complying Self Managed Superannuation Fund.

Rule 17. Terms and conditions of a Pension deemed to be a Rule

Explanation

Rule 48.2 states that the Trustee must document the terms and conditions set down for the payment of a Pension and notify the Member of these terms and conditions. This Rule deems that those terms and conditions to be part of the Rules. This ensures that where for example the terms and conditions of a Pension provide for a reversion of the Pension on death of the Member to their Spouse, Dependant or Legal Personal Representative the Trustee is bound to act in accordance with those terms and conditions.

Warning: *Pension arrangements entered into prior to 1 July 2007 must be reviewed to ensure that the terms and conditions of the Pension meet the new standards set out in the SIS Regulations.*

Rule

- 17.1.** A Member or the Legal Personal Representative of the Member may in writing notify the Trustee of his or her acceptance of the terms and conditions of a Pension payable according to Rule 48 as a Rule. Upon that acceptance by the Member or the Legal Personal Representative of the Member those terms and conditions will be deemed to be a Rule unless payment of the Pension would cause the Fund to be a Non-Complying Self Managed Superannuation Fund.

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Part Two: Operation and Administration of the Fund

Termination of Membership

Rule 18. Expulsion of a Member

Explanation

The object of this Rule is to allow the Trustee to expel a Member for any reason the Trustee considers necessary. The Trustee might do this if the Trustee felt that a Member's continued membership of the Fund was not in the interests of the Fund. An example might be where there is a family break down and inter personal relationships threaten the viability of the Fund.

Rule

- 18.1.** The Trustee may expel a Member as a Member of the Fund for any reason that the Trustee determines. At the same time the person must retire as Trustee of the Fund.
- 18.2.** If a Member is expelled from the Fund pursuant to Rule 18.1 the balance of the Member's Accounts is to be transferred to such other Superannuation Entity as requested by the Member and if the Trustee of the Fund has not received a transfer notification from a Member or former Member within a period of sixty days from the time the Trustee notified the Member of their expulsion, the Trustee may transfer the Member's Accounts to an Eligible Rollover Fund.

Rule 19. Ceasing to be a Member

Explanation

Normally a Member will only cease being a Member:

- *if the Member dies; or*
- *the Member is no longer entitled to receive Benefits from the Fund; or*
- *the Member ceases to be eligible to be a Trustee (or ceases to be eligible to be a director of a company which is a Trustee).*
- *The Trustee also has the power to determine that a Member should no longer be a Member (for example if two Members who are spouses separate or divorce the Trustee might decide that in the interests of the Fund one of those persons should not be a Member of the Fund).*

Rule

Unless prohibited by the Act a Member shall be deemed to have ceased to be a Member on the first to occur of the following:

- (a) the Member no longer being entitled to receive Benefits from the Fund;
- (b) the Trustee determining that the Member should no longer be a Member;
- (c) the death of the Member, or if the Trustee decides otherwise, no later than the time any Legal Personal Representative of the Member ceases to act as Trustee or director of the Trustee Company;
- (d) the date being no later than the earliest of either:
 - (i) four months from the date a Member became ineligible to be a Trustee or to be a director of a company which is a Trustee unless a Legal Personal Representative of that Member is appointed a Trustee; or
 - (ii) the date just before a Member became ineligible to be a Trustee or to be a director of a company which is a Trustee unless a Legal Personal Representative of that Member is appointed as a Trustee.

Members' Accounts

Rule 20. The Trustee must keep Members' Accounts

Explanation

The Trustee must keep an individual account for each Member. An account may be either a Member's Accumulation Account or a Member's Pension Account. More than one Accumulation account or Pension Account may be kept for each Member.

The Trustee should ensure that a record is kept of the various components of a Member's Benefit in the Fund. This will assist the Trustee in determining the taxation consequences of any Benefits paid to a Member or upon the death of the Member to a Dependant or the Legal Personal Representative of the Member. These components are:

▶ *The Tax Free Component comprising:*

a Crystallised Segment – is a consolidation of various existing components of a Member's Benefits calculated as at 30 June 2007 including any un-deducted contributions, CGT exempt component, concessional component and Post June 1994 invalidity component; and

a Contributions Segment – includes all non-assessable Contributions made from 1 July 2007, typically a Member's personal or 'non-concessional' Contributions.

▶ *The Taxable Component is the balance of the Member's Benefit less the Tax Free Component and comprises:*

An Element Taxed in the Fund – comprising Contributions and Earnings which have been subject to Tax in the Fund; and

An Element Untaxed in the Fund – uncommon in a Self Managed Superannuation Fund however this component may arise upon the death of a Member whereby the proceeds of an insurance policy on the life of the Member are received by the Trustee for payment to the Benefit of the Member's Dependents.

Rule

- 20.1.** The Trustee must keep for each Member an account that records Contributions received, Earnings, amounts allocated to or from Reserves, Benefits paid and all other amounts that the Trustee resolves should be added to or deducted from those accounts.
- 20.2.** The balance of a Member's Account must be positive.
- 20.3.** The Trustee can keep more than one account for a Member including more than one Member's Accumulation Account and more than one Member's Pension Account.
- 20.4.** The Trustee must keep a record of the Tax Free and Taxable Components of a Member's Benefit in a Member's Account or Accounts.

Rule 21. Additions to a Member's Account

Explanation

Additions to a Member's Account will normally represent Contributions, roll-overs or Earnings. Additions may also include an allocation made by the Trustee from a Reserve into a Member's Account.

Contributions may include Splittable Contributions that have been transferred from a Member's Spouse in accordance with the spouse contributions splitting rules in the Act - see Rule 27.

Rule

On the last day of each month or such other time as the Trustee might determine or on any earlier date as required by the Act the Trustee shall add to a Member's Account:

- (a) the amount of Contributions received by the Trustee for the benefit of the Member; and
- (b) at the discretion of the Trustee such part of the Earnings as the Trustee believes should be added to that Member's Account; and
- (c) the amount of any Splittable Contributions as the Trustee has agreed to add to that Member's Account; and
- (d) any amount to which a Member is entitled because of a Payment Split; and
- (e) such other amounts including allocations of Reserves as the Trustee might determine;

provided that any such addition to the Member's Account does not cause the Fund to become a Non-Complying Self Managed Superannuation Fund.

Rule 22. Deductions from a Member's Account

Explanation

Deductions from a Member's Account will normally represent expenses directly attributable to the Member or that portion of the Fund's general expenses that the Trustee requires to be allocated to the Member's Account. Deductions may also include any losses which the Trustee believes should be attributed to that Member, an Excess Contributions Tax liability assessed to the Member and any transfers such as transfers of Splittable Contributions taken by the Trustee from a Member's Account and transferred to another account.

Rule

On the last day of each month or such other time as the Trustee might determine or on any earlier date as required by the Act the Trustee shall deduct from a Member's Account:

- (a) that part of the expenses of the Fund that the Trustee believes should be deducted from that Member's Account; and
- (b) that part of any losses of the Fund that the Trustee believes should be deducted from that Member's Account; and
- (c) the amount of any payments of Benefits made to the Member or any other person from that Member's Account; and
- (d) the amount of any Taxes payable by the Trustee that the Trustee believes should be deducted from that Member's Account; and
- (e) the amount of any Excess Contributions Tax liability required to be deducted from that Member's Account in accordance with Rule 25; and
- (f) the amount of any Splittable Contributions that the Trustee has agreed to deduct from that Member's Account; and
- (g) any amount which is to required to be deducted from that Member's Account because of a Payment Split; and
- (h) any other amount which the Trustee believes should be deducted from that Member's Account, including any amount to be transferred to a Reserve or to another Member's Account, provided that the amount of any such deduction would not cause the balance of the Member's Account to be less than that Member's Minimum Benefits unless allowed by the Act; and

provided that any such deduction does not cause the Fund to become a Non-Complying Self Managed Superannuation Fund.

Appointment of Auditor and Specialists

Rule 23. The Trustee must appoint an Approved Auditor and may appoint a specialist

Explanation

The Trustee must each year appoint an Auditor to audit the Fund. The Auditor is required to produce an annual report.

The law relating to Self Managed Superannuation Funds is extremely complex; a failure to comply with the law might see the Fund severely penalised and might cause a Trustee to be fined and even imprisoned. As a consequence the Trustee might decide that it is prudent that a specialist be appointed to assist the Trustee in ensuring that the Fund remains a Self Managed Superannuation Fund and to assist the Trustee in the administration and management of the Fund.

Rule

- 23.1.** On establishment of the Fund and for every subsequent year of income the Trustee must appoint an Auditor to audit the Fund who must give to the Trustee a report in the form required by the Act.
- 23.2.** On establishment of the Fund and thereafter as the Trustee may determine the Trustee shall appoint such specialists as required by the Trustee to assist the Trustee in ensuring that the Fund remains a Complying Self Managed Superannuation Fund as well to assist the Trustee in the management and administration of the Fund.

Contributions, Roll-Overs and Transfers

Rule 24. Who can make Contributions

Explanation

The Trustee may accept Contributions from:

- (i) a Member;*
- (ii) a Member's employer;*
- (iii) a Member's Spouse;*
- (iv) a relative of a Member;*
- (v) an employer of the Spouse or relative of the Member;*
- (vi) the Regulator;*
- (vii) the Government, or*
- (viii) any other person or entity,*

provided the Contributions are made in accordance with the Act. From 1 July 2007 annual limits have been imposed to cap the amount of Contributions which can be made by or for the benefit of a Member. More information is provided about these limits in the Product Disclosure Statement supplied with these Rules.

Contributions may be made in cash or by an in specie transfer of assets. However care needs to be taken that the rules in the Act dealing with the acquisition of assets from Members are not contravened.

A Member must ensure that they provide the Trustee with their tax file number before any Contributions are made by them or on their behalf to the Fund.

Rule

A person may make Contributions to the Fund for the benefit of a Member provided the Fund will not, by reason of acceptance of those Contributions:

- (a) become a Non-Complying Self Managed Superannuation Fund, or
- (b) be in breach of the Act.

Rule 25. Excess Contributions

Explanation

Superannuation Contributions are subject to annual limits.

Any Contributions received by the Fund that are in excess of a relevant limit will be subject to additional tax. This tax – an Excess Contributions Tax – is imposed on individuals (and not the Fund). Where an Excess Contributions Tax liability arises a Member will be able and in some cases must withdraw an amount equal to their tax liability from the Fund.

If a member is over 65 the Fund may return non-concessional contributions over the cap; as per sub-regulation 7.04(3) and 7.04(4) of the SISR and ATO ID2007/225.

Rule

If a Member has an Excess Contributions Tax Liability and if a Member has lodged with the Trustee a Release Request the Trustee shall within thirty days of receipt of that request pay to the Member or at the Member's request pay to the Australian Taxation Office that amount which is the lesser of:

- (a) any amount which the Member has by notice attached to the Release Request requested that the Trustee pays to the Member or to the Australian Taxation Office; or
- (b) the amount of Excess Contributions Tax stated on that Release; or
- (c) the total amount of that Member's Superannuation Interest in the Fund.

Rule 26. The Trustee may accept a transfer from another Superannuation Entity

Explanation

A Member may request the Trustee to accept a transfer of an amount from another Superannuation Entity.

The Trustee has absolute discretion as to whether to accept any such transfer or not. The Trustee can make an acceptance subject to conditions. Where the Trustee resolves to accept in specie transfer of assets the Trustee must ensure that the transfer of the assets to the Fund does not breach the Act or the Rules of the Fund.

Rule

A Member or the Legal Personal Representative of the Member may request that the Trustee accept a transfer of an amount from another Superannuation Entity. The Trustee shall in its sole discretion determine whether or not to accept the whole or part of such amount and whether or not conditions should apply to the acceptance of that transfer. The Trustee cannot accept a transfer of an amount to the Fund if acceptance of that amount would cause the Fund to become a Non-Complying Self Managed Superannuation Fund.

Rule 27. Allotments, Transfers and Rollovers of Benefits

Explanation

A Member may request the Trustee to allot, transfer or rollover all or part of their Member's Account to another Superannuation Entity or to another Member's Account. The Trustee may also at its discretion so allot, transfer or rollover all or part of a Member's Account.

Examples of where such transfers might be appropriate are:

- *upon receipt of a request from a Member to transfer an amount of Splittable Contributions from their Member's Account to their Spouse's Member's Account;*
- *where a Payment Split is required to be made for the purposes of Part VIIIIB of the Family Law Act 1975; and*
- *where one Member separates from his or her Spouse who is also a Member.*

Rule

27.1. If a Member or the Legal Personal Representative of the Member:

- (a) requests the Trustee to allot, transfer or rollover all or part of their Member's Account to another Superannuation Entity or to another Member's Account, and
- (b) the Trustee is satisfied that any such allotment, transfer or rollover will not cause the Fund to be a Non-Complying Self Managed Superannuation Fund,
- (c) or if the Trustee is required by law or agreement made for the purposes of the Family Law Act 1975 the Trustee shall within such period as required by the Act or other law, allot, transfer or rollover the whole or that part of the Member's Account to that other Superannuation Entity or to the other Member's Account.

27.2. The Trustee at its sole discretion unless prohibited by the Act may transfer the balance of a Member's Account to another Complying Superannuation Fund or to another Member's Account provided that in so doing the Fund does not become a Non-Complying Self Managed Superannuation Fund or breach the Minimum Benefit provisions.

27.3. The Trustee may effect the transfer or rollover in the manner and form of its choice including whether the transfer is by way of cash or assets or has conditions attached.

Investments

Rule 28. The Trustee must formulate a written investment strategy

Explanation

The Trustee must prepare and implement a written investment strategy. This is a requirement of the Act. The investment strategy:

- *must reflect the purpose and circumstances of the Fund and have particular regard to the membership profile, Benefit structure, tax position and liquidity requirements of the Fund;*
- *should set out the investment objectives of the Fund and detail how the Trustee will achieve those objectives.*

Breaches of the investment strategy requirement may result in the Trustee being fined or sued for loss or damages. In addition, the Fund could become Non-Complying.

If the circumstances of the Fund change (for example because of the receipt of an exceptional Contribution) the Trustee should reconsider and possibly revise its investment strategy.

Rule

- 28.1.** The Trustee must formulate and implement an investment strategy that considers the whole of the circumstances of the Fund including, but not limited to, the following:
- (a) the risk involved in making, holding and realising, and the likely return from the Fund's investments considering its objectives and its expected cash flow requirements;
 - (b) the composition of the Fund's (or part of the Fund's) investments as a whole including the extent to which the investments are diverse or involve the Fund in being exposed to risks from inadequate diversification;
 - (c) the liquidity of the Fund's investments considering its expected cash flow requirements;
 - (d) the ability of the Fund to discharge its existing and prospective liabilities.
- 28.2.** The investment strategy must be documented in writing and signed by the Trustee.
- 28.3.** The investment strategy may consist of one strategy for the whole of the Fund or separate investment strategies for the various parts of the Fund.

- 28.4.** The Trustee must review the Fund's investment strategy annually and may amend that investment strategy after such review or at any other time the Trustee believes is appropriate. If the Trustee amends an investment strategy all Members affected by any such amendment shall be advised in writing of all details of the amendment.
- 28.5.** A Member may at any reasonable time request the Trustee to produce the Fund's investment strategy for inspection and the Trustee shall comply with this request by the Member.
- 28.6.** The Trustee must also set an investment strategy for one or more Reserves of the Fund. Any such investment strategy must be based upon the prudential management of assets of the Reserve or such other requirements as laid down in the Act.
- 28.7.** In setting the investment strategy the Trustee may act on the advice of an investment adviser provided the Trustee reasonably believes that the adviser is qualified and has the necessary skills to provide such advice.

Rule 29. The Trustee must invest the assets of the Fund

Explanation

The Trustee must invest the assets of the Fund.

The Trustee must ensure all investment decisions are made in accordance with the investment strategy.

While all of the assets of the Fund might be in cash, the Trustee of the Fund must have determined in an investment strategy that the holding of cash is the appropriate investment for the Fund at this time.

Rule

The Trustee must invest the assets of the Fund in accordance with the Fund's investment strategy.

Rule 30. A Member can request the Trustee to invest their account separately or jointly

Explanation

The Trustee may adopt a "pooled investment strategy" or a "separate investment strategy" for the Fund. A Member may request the Trustee to adopt a separate investment strategy for that Member.

Rule

A Member or the Legal Personal Representative of the Member can request the Trustee to invest Contributions, transfers or rollovers made to the Fund for the benefit of that Member and income from the investment of those Contributions, transfers and rollovers separately from any other investments of the Fund. The Trustee need not accept that request.

Rule 31. Authorised investments

Explanation

These wide provisions are to ensure that there is no doubt as to a Trustee's ability to make various investments. The Trustee should not make investments if that would cause the Fund to fail the "sole purpose test" or become a Non-Complying Self Managed Superannuation Fund.

Rule

- 31.1.** Subject to the Act, these Rules and provided any investment does not result in the Fund becoming a Non-Complying Self Managed Superannuation Fund the Trustee may invest the assets of the Fund as if it were the absolute and beneficial owner of those assets. In investing the assets of the Fund the Trustee shall exercise that diligence and prudence an ordinary prudent person would exercise in conducting his or her own affairs.
- 31.2.** Unless otherwise prohibited by the Rules, the Trustee may invest the assets of the Fund in any investment the Trustee believes appropriate. The investments may be both within and outside Australia. In particular, the Trustee shall have the power to apply or invest any moneys requiring to be invested under these Rules either alone or in partnership or co-ownership with any person or persons:
- (a) Authorised investments: in any one or more of the investments from time to time sanctioned by law in any State or Territory of Australia for the investment of trust moneys;
 - (b) Real and personal property: in the acquisition of real or personal property or any interest therein and without limiting the generality thereof of any patent, copyright, design, formula, secret process, concession, trademark and other like right or privilege in Australia or in any other country;
 - (c) Shares: in the acquisition of fully or partly paid shares including redeemable, preference or redeemable preference shares, stock debentures, debenture stock bonds, units, securities or obligations or any interest, with or without deferred, restricted, qualified or special rights relating thereto and whether or not there is or is not a liability in respect of any such shares, units, securities or interests, of or in any public proprietary or no liability company, association, firm, mutual fund or unit trust wherever incorporated or formed, whether carrying on business in Australia or in any other country, or in giving any guarantee or otherwise becoming a proprietor of a company limited by guarantee;
 - (d) Option and rights: in the acquisition of options, entitlements or rights to any of the securities mentioned in paragraph (c) of this sub-clause;

- (e) Deposit: on fixed deposit or at call with any bank, savings bank, building society, company, corporation or firm wherever incorporated or situated and wherever carrying on business;
- (f) Insurance: in the acquisition of any policy of assurance or insurance of any kind whatsoever and wherever made;
- (g) Loans: in making loans to any person or company except to Members or a relative of a Member;
- (h) Precious objects: in the purchase of gold, silver, works of art, coins, stamps, furniture, ornaments, precious objects, jewellery and antiques;
- (i) Commodity contracts: in the acquisition of foreign currencies, hedging contracts, commodity contracts and also options or future contracts of any kind which are quoted on a recognised stock exchange;
- (j) Permanent building society: in the lodgement of moneys with a permanent building society wherever situated by taking up shares therein or depositing funds therewith;
- (k) Deferred property: in the acquisition of any reversionary or deferred property or rights of any description;
- (l) Warrants: in the acquisition of a warrant.

Rule 32. Trustee Powers

Explanation

This Rule is designed to give the Trustee sufficient powers to administer the Fund and manage the investments of the Fund.

Rule

32.1. In the administration of the Fund and in the exercise of the powers, authorities and discretions conferred by the Deed, by the Rules or by law the Trustee shall in addition to those powers conferred on the Trustee by the Act have the following additional powers:

- (a) **To deal with assets:** to sell, call in, convert into money, grant options or rights to purchase, mortgage, charge, sub-charge, or otherwise deal with or dispose of or transfer any item or asset comprising the whole or part of the Fund;
- (b) **Real property:** to acquire, dispose of, exchange, strata title, subdivide, mortgage, sub-mortgage, lease, sub-lease, grant, release or vary any right or easement or otherwise deal with any interest in real property;

- (c) **Personal property:** to acquire, dispose of, exchange, hire, lease, mortgage or otherwise deal with any interest in personal property;
- (d) **Lease:** to rent premises from any person, acquire the interest of any lessee in any lease, purchase, hire, take on lease, grant leases, sub-leases, tenancies or rights of any nature to any interest in real estate, motor vehicles, computer hardware and software, fixtures and fittings, furniture, utensils, plant and equipment and other personal property of any description;
- (e) **To let:** to lease and let property owned by the Fund or held by the Trustee pursuant to the provisions of these Rules upon terms and conditions as the Trustee may decide, to accept surrenders from, and to make arrangements with a lessee or tenant as the Trustee may consider appropriate;
- (f) **Engage specialists:** to employ or engage agents or professionals in the execution of the trusts and powers and instead of acting personally from time to time to employ or engage and pay out of the trust fund such managers, agents, self managed superannuation fund advisers, solicitors, barristers, auditors, accountants, brokers, surveyors or other persons, to transact any business of the Fund including to transact any business of the Fund under power of attorney of the Trustee or to do any act required to be done in connection with the administration of the trusts declared in the Deed, and to act upon the opinion or advice of any such person without being responsible for any loss or damage occasioned by acting in accordance therewith;
- (g) **To lend:** subject to these Rules and the Act to lend and advance moneys;
- (h) **To Borrow:** to borrow if that borrowing is allowed by section 67(4A) of the *SIS Act*. To any percentage of the security valuation that the trustee deems appropriate in accordance with the investment strategy.
- (i) **Bank accounts:** to open in the name of the Fund or in the name of any person or corporation as nominee of the Trustee, or in the joint names of the Trustee and another, any cheque, savings or other bank account with any bank or financial institution wherever situated, as the Trustee decides, with full power to operate or close any such account;
- (j) **Management expenses:** to pay out of the assets, Reserves or the income of the Fund all costs charges and expenses incidental to the management of the Fund or to the exercise of any power, authority or discretion contained in the Rules or the Deed;
- (k) **Pay general expenses:** to pay insurance premiums, rates, taxes, rents, and outgoings in connection with any real or personal property of the Fund from the assets, Reserves or the income of the Fund and to manage such property and effect repairs as the Trustee may consider necessary or advisable;

- (l) **Corporate securities:** with respect to any company in which the Trustee holds shares, stocks, debentures, options, convertible notes or is otherwise interested or concerned ("securities") to exercise the following powers in addition to powers conferred by law:
- (i) to pay calls on securities or to permit securities to be forfeited and sold;
 - (ii) to purchase securities and to take up securities of a new issue;
 - (iii) to attend meetings personally or by proxy, attorney or representative and vote at the discretion of the Trustee;
 - (iv) to sell securities at such price and upon such terms with or without security as the Trustee decides;
 - (v) to agree to any arrangement relating to the sale, transfer or exchange of any securities, or modifying any rights, privileges or interests in relation to the securities, to agree to any scheme or arrangement for the increase or reduction of the value or amounts of any shares or stock or of the capital of any company in which any securities form the whole or any part of the Fund, or by which any such securities are substituted or given in exchange, either wholly or partly for other securities, whether in the same company or not, for any such purpose to deposit, surrender or exchange any scrip or documents of title relating to the securities and generally to manage and deal with any securities as if the Trustee owned them beneficially; and
 - (vi) to agree in respect of a winding up with the liquidator of a company or any member of such company or any other person, in all things as the Trustee shall decide, for the division or partition in kind or specie of the assets or property of whatsoever nature of the company and to accept any of the assets and property in payment or satisfaction of any interest of the Trustee in the company with power to pay any moneys by way of equality of division or partition;
- (m) **Unit trust interests:** to acquire units of any fixed or flexible unit trust by way of application, purchase or settlement by the Trustee in the establishment of such unit trust and exercise all rights including voting rights and perform all obligations as a holder of any units in such trust and to accept all distributions by the trustee of such unit trust;
- (n) **Franchises:** to acquire by means of purchase or otherwise and to sell, dispose, relinquish or otherwise deal in franchises, franchise agreements, licences or things of like nature;
- (o) **Subdivision of property:** to partition or agree to the partition of or to subdivide or agree to the subdivision of property of any kind which, or any interest in which, may for the time being be subject to these trusts and to pay moneys by way of equality or partition;
- (p) **Maintain property:** to maintain and preserve in good condition any real or personal property of the Fund or otherwise held by the Trustee according to the Rules and to pay or defray those costs;
- (q) **Power to set aside:** to set aside out of the income or capital of the Fund from time to time such money as may in the opinion of the Trustee be sufficient to meet any debt or obligation due or accruing;

- (r) **Future contracts and options:** to engage brokers or commission agents, vary and determine terms of any such engagement directly or through a broker or agent in any market in any part of the world buy sell, open, close-out or otherwise deal in futures contracts of all kinds, enter into, vary, exercise, abandon or sell any put or call option or rights, or place bids, make offers, hedge and effect orders including buy, sell, straddle, switch and stop-loss order, to tender and take delivery of commodities and currencies which are the subject of any futures contract or option, and otherwise to do and perform all things to operate on, utilise or deal with facilities of any stock or futures exchange provided the Trustee maintains a risk management strategy;
- (s) **Trustee's power to deal with itself:** notwithstanding any rule or law or equity to the contrary:
 - (i) to acquire as property of the Fund real or personal property the legal and beneficial interest in which is at the date of such acquisition the absolute property of the Trustee PROVIDED THAT any property so acquired is acquired for a consideration being not greater than the current Market Value of the property and upon which such acquisition the beneficial interest in and to the property shall be held by the Trustee according to the Rules;
 - (ii) to dispose of any beneficial interest in property of the Fund to itself;
 - (iii) to lease to the Fund any real or personal property the legal and beneficial interest in which is at the date of such acquisition the absolute property of the Trustee;
 - (iv) to lease any property of the Fund to itself;
- (t) **Policies:** to effect or acquire policies of life assurance of any kind on the life of any Member or in respect of sickness, disability or accident to any Member, to pay premiums transfer, surrender, change the status of and deal with these policies in any manner whatsoever, whether or not these policies are individual policies on the life of one person or a group policy on the lives of two or more persons, to purchase or enter into insurance or investment bonds whether or not the bonds are linked to a policy over the life of any person;
- (u) **Agency and licences:** to apply for, purchase and hold any permit, agency or licence which may be desirable or required to enable or facilitate the carrying on of any business which the Trustee is empowered to engage in and to surrender, relinquish, sell, vary or assign the same;
- (v) **Choses-in-action:** to acquire choses-in-action including debts and obligations of all kinds for value or by way of gift or at a discount or at a premium and to assign, release, vary, relinquish or otherwise deal with the choses-in-action in any way whatsoever on such terms and conditions as the Trustee may see fit;
- (w) **Receive gifts or distributions:** to receive property by gift inter vivos or by distribution under a will or under the provisions of any other trust or otherwise from any person as an addition to the trust fund, whether subject to liabilities or not and to hold these gifts according to the Rules and to administer such additions under these provisions;

- (x) **Legal proceedings:** to institute, join in and defend proceedings at law or by way of mediation or arbitration and to proceed to the final end and determination of, or to compromise the same and to compromise and settle any such dispute or proceedings for such consideration and upon the terms and conditions as the Trustee may decide;
 - (y) **Intellectual property:** to apply for, purchase or otherwise acquire and to sell patents, patent rights, copyrights, trade marks, designs, formulas, licenses, concessions, know-how and the like, conferring any exclusive or non-exclusive or limited right to use of any other intellectual property rights and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property rights or information so acquired;
 - (z) **Release of powers:** by irrevocable deed to renounce and release any power conferred on the Trustee under the Rules in respect of the whole or any part of the Trustee or the income or any part thereof. Upon such renunciation and release any power or powers shall be deemed to be at an end and no longer exercisable by the Trustee to the extent of the renunciation and release;
 - (aa) **Incidental powers:** to do all such other things as may be incidental to the exercise of the powers, rights, discretions and authorities hereby conferred on the Trustee.
 - (bb) **To grant power of attorney:** in the exercise of all or any of the powers herein confirmed upon the Trustee to appoint an attorney and to execute any power of attorney or such other instrument as in the opinion of the Trustee is necessary for the exercise of those powers.
 - (cc) **To appoint a custodian:** to appoint a custodian to hold the legal title of any asset acquired or to be acquired by the Trustee on such terms as the Trustee thinks fit.
- 32.2.** These powers shall be in addition to any other powers, authorities and discretions vested in the Trustee by another provision of the Deed, the Rules or by law.
- 32.3.** These powers shall not be limited by, or be construed so as to be limited by any other powers, authorities and discretions otherwise provided by the Deed, the Rules or by law.
- 32.4.** In exercising these powers the Trustee must ensure at all times that the Fund remains a Complying Self Managed Superannuation Fund.
- 32.5.** A Trustee who is a natural person may be a director of any company in which any moneys forming part of the Fund are from time to time invested and may receive the remuneration attached to such office without being liable to account for it unless that appointment would cause the Fund to become a Non-Complying Self Managed Superannuation Fund.
- 32.6.** Subject to the terms of these rules the Trustee may exercise or concur in exercising all powers and discretions given under this Deed or by law notwithstanding that it or any person being a director or shareholder of the Trustee has or may have a direct or indirect interest in the result of exercising such powers or discretion or may benefit either directly or indirectly as a result of the exercise of any such power or discretion and notwithstanding that the Trustee for the time being is the sole Trustee.

Rule 33. The assets of the Fund are to be held in the Trustee's name

Explanation

The SIS Act as well as the Rules require that all the assets of the Fund be in the Trustee's name and be held separately from any assets held by the Trustee personally, a Member, or by an employer of a Member. No Member has any entitlement to a specific asset of the Fund.

Rule

- 33.1** Except if required for the purposes of section 67(4A) of the *SIS Act* the assets of the Fund must be held in the Trustee's name and must be held separately from any assets held by the Trustee personally, a Member, by an employer of a Member or any other person unless otherwise allowed by the *SIS Act*.

Rule 34. Trustee may receive gifts or distributions

Explanation

The Trustee of the Fund may receive gifts or distributions (additional to investment income derived from any investments made by the Fund) from:

- (i) any company;*
- (ii) any trust including a family trust, testamentary trust or the legal estate of a deceased person;*
- (iii) any partnership, business, commercial or investment enterprise;*
- (iv) any government or statutory body*

so long as the acceptance of any such gift or distribution does not cause the Fund to become a Non-Complying Self Managed Superannuation Fund.

Gifts or distributions received by the Fund can be in cash or property. Distributions would normally be from a trust - note that there can be adverse tax consequences if the Fund receives gifts or distributions.

Rule

- 34.1** The Trustee can accept a distribution or a gift made to the Fund provided the Fund will not by reason of acceptance of that distribution or gift become a Non-Complying Self Managed Superannuation Fund or the Trustee otherwise resolves that the Trustee should not accept that distribution or gift.
- 34.2** The Trustee may allocate any such distribution or gift at its discretion to the Earnings, a Reserve, a Member's Account or apply it for any such purpose as the Trustee determines including the payment of a pension to a Member, their Legal Personal Representative or to a Dependant in the event of the Member's death.

Rule 35. The Trustee must not borrow unless permitted by the Act

Explanation

The Trustee will not normally be allowed to borrow or mortgage or charge the assets of the Fund. A borrowing includes an overdraft or a margin account.

Except for limited short term borrowings the major exception to the "no borrowings" rules contained within the SIS Act are the "instalment warrant" borrowing rules mentioned below (which are not limited to "instalment warrants").

In September 2007, legislation was passed (section 67(4A) of the SIS Act) to allow superannuation funds to borrow. The "instalment warrant" borrowing rules allow a Fund to borrow to acquire an asset provided the legal title to the asset (or replacement asset) is held on trust for a Fund, that the Fund has a right to acquire legal ownership of the asset (or replacement asset) and that the rights of the lender are limited to the asset (or replacement asset). This means that you can structure a borrowing through a superannuation fund to allow a superannuation fund to acquire an asset, such as:

- an investment property;*
- a share portfolio;*
- units in a unit trust.*

Any borrowing arrangement must be done on a limited recourse basis; i.e. existing assets of the fund cannot be used as security in case the new investment performs poorly and results in a default.

The Fund must not be the legal owner of the investment but it must be the beneficial owner of the asset. This means that some other entity must hold the asset in trust for the fund, such as a separate trustee company but not the same trustee as the Fund's. There is no rule as to who must hold legal title of the asset but it should not be the member as this may fail the sole-purpose test and result in the fund being non-compliant.

The trust holding the asset must not be an "active trust", as there may be adverse capital gains tax consequences to the trust when the Fund eventually calls for transfer of the legal title. This means that the entity holding the asset must hold it on trust while the fund will manage the asset; for example if the asset is real estate, the Fund must collect rent and attend to repairs.

There is no requirement on who the lender can be but the most obvious arrangement would be for a bank to lend directly to a Fund. A member or associated party can also lend money to the Fund.

To avoid capital gains tax and stamp duties on transfer of an asset from a trustee to a fund, the trustee must be a "bare trustee". This means that the trustee must not have any positive duties; this will automatically be the case when the asset is shares however when the asset is real estate a manager must be appointed to manage the asset.

Due to the complex nature of this arrangement and the importance of ensuring it is correctly established professional advice is recommended.

Rule

Except as otherwise provided by the Act the Trustee must not:

- (a) borrow money;
- (b) maintain an existing borrowing of money;
- (c) recognise, or anyway encourage or sanction, a charge over, or in relation to a Member's Benefits; or
- (d) give a charge over, or in relation to, an asset of the Fund.

35.1. The Fund may borrow unless this would render the Fund a non-complying Fund and provided that:

- (a) the borrowed money is applied for the purposes of the acquisition of an asset other than one which the fund is prohibited from acquiring;
- (b) the asset is held on trust so that the fund acquires a beneficial interest in the asset;
- (c) the fund has a right to acquire legal ownership of the asset; and
- (d) the rights of the lender against the superannuation fund for default on the borrowing, or on the sum of the borrowing and charges related to the borrowing, are limited to rights relating to the asset.

35.2. The Trustee must not acquire an asset from a member or an associate of a member unless that asset is an allowable acquisition under the Act and acquired at market value.

Earnings

Rule 36. The Trustee must determine and allocate the Earnings of the Fund

Explanation

The Trustee must determine the Earnings of the Fund each Financial Year.

Rule

36.1 The amount of the Fund's Earnings for all or part of a Financial Year is to be determined by the Trustee and may include income received and accrued, realised and unrealised gains and any other such amounts as the Trustee believes should form part of the Fund's Earnings.

36.2 The Trustee has sole discretion as to where to allocate or as to how to apply Earnings including allocating Earnings to an Accumulation Account, a Pension Account, or a Reserve and using Earnings to pay a Benefit or expense of the Fund or any tax imposed upon the Fund.

Reserves

Rule 37. The Trustee may establish a Reserve

Explanation

The Trustee may create a Reserve. Normally a Reserve would be created to meet an expected liability of the Fund. A Member does not have any entitlement to amounts credited to a Reserve.

As examples the Trustee might establish a Reserve to which the following amounts may be added:

- *Earnings before being allocated to Members.*
- *An amount (generally on the advice of an actuary) so as to ensure that the Trustee has sufficient funds to pay a Pension.*
- *Amounts to be held in reserve for unexpected contingencies.*
- *Self-insurance amounts (whether for the Members generally or just for only one or more of the Members).*
- *Further the Trustee might establish a Reserve from which tax deductible amounts may be paid to the Legal Personal Representative or Dependant of a Member in the event of the Member's death.*
- *The Trustee should determine at the time of establishment of a Reserve:*
 - *What amounts are to be added to or deducted from the Reserve,*
 - *The investment strategy to be adopted for that Reserve, and*
 - *The proposed application of that Reserve.*

Rule

- 37.1.** The Trustee may from time to time establish such Reserves and add, deduct and allocate amounts to those Reserves as it considers appropriate (except that it may not establish a Reserve or add or deduct any amount to or from a Reserve if that would result in the Fund becoming a Non-Complying Self Managed Superannuation Fund).
- 37.2.** The Trustee must formulate and implement a separate investment strategy for any Reserve. The investment strategy must be consistent with the Fund's investment strategy and with the Trustee's ability to discharge liabilities wherever actual or contingent, as and when they fall due.
- 37.3.** No Member nor or any other person shall have any entitlement to any amount in a Reserve.

Taxation

Rule 38. Payment of Tax and allocation to Members' Accounts

Explanation

The general rule is that a Complying Superannuation Fund will be assessed to Tax on:

- (i) Contributions made to the Fund on behalf of a Member (except non-deductible Contributions made by a Member); plus*
- (ii) Capital gains after deduction of same year and carried forward capital losses; plus*
- (iii) Earnings derived by the Fund on investment of Contributions; less*
- (iv) Deductible expenses incurred by the Fund (which might include insurance expenses); less*
- (v) Carried forward losses.*

Tax is levied at a rate of 15% on the net income of a Complying Superannuation Fund (although "special income" is taxed at a rate of 45%). Tax on capital gains on assets held by the Fund for more than a year is applied to only 2/3rds of the gain.

Carried forward losses do not include capital losses. Capital losses incurred as a consequence of a disposal of an asset acquired after 19 September 1985, whilst not deductible against ordinary income, may be offset against capital gains or carried forward to offset against future capital gains. Given possible long lead times between the incurrence of a capital loss and possible utilisation of that loss the Trustee should ensure that adequate records are kept recording and evidencing the incurrence of that loss.

The allowance of any imputation credits received on franked dividends derived by the Fund will reduce the effective rate of Tax payable by the Fund.

Where a Trustee holds assets for the purposes of paying a Pension or Pensions the Trustee will not be subject to Tax on any income or gains derived from the investment of assets used to fund payment of those Pensions.

Tax payable by the Fund need not be deducted from the Member's Account of any particular Member - it might be paid from a Reserve or deducted from Earnings.

Rule

38.1. The Trustee must pay all Tax properly assessed to the Trustee.

38.2. The Trustee may in its discretion deduct from a Member's Account Tax paid or payable by the Trustee:

- (a) as a consequence of the receipt by the Trustee of a Contribution for the benefit of a Member,
- (b) payable on any income added to a Member's Account, and
- (c) any Tax which the Trustee reasonably believes may be payable as a consequence of a payment to a Member.

38.3. The Trustee may in its discretion deduct from any account, including a Reserve, Tax paid or payable by the Trustee provided any such deduction will not cause the Fund to become non-complying.

38.4. If the Trustee receives a refund of Tax the Trustee may add that refund to such Members' Accounts or to such Reserve as it determines provided that addition will not cause the Fund to become non-complying.

Insurance

Rule 39. The Trustee may establish an insurance plan

Explanation

The Trustee may establish an insurance plan. The insurance plan may provide, amongst other things, lump sum or annuity cover payable in the event of a Member's death or disablement. The insurances that may be acquired by the Trustee include sickness and accident, trauma, permanent disability and life insurance.

Rule

The Trustee may establish an insurance plan for the benefit of the Fund so as to enable the Fund to make payments (including the payment of Benefits on death or disability) to a Member, a Member's Dependant or the Legal Personal Representative of a Member in the event of a Member's death, disablement, illness or as otherwise allowed by the Act.

Rule 40. The Trustee may self insure

Explanation

The insurance plan may also require the Trustee to self-insure the Fund (so as to enable the Trustee to pay a Benefit to a Member or to a Member's Legal Personal Representative). In the event that the Trustee seeks to self-insure the Trustee should:

- (i) engage an actuary to provide such advice to the Fund;*
- (ii) determine the scope of the Fund's self insurance needs;*
- (iii) establish a self insurance Reserve;*
- (iv) set a separate investment strategy for the self insurance Reserve.*

An amount paid from a Reserve established for the purpose of self insurance might be tax deductible.

Rule

The Trustee can elect to self insure and may establish a Reserve:

- (a) to which such amounts as the Trustee might require shall be added for the purpose of self insurance;
- (b) from which the Trustee may pay amounts required to be paid as a consequence of the Trustee self insuring against an event; and
- (c) from which amounts no longer required for the purpose of self insurance may be transferred to such other Reserve or to such Member's Account as the Trustee may determine.

Rule 41. The Trustee has discretion as to the application of any insurance proceeds

Rule

- 41.1.** Subject to the Act the Trustee has absolute discretion as to the application of any insurance proceeds received by the Fund and may allocate the proceeds to any Member's Account or to Reserves of the Fund.
- 41.2.** No Member nor their Legal Personal Representative nor any other person has any interest in any insurance proceeds that might be received by the Fund.

Annual Accounts

Rule 42. The Trustee must prepare annual accounts

Rule

- 42.1.** The Trustee must keep such accounting records as are required by the Act.
- 42.2.** Such accounting records are to be kept in such form and supported by such documentation as to enable them to be properly audited.
- 42.3.** The Trustee must as soon as practical after the end of each Financial Year:
- (a) prepare a statement of financial position recording the assets and liabilities of the Fund as at the end of that preceding Financial Year;
 - (b) prepare an operating statement recording the profit derived or loss incurred by the Fund for that preceding Financial Year (or part year if the Fund was not in existence for a full year);
 - (c) arrange for these statements and the accounting records of the Fund to be audited by an Approved Auditor;
 - (d) arrange for all tax returns and other statements required to be lodged pursuant to the Act by the Fund to be lodged as and when required; and
 - (e) prepare any Member and other statements and reports as required by the Act.
- 42.4.** The Trustee must retain the accounts and statements prepared in accordance with Rule 42.3 for a period of 5 years after the end of the Financial Year to which they relate.

Fund Compliance

Rule 43. Trustee must maintain the Fund's complying status

Explanation

The Trustee must ensure that at all times the Fund is a Complying Self Managed Superannuation Fund. This means that it must at all times comply with the provisions of the SIS Act and its regulations and the Rules of this Fund.

In certain cases the Trustee may become aware that it has taken an action that may result in the Fund losing its status as a complying Self Managed Superannuation Fund. In these circumstances the Trustee must prepare a Compliance Plan that results in the Fund returning to or ensuring its complying Self Managed Superannuation Fund status.

The action required under the Compliance Plan may result from advice from the Fund's Auditor, an adviser to the Fund, or the Regulator.

Rule

Where the Trustee becomes aware or is notified by the Auditor, an adviser to the Fund or the Regulator that the Fund may lose its status as a Complying Self Managed Superannuation Fund the Trustee must:

- (a) liaise with the Auditor, adviser or Regulator to determine a Compliance Plan to ensure the Fund's status as a Complying Self Managed Superannuation Fund is maintained;
- (b) notify Members of any action required under the Compliance Plan; and
- (c) take such action as is required under the Compliance Plan within a reasonable time frame and before the lodgement of the Fund's next regulatory return.

Fund Insolvency

Rule 44. The Trustee must develop a Solvency Plan

Explanation

The Trustee must be able to pay Benefits and expenses as and when it is required.

If the Trustee believes that the Fund may become insolvent than the Trustee must prepare a Solvency Plan which if followed would ensure that the Fund remains solvent.

The Solvency Plan may be written by the Trustee, the Fund's actuary, the Auditor, an advisor to the Fund or the Regulator.

Rule

Where the Trustee becomes aware or is notified by the Auditor or the Fund's actuary that the Fund is or may become insolvent, the Trustee must:

- (a) meet with the actuary or Auditor to determine a Solvency Plan to ensure the Fund's solvency including but not limited to reducing any Members' Accounts or Members' Benefits;
- (b) notify Members of any action required under the Solvency Plan; and
- (c) take such action as is required under the Solvency Plan prior to the lodgement of the Fund's next regulatory return.

Part Three: Payment of Benefits by the Trustee

Benefits Payable to a Member

Rule 45. Benefits payable to a Member

Explanation

Upon becoming entitled to receive a Benefit from the Fund a Member may choose to receive that Benefit by way of a lump sum or an income stream or as a combination of both. In some instances the Member may be required to receive a Benefit as a lump sum and in other instances, as an income stream.

A Member may choose to receive a Lump Sum Benefit as an in specie transfer of assets.

If a Benefit is paid to a Member aged 60 and over that payment will generally be 'tax free' to the Member.

There is no need for the Fund to be consistent as to the mode of payment of benefits to members – for example a pension might be paid to one member and a lump sum to another.

Rule

A Member or a Dependant of a Member or the Legal Personal Representative of a Member or any other person may be entitled to receive one or more of:

- (a) a Lump Sum Benefit,
- (b) a Pension Benefit,
- (c) a Temporary Incapacity Benefit,
- (d) a Permanent Incapacity Benefit, or
- (e) such other Benefit as the Trustee might determine,

provided that any such Benefit would not result in the Fund breaching the Minimum Benefit provisions, the Fund becoming a Non-Complying Self Managed Superannuation Fund or would be in breach of the Act or these Rules.

Rule 46. When must Benefits be paid to a Member

Explanation

This Self Managed Superannuation Fund has been established to provide Benefits to the Members or to their Dependants. This Rule ensures that Benefits are paid in accordance with the Core and Ancillary Purposes of the Fund.

Rule

A Benefit must be paid to a Member or to a Dependant of a Member or to the Legal Personal Representative of a Member or to some other person if that Benefit is so required to be paid by the Rules or the Act.

Rule 47. Payment of a Lump Sum Benefit

Explanation

Normally Lump Sum Benefits can only be paid to a Member on retirement of the Member (provided the Benefit is not a Preserved Benefit), the Member is permanently disabled, or if the Member turns 65 years of age. The Trustee may also be able to make payments to a Member on compassionate grounds or if that Member is suffering severe financial hardship.

Rule

- 47.1.** Provided the Fund remains a Complying Self Managed Superannuation Fund and subject to the Rules, a Member or the Legal Personal Representative of the Member can at any time request and the Trustee may at its discretion pay a Lump Sum Benefit to the Member.
- 47.2.** Subject to Rule 47.3 the Trustee may only pay a Lump Sum Benefit to a Member that does not exceed the balance of that Member's Accumulation Account.
- 47.3.** The Trustee may determine that the whole or any part of a Reserve can be paid to the Member in addition to the payment of that amount made pursuant to Rule 47.2.

Rule 48. Payment of a Pension Benefit

Explanation

The Rules allow the Trustee to pay a Pension provided payment of the Pension is authorised by the Act. This means that the Pension must meet certain standards that are set out in the SIS Regulations and the Rules of the Fund must reflect these standards. This includes Pensions that may have commenced in a Fund before 1 July 2007 such as 'allocated', 'market linked' and 'defined benefit' Pensions.

The Fund may pay a Pension to a Member who has reached their Preservation Age even though that Member continues to work. This is known as a 'transition to retirement' pension.

The Trustee must set out the terms and conditions of a Pension in writing and notify these to the Member commencing the pension. These terms and conditions then form part of the Fund's Rules.

From 1 July 2007 members of a self managed superannuation fund may be paid a simple account based Pension – a Simple Pension. From 20 September 2007 the other pension types will not generally be available to a Member of a Self Managed Superannuation Fund. These Rules allow the payment of a Simple Pension with any or all of the balance of a Member's Account in the Fund.

The terms and conditions for this Simple Pension must include the following in light of Simpler Super rules:

- *A minimum pension payment calculated in accordance with the Member's age as below that must be made at least annually:*

Age of member	% of account balance to be taken
Under 65	4
65-74	5
75-79	6
80-84	7
85-89	9
90-94	11
95+	14

- *the underlying capital of the Pension cannot be increased after the commencement date by the addition of any Contributions or rollovers;*
- *the Pension is able to be converted to a Lump Sum Benefit subject to special rules applying for transition to retirement pensions – see below;*
- *the Pension cannot be used as security for any borrowings (income or underlying capital);*
- *upon death of the Member the Pension can be transferred to a Dependant* as a reversionary Pension or the balance of the pension account may be cashed and paid as a lump sum to a Dependant or to the Legal Personal Representative of the member.*

- *The special rules applying for a transition to retirement pension include that:*
- *the pension cannot be taken as a Lump Sum Benefit until the Member meets a condition of release such as retirement, death, permanent disability or age 65;*
 - *the maximum Pension payment in any one year is limited to 10% of the balance of the Member's Pension Account.*
 - *the Simpler Super pension rules restrict the type of Dependants to whom a reversionary Pension may be paid or transferred. The rules prohibit the reversion or transfer of a Pension to a Dependant where that person is a Child of the Member and is an adult (25 years and older) unless they have a permanent disability that meets the provisions of the Disability Services Act, 1986 and are in need of ongoing support.*

Rule

- 48.1.** A Member or the Member's Legal Personal Representative may request the Trustee to pay a Pension to the Member, a Dependant of the Member or a Legal Personal Representative of the Member, provided the Pension is taken to be a pension for the purposes of the *SIS Act*. The payment of any Pension must not result in the Fund becoming a Non-Complying Self Managed Superannuation Fund.
- 48.2.** All parts of the *SIS Regulations* that provide standards for the payment of a pension are incorporated in and form part of these Rules and any amount paid by the Fund as a Pension must be provided under those rules.
- 48.3.** The Trustee may offer a Pension to a Member and must document the terms and conditions of the Pension and notify the Member in writing of these terms and conditions.
- 48.4.** Subject to Rule 48.2 the Trustee in its sole discretion may apply any amount standing in a Member's Accumulation Account, a Member's Pension Account or a Reserve for the benefit of the provision of a Pension to a Member, a Dependant of the Member, a Legal Personal Representative of the Member or some other person.

Incapacity

Rule 49. Member to advise Trustee of incapacity

Rule

- 49.1.** As soon as practical after becoming incapacitated a Member or the Member's Legal Personal Representative shall advise the Trustee of that Member's incapacity. The Member shall submit to whatever medical examination might reasonably be required by the Trustee.
- 49.2.** On receipt of that advice and after receipt of any medical opinion that the Trustee might require the Trustee shall determine whether or not the Member has been Temporarily Incapacitated or Permanently Incapacitated.

Rule 50. Benefits payable for Temporary Incapacity

Explanation

The Trustee may be able to pay a Member a Temporary Incapacity Benefit provided that the amount of that Benefit is not greater than the amount the Member was receiving from Gainful Employment. An amount received from Gainful Employment would include salary, wages, a share of the profit of a partnership, a distribution from a trust, a bonus, or any other form of benefit provided it was linked to the provision of services by the Member.

Rule

- 50.1.** Where the Trustee is of the opinion that the Member is Temporarily Incapacitated the Trustee may pay a Temporary Incapacity Benefit to the Member provided such payment does not cause the Fund to become a Non-Complying Self Managed Superannuation Fund for a period commencing from the time of that Temporary Incapacity to the earlier of:
- (a) that date the Member is re-engaged in the kind of employment engaged in by the Member immediately before becoming Temporarily Incapacitated,
 - (b) that date on which the Trustee forms an opinion that the Member has become Permanently Incapacitated,
 - (c) the date of the death of the Member; or
 - (d) such other time as is allowed under the Act.
- 50.2.** Subject to the Act the amount of that Temporary Incapacity Benefit shall be no more than that amount which the Member was receiving from his Gainful Employment before that Temporary Incapacity.
- 50.3.** The Trustee may draw upon any Reserve to pay a Temporary Incapacity Benefit or, if there are no Reserves, deduct an amount from the Member's Account or any other account the Trustee so determines.

Rule 51. Benefits payable for Permanent Incapacity

Explanation

Where a Member is Permanently Incapacitated the Trustee may pay the Member a Benefit until such time as the Member retires or dies. The Benefit may be a Lump Sum, a Pension or combination of a Lump Sum and Pension.

The Trustee might be able to make any such payment directly from that person's Member's Account. Alternatively or additionally the payment might be funded from a Reserve.

The Trustee may be able to claim a tax deduction for the payment of a Permanent Incapacity Benefit. Any such deduction may be used by the Trustee as an offset against same year or future year assessable income of the Fund.

Rule

- 51.1.** If the Trustee is of the view that a Member has become Permanently Incapacitated and provided that any such payment does not result in the Fund becoming a Non-Complying Self Managed Superannuation Fund, the Trustee, in its absolute discretion may:
- (a) pay all of any balance of the Member's Accumulation Account and Pension Accounts to the Member, a Dependant or Legal Personal Representative of the Member as a Lump Sum Benefit;
 - (b) pay part of any balance of the Member's Accumulation Account and Pension Accounts to the Member, a Dependant or Legal Personal Representative of the Member as a Lump Sum Benefit and the balance of the Member's Accounts (as increased from time to time) to the Member as a Pension;
 - (c) pay all of any balance of the Member's Accumulation Account and Pension Accounts (as increased from time to time) to the Member, a Dependant or Legal Personal Representative of the Member as a Pension;
- 51.2.** The Trustee may also allocate an amount from any Reserves of the Fund to the benefit of a Member, a Dependant or Legal Personal Representative of the Member in the event of the Member's Permanent Incapacity for the purposes of paying a Lump Sum Benefit, a Pension or combination of both.

Death Benefits

Rule 52. What must happen on death of a Member

Explanation

A purpose of the Fund is to provide Benefits to a Member's Dependants or Legal Personal Representative on death of the Member. Where a Member dies the Trustee may pay a Benefit to the Member's Dependants or Legal Personal Representative in accordance with any Binding or Non-Binding Death Benefit Nominations made by the Member or Death Benefit Rule established at the request of the Member. The Benefit may be a Lump Sum, a Pension or a combination of a Lump Sum and Pension.

Prior to any Benefits being paid a person must be appointed Trustee in place of the deceased Member. Typically this is the Legal Personal Representative of the Member. That person may only remain Trustee for the period until death Benefits commence to be paid otherwise the Fund may lose its complying status.

Rule

On death of a Member:

- (a) if the Member was a Trustee the deceased Member's Legal Personal Representative is by reason of this Rule appointed a Trustee for the period from the date of death of the Member until the date of payment of any Benefits payable as a consequence of the death of the Member provided the Legal Personal Representative is eligible, pursuant to these Rules, to be a Trustee and has consented to act as such;
- (b) if the Member was a director of a company which is a Trustee that company may continue as a Trustee from the date of death of the Member until the date of payment of any death Benefits payable as a consequence of the death of the Member provided the Legal Personal Representative of the Member is appointed as a director of the company for any such period and provided the company and the Legal Personal Representative is otherwise eligible pursuant to these Rules to be a Trustee and has consented to act as such;
- (c) subject to Rule 48 the Trustee may continue to pay any Pension previously payable to the Member to the Legal Personal Representative of the Member.

Rule 53. Payment of a Death Benefit

Explanation

The payment of a Benefit on death of a Member may be made from the Member's Account or a Reserve. The Trustee may also be able to claim a Tax deduction for the payment of such a Benefit.

After the death of a Member the Trustee should determine whether it holds a Non-Binding Death Benefit Nomination for the Member, a Binding Death Benefit Nomination for the Member, or has established a Death Benefit Rule at the request of the Member to pay Benefits to particular people in a particular manner and disperse Benefits as authorised by this Rule.

Rule

- 53.1.** On the death of a Member the Trustee shall distribute the balance of the Member's Accounts as a Benefit in accordance with this Rule to one or more of the Member's Dependants, the Member's Legal Personal Representative or any other Account in the Fund including another Member's Account or a Reserve provided any such distribution does not cause the Fund to become a Non-Complying Self Managed Superannuation Fund.
- 53.2.** If the Trustee holds a Non-Binding Death Benefit Nomination for the deceased Member the Trustee may but is not obliged to pay such Benefits to such persons as are nominated in that Non-Binding Death Benefit Nomination of the deceased Member.
- 53.3.** If the Trustee holds a Binding Death Benefit Nomination for the deceased Member the Trustee must pay such Benefits in the manner and form as are nominated in that Binding Death Benefit Nomination of the deceased Member. However the Trustee is not required to make a payment under a Binding Death Benefit Nomination if that payment may result in the Fund becoming insolvent or if it causes the Fund to become a Non-Complying Self Managed Superannuation Fund.
- 53.4.** If at the request of the deceased Member the Trustee has established a Death Benefit Rule the Trustee must pay any Benefits payable as a consequence of the death of that Member in accordance with that Death Benefit Rule. However the Trustee is not required to make a payment under a Death Benefit Rule if that payment results in the Fund becoming insolvent or causes the Fund to become a Non-Complying Self Managed Superannuation Fund.
- 53.5.** If the terms and conditions of a Pension payable to the deceased Member have been incorporated as a Rule the Trustee must pay the Pension according to the terms of that Pension provided any such payment does not cause the Fund to become a Non-Complying Self Managed Superannuation Fund.
- 53.6.** Except if one or more of Rules 53.1, 53.2, 53.3, 53.4 or 53.5 apply the Trustee shall distribute or transfer the balance of the Member's Accounts as the Trustee in its absolute discretion may decide.
- 53.7.** Notwithstanding Rule 53.1 the Trustee is authorised to pay such additional amounts to a Dependant or the Legal Personal Representative of a deceased Member as the Trustee in its absolute discretion may decide, including an amount from a Reserve, provided the payment does not result in the Fund becoming a Non-Complying Self Managed Superannuation Fund. These amounts are not to be taken as forming part of the deceased Member's Benefits.

Conversion of Benefits

Rule 54. Conversion of a Lump Sum Benefit into a Pension

Explanation

Members in receipt of Benefits have the flexibility of converting their Benefits to another style of Benefit provided that such a conversion is allowed under the Act and does not result in the Fund becoming a Non-Complying Self Managed Superannuation Fund.

Rule

- 54.1.** At the request of a Member or, in the event of the Member's death, at the request of the Member's Dependant or Legal Personal Representative and subject to the Rules and the Act, the Trustee may convert any Lump Sum Benefit payable to the Member either in whole or in part into a Pension payable to the Member or if the Member is deceased the Dependents or Legal Personal Representative of the Member.
- 54.2.** The Member or, in the event of the Member's death, the Member's Dependant or Legal Personal Representative must notify the Trustee of the type of Pension as required under Rule 48 and the Trustee is to use the Lump Sum entitlement to fund any Pension.

Rule 55. Commutation of a Pension

Rule

- 55.1.** At the request of a Member or, in the event of the Member's death, at the request of the Member's Dependant or Legal Personal Representative and subject to the Rules and the Act, the Trustee may commute part or the whole of any Pension payable to the Member in accordance with Rule 55.2 and 55.3.
- 55.2.** Any amount resulting from the commutation may be applied by the Trustee:
- (a) to pay a Lump Sum Benefit or some other type of Pension to the Member, a Dependant or Legal Personal Representative of the Member; or
 - (b) to be allocated into the Member's Accumulation Account.
- 55.3.** Prior to commuting the Pension the Trustee must determine the possible taxation consequences or commutation limits that may arise in relation to the commutation of the Pension and notify the Member, Dependant or Legal Personal Representative of the Member of this information.

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Part Four: Changes to the Fund

Rule 56. Becoming a Small APRA Fund

Explanation

This Deed is not a suitable deed for a fund that is not a Self Managed Superannuation Fund. A fund will not be a Self Managed Superannuation Fund if it has more than four members.

If the Fund ceases to be a Self Managed Superannuation Fund it will be in breach of the SIS Act unless its trustee is an Approved Trustee. An Approved Trustee is some entity – such as a publicly listed trustee company- that APRA has declared may be appointed as the trustee of a fund that is not a Self Managed Superannuation Fund.

Where a fund ceases being a Self Managed Superannuation Fund it must within 21 days of that change provide the Australian Taxation Office with details of that change.

In some instances the members of a fund might believe that even though the fund has less than four members that rather than the members being the Trustees an Approved Trustee should be the Trustee. The Members may not wish to undertake the responsibilities attached to the role of Trustee or may have particular family reasons for wanting an Approved Trustee to be the Trustee. This Rule allows an Approved Trustee to be appointed as the Trustee at any time. These Rules are not suitable to Funds where an Approved Trustee is the Trustee.

Rule

- 56.1.** Notwithstanding any other provision of these Rules at any time the then Trustee may retire as the Trustee and appoint an Approved Trustee as the Trustee.
- 56.2.** If an Approved Trustee is appointed as the Trustee the Members shall forthwith meet and agree to a replacement to these Rules.

Rule 57. Amendment of the Deed or the Rules

Explanation

Given that constant changes are made to the Act it is important the Rules of the Fund can be amended so as to ensure continued compliance with the Act. The rules of most funds are amended or replaced from time to time.

Rule

- 57.1.** The Trustee may in its absolute discretion amend the Deed or the Rules (in whole or in part) by way of written resolution provided:
- (a) any change to the Deed or the Rules does not result in the Fund becoming a Non-Complying Superannuation Fund or being in breach of the Act;
 - (b) the amendment does not reduce the amount of any Benefit accrued or accruing to a Member as at the date of amendment unless the Member or the Legal Personal Representative of the Member has in writing consented to any such amendment;
 - (c) the amendment does not amend the term of a Pension which has been incorporated as a Rule or a Death Benefit Rule unless the Member or the Legal Personal Representative of the Member who accepted the term of the Pension or who requested the Death Benefit Rule to be incorporated has in writing consented to any such amendment;
 - (d) the amendment does not allow a person other than a Constitutional Corporation to be eligible to be appointed as a Trustee unless the Rules then provide and will continue to provide after the amendment is made that the Fund has as its sole or primary purpose the provision of old age pensions, and
 - (e) the amendment does not allow the sole or primary purpose of the Fund to be a purpose other than the provision of old age pensions unless the Rules provide and will continue to provide after the amendment is made that the Trustee must be a Constitutional Corporation.

Part Five: Winding Up of the Fund

Termination

Rule 58. Termination of the Fund

Explanation

On termination of the Fund the Trustee should:

- Step One - have the Fund audited;*
- Step Two - determine the Market Value of the Fund's assets;*
- Step Three - determine if the cash assets of the Fund are sufficient to discharge the Fund's debts and liabilities. If not the Trustee shall determine which assets will be disposed of to obtain sufficient cash;*
- Step Four - pay out all expenses of the Fund including any Taxes, administration costs, government imposts, amounts due to Members, other expenses plus any expense incurred to wind up the Fund;*
- Step Five - declare a final distribution amount (being that amount that is equal to the value of the assets of the Fund less expenses paid).*

Any final distribution amount may at the Trustee's discretion (and subject to the Act) be distributed by the Trustee to any of:

- (i) members and former Members of the Fund;*
- (ii) relatives of any Member or former Member;*
- (iii) any Legal Personal Representative of a Member or former Member;*
- (iv) any other person; or*
- (v) a charity or public benevolent institution.*

Rule

58.1. The Fund shall be wound-up and terminated on the first to occur of the date:

- (a) on which the Trustee resolves that the Fund should be wound up and terminated;
- (b) the Fund must be wound up for the purpose of the Act;
- (c) the Fund ceases to have Members; or
- (d) the Regulator requires that the Fund be wound up.

58.2. The Trustee shall on Termination Date:

- (a) dispose of assets of the Fund in order to have sufficient cash with which to meet any debts and liabilities of the Fund. The Trustee has discretion to determine which of the Fund's assets are to be disposed of;
- (b) pay out any debts and liabilities of the Fund;
- (c) determine to whom any Benefits are to be paid including former Members, trusts that former Members were beneficiaries of, the Legal Personal Representative of former Members or any other person. The Trustee retains sole discretion as to where Benefits are to be paid and how they are to be made including in-specie or cash Benefits and is to ensure that the payment of any Benefits does not breach the sole purpose test; and
- (d) pay out any Benefits due by the Fund to the Members. The Trustee retains sole discretion as to how these amounts are to be paid including making an in-specie transfer of assets or cash amounts;

58.3. After the Trustee has made all such payments as the Trustee is required or has resolved to pay pursuant to Rule 58.2 the Trustee may distribute the remaining assets of the Fund to such charities or public benevolent institutions as it might determine provided any such payment does not breach the sole purpose test or otherwise render the Fund a Non-Complying Self Managed Superannuation Fund.

Part Six: Interpretation

Governing Law

Rule 59. The governing law is the State in which the Trustee resides.

Explanation

The governing law is simply that law which is to be applied by a court if the court is required to consider the Rules.

The governing law is the State in which the Trustee resides.

Rule

The law applicable to the Fund is the law of the State or Territory of the Commonwealth of Australia where the Trustee resides.

Status of the Act

Rule 60. The Act is paramount

Explanation

The Rules define the Act to include the SIS Act, the Income Tax Assessment Acts 1936 and 1997 and the regulations made pursuant to those acts.

If the Fund fails to comply with a provision of an Act the Fund might become a Non-Complying Self Managed Superannuation Fund (with the result that it would not be concessional tax).

If the Trustee contravenes a provision of the Act the Trustee might be subject to a fine or criminal penalty. This Rule is designed to protect the Fund in the event that the Rules of the Fund and the provisions of an Act contain some unintentional inconsistency but more importantly, in case the provisions of the Act change (and it is almost certain that the provisions of the Act will change).

Rule

The Rules are subject to the Act. If there is any inconsistency between the provisions of the Act and the Rules the provisions of the Act shall prevail. Provided there is no inconsistency between the provisions of these Rules and the Act, any authority or discretion given to the Trustee by the Act shall be incorporated into these Rules as if a Rule.

Interpretation

Rule 61. Rules as to interpretation.

Rule

- 61.1.** Explanations accompanying a Rule are for information and disclosure purposes only but may be taken into account in interpreting a Rule:
- (a) in considering the purpose or object underlying a Rule; or
 - (b) to confirm that the meaning of a Rule is its ordinary meaning conveyed by its text taking into account the purpose or object underlying the Rule; or
 - (c) in determining a Rule's meaning if the Rule is ambiguous or obscure; or
 - (d) in determining the Rule's meaning if the ordinary meaning conveyed by its text, taking into account its context in the Rules and the purpose or object underlying the Rule leads to a result that is manifestly absurd or unreasonable.
- 61.2.** A reference to any person or body shall include a reference to a company, references to its respective authorised officers, agents, delegates, successors, assigns, executors and administrators.
- 61.3.** Words importing any one gender include all genders and words importing the singular number include the plural and vice versa.
- 61.4.** Unless the contrary intention appears when a word or phrase is given a particular meaning other parts of speech and grammatical forms of the word or phrase have a corresponding meaning.
- 61.5.** In determining whether the Fund will or will not be a Complying Superannuation Fund or Complying Self Managed Superannuation Fund the Trustee shall only consider whether or not any course of action to be followed by the Trustee in relation to the Fund would or would not cause the Fund not to be a Complying Superannuation Fund or Complying Self Managed Superannuation Fund and must not take into account any discretion which might or might not be exercised by the Regulator.
- 61.6.** A reference to a provision of an Act includes a reference to any similar provision in any successor Act.
- 61.7.** A reference in these Rules to "pay" includes a reference to "credit" or "distribute".

Definitions

Rule 62. Definitions

In this Deed the following words or expressions have the meaning thereafter ascribed to them:

Act	The <i>SIS Act</i> , the <i>Tax Act</i> , the <i>Corporations Act 2001</i> , the <i>Family Law Act 1975 (Part VIII B)</i> , the <i>Social Security Act 1991</i> , the <i>Veterans' Entitlements Act 1986</i> , any successor acts and all regulations made pursuant to the foregoing acts.
Ancillary Purposes	Those purposes as defined in section 62 of the <i>SIS Act</i> including the purpose of providing such benefits as the Regulator approves in writing.
Application Form	An application form as referred to at Rule 12.
Auditor	An auditor who is an Approved Auditor as defined in section 10(1) of the <i>SIS Act</i> or any successor Act or otherwise determined by the Regulator.
Approved Trustee	A trustee as approved by the Regulator pursuant to section 26 of the <i>SIS Act</i> .
APRA	The Australian Prudential Regulatory Authority or any successor authority to that authority.
Associate	A person who is an associate as defined by section 12 of the <i>SIS Act</i> .
Benefit	A benefit or entitlement payable or distributable by the Fund including a Pension.
Binding Death Benefit Nomination	A death benefit nomination made by a Member in accordance with Rule 15 that must be followed by the Trustee in the event of the Member's death.
Civil Penalty Order	An order or declaration made by a court under section 196 of the <i>SIS Act</i> .
Child	Any person as defined for the purposes of the Act.
Commencement Date	In relation to a Pension has the meaning given by the <i>SIS Regulations</i> .
Compliance Plan	A plan established for the purpose of Rule 43.
Complying Self Managed Superannuation Fund	A Fund which is a complying self managed superannuation fund for the purposes of section 42A of the <i>SIS Act</i> .

Constitutional Corporation	A body corporate which is: <ul style="list-style-type: none"> (a) a trading corporation formed within the limits of the Commonwealth of Australia (within the meaning of paragraph 51(xx) of the <i>Constitution of the Commonwealth of Australia</i>), (b) a financial corporation formed within the limits of the Commonwealth of Australia (within the meaning of paragraph 51(xx) of the <i>Constitution of the Commonwealth of Australia</i>).
Contributions	Amounts paid or property transferred to the Trustee for the benefit of a Member or Members.
Contributions Segment	Means that part of a Superannuation Interest as defined in section 307-220 of the <i>Tax Act</i> .
Core Purposes	Those purposes as defined in section 62 of the <i>SIS Act</i> .
Crystallised Segment	Means that part of a Superannuation Interest as defined in section 307-225 of the <i>Tax Act</i> .
Death Benefit Rule	A Rule established as a Rule by reason of Rule 16.
Deed	The deed establishing the Fund as amended from time to time.
Dependant	Is a person that is defined as a dependant for the purposes of the <i>SIS Act</i> and includes the Spouse of the person, any Child of the person and any other person with whom the person had an interdependency relationship (as determined by the <i>SIS Act</i>).
Earnings	The earnings of the Fund determined in accordance with Rule 36.
Element Taxed In The Fund	Means that part of the Taxable Component as defined in section 307-275 of the <i>Tax Act</i> .
Element Untaxed In The Fund	Means that part of the Taxable Component as defined in section 307-275 of the <i>Tax Act</i> .
Employer	Means for the purposes of Rule 2.4 a person whom some other person is taken to be an "employee" of for the purposes of section 17A of the <i>SIS Act</i> .
Excess Contributions Tax	Any tax imposed by reason of the Superannuation (<i>Excess Concessional Contributions Tax</i>) Act 2007 or the Superannuation (<i>Excess Non- Concessional Contributions Tax</i>) Act 2006 or successor legislation.
Financial Year	A year ended 30 June or that period of twelve months adopted by the Trustee as the Fund's financial year.

Fund	The self managed superannuation fund established by the Deed.
Gainful Employment	That activity in which a person is engaged for gain or reward in any business, trade, profession, vocation, calling or occupation.
Legal Personal Representative	The executor of the will or administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by a person.
Lump Sum Benefit	A Benefit which is payable to a Member pursuant to Rule 47 in cash or in kind.
Manager	The person or entity appointed by the Trustee to manage the Fund.
Market Value	<p>The amount that a willing buyer of an asset could reasonably be expected to pay to acquire the asset from a willing seller if the following assumptions were made:</p> <p>(a) that the buyer and the seller dealt with each other at arm's length in relation to the sale;</p> <p>(b) the sale occurred after proper marketing of the asset;</p> <p>(c) the buyer and seller acted knowledgeably and prudently in relation to the sale.</p>
Member	Any person accepted by the Trustee as a member of the Fund.
Member's Account	An account established by the Trustee on behalf of a Member.
Member's Accumulation Account	A Member's Account established by the Trustee, the balance of which is the amount that can be paid to the benefit of a Member, their Dependant or Legal Personal Representative as a Lump Sum Benefit and/or a Pension.
Member's Benefit	The amount of a Benefit payable to a Member, their Dependant or Legal Personal Representative in the event of the Member's death as determined by the Trustee.
Member's Pension Account	A Member's Account established by the Trustee from which the payment of a Pension will be debited.
Minimum Benefits	An amount determined by the Trustee of the Fund as a minimum benefit for a Member pursuant to Part 5 of the <i>SIS Regulations</i> .
Non-Binding Death Benefit Nomination	A death benefit nomination as referred to in Rule 14 that is not binding upon the Trustee.
Non-Complying Self Managed Superannuation Fund	A superannuation fund that is not a Complying Self Managed Superannuation Fund.

Payment Split	A "payment split" as defined by section 90MD of the Family Law Act 1975.
Pension	Any pension payable by the Fund.
Permanent Incapacity Benefit	A Benefit payable pursuant to Rule 51.
Permanently Incapacitated	In relation to a Member means a Member who has ceased to be Gainfully Employed because of ill-health (whether physical or mental) where the Trustee is reasonably satisfied that that Member is unlikely, because of the ill health, ever again to be Gainfully Employed in any employment for which that Member is reasonably qualified by education, training or experience.
Preservation Age	Means: <ul style="list-style-type: none"> (a) for a person born before 1 July 1960 — 55 years; or (b) for a person born during the year 1 July 1960 to 30 June 1961 — 56 years; or (c) for a person born during the year 1 July 1961 to 30 June 1962 — 57 years; or (d) for a person born during the year 1 July 1962 to 30 June 1963 — 58 years; or (e) for a person born during the year 1 July 1963 to 30 June 1964 — 59 years; or (f) for a person born after 30 June 1964 — 60 years.
Preserved Benefit	A Benefit which Regulation 6.01 to the <i>SIS Act</i> states is a preserved benefit.
Prescribed Documents	Any documents that are prescribed documents for the purposes of the Act.
Prescribed Information	Any information which is prescribed information for the purposes of the Act.
Product Disclosure Statement	The product disclosure statement of which these Rules form part.
Regulated Superannuation Fund	A superannuation fund that is a regulated superannuation fund as defined within section 19 of the <i>SIS Act</i> .
Regulator	The Commissioner of Taxation or any person or entity appointed to regulate a self managed superannuation fund as defined in section 10(1) of the <i>SIS Act</i> .

Related Party	A person who is a related party as defined in section 10(1) of the <i>SIS Act</i> .
Relative	Means for the purposes of Rule 2.4 a person whom is defined as a "relative" by section 71A of the <i>SIS Act</i> and for the purposes of Rule 23 means a person who is a "relative" as defined by section 65 of the <i>SIS Act</i> .
Release Request	A written notice provided by the Commissioner of Taxation authorising the Member to withdraw monies from the Fund to pay Excess Contributions Tax as referred to at Rule 25.
Reserve	An amount as referred to at Rule 37.
Responsible Officer	(a) a director of a company, or (b) a secretary of a company; or (c) an executive officer of a company.
Rules	The rules of the Fund.
Self Managed Superannuation Fund	A fund that is a "self managed superannuation fund" as defined in section 17A of the <i>SIS Act</i> .
Simple Pension	A Pension defined in regulation 6.01(1) of the <i>SIS Regulations</i> .
<i>SIS Act</i>	The <i>Superannuation Industry (Supervision) Act 1993</i> .
<i>SIS Regulations</i>	The <i>Superannuation Industry (Supervision) Regulations 1994</i>
Specified Work Test	Those conditions found in Part 6 of the <i>SIS Regulations</i> determining the time at which a person must be paid a Benefit from the Fund.
Splittable Contribution	An amount that has the meaning for the purposes of Part 6 of the <i>SIS Regulations</i> .
Solvency Plan	A plan established for the purposes of Rule 44.
Spouse	In relation to a person includes another person who, although not legally married to the person, lives with the person on a genuine domestic basis as the husband or wife of the person or such other person as the Act may allow or determine.
Standard-Employer-Sponsor	A person who is a standard-employer-sponsor as defined in section 16(2) of the <i>SIS Act</i> .

Superannuation Entity	<p>(a) a superannuation fund, or</p> <p>(b) an approved deposit fund, or</p> <p>(c) a pooled superannuation trust; or</p> <p>(d) a life insurance company or similar entity,</p> <p>whether such an entity is a resident or non – resident of Australia.</p>
Superannuation Interest	In relation to a Member means an interest in the Fund or such other interest as defined in section 995-1(1) of the <i>Tax Act</i> as determined by the Trustee with reference to section 307-200 of the <i>Tax Act</i> and relevant Regulations.
Tax	Any tax levied by any taxation law.
Tax Act	The <i>Income Tax Assessment Act 1997</i> .
Taxable Component	Has the meaning given by section 995-1(1) of the <i>Tax Act</i> .
Tax Free Component	Has the meaning given by section 995-1(1) of the <i>Tax Act</i> .
Temporarily Incapacitated	In relation to a Member means a Member who has ceased to be gainfully employed, including a member who has ceased temporarily to receive any gain or reward under a continuing arrangement for the member to be gainfully employed, because of ill-health (whether physical or mental) but does not mean a Member who is Permanently Incapacitated.
Temporary Incapacity Benefit	A non-commutable income stream payable pursuant to Rule 50.
Termination Date	The date on which the Fund terminates.
Total Member Entitlements	That amount equal to the total value of all Members' Accounts.
Trustee	A person or company that has been appointed a trustee of the Fund under Rule 3.
Trustee Meeting	A meeting as referred to at Rule 7.1.

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Trustee declaration

To be completed by new trustees and directors of corporate trustees of self-managed super funds.



Read this declaration in conjunction with *Self-managed super funds – key messages for trustees* (NAT 71128).



WHO SHOULD COMPLETE THIS DECLARATION?

You must complete this declaration if you become a **new** trustee (or director of a corporate trustee) of:

- a **new** self-managed super fund (SMSF)
- an **existing** SMSF.

You must sign this declaration within 21 days of becoming a trustee or director of a corporate trustee of an SMSF.

A separate declaration is required to be completed and signed by each and every new trustee (or director of a corporate trustee).

You must also complete the declaration if you are a legal personal representative who has been appointed as trustee (or director of a corporate trustee) on behalf of a:

- member who is under a legal disability (usually a member under 18 years old)
- member for whom you hold an enduring power of attorney
- deceased member.

INFORMATION YOU NEED TO READ

Make sure you read *Self-managed super funds – key messages for trustees* (NAT 71128). It highlights some of the key points from the declaration and some important messages for you.

BEFORE COMPLETING THIS DECLARATION

Before you complete and sign this declaration, make sure you:

- read each section
- understand all the information it contains.

➤ If you have any difficulties completing this declaration or you do not fully understand the information it contains:

- speak to a professional adviser
- visit www.ato.gov.au/smsf
- phone us on **13 10 20**.

If you are not familiar with some of the terms used in this declaration or you need more information, refer to *Running a self-managed super fund* (NAT 11032).

WHEN COMPLETING THIS DECLARATION

When you complete this declaration, remember to:

- insert the full name of the fund at the beginning
- sign and date it
- ensure it is signed and dated by a witness (anyone 18 years old or over).

WHAT SHOULD YOU DO WITH THE DECLARATION?

You must keep your completed declaration for at least 10 years and make it available to us if we request it.

We recommend that you keep a copy of your completed declaration and refer to it and *Self-managed super funds – key messages for trustees* (NAT 71128), which is available on the ATO website, when making important decisions, such as those relating to choosing investments, accepting contributions and paying benefits.



Do not send your completed declaration to us.



Self-managed super fund trustee declaration

I understand that as an individual trustee or director of the corporate trustee of

Fund name

GRIMASON SUPERANNUATION FUND

I am responsible for ensuring that the fund complies with the *Superannuation Industry (Supervision) Act 1993* (SISA) and other relevant legislation. The Commissioner of Taxation (the Commissioner) has the authority and responsibility for administering the legislation and enforcing the fund's compliance with the law.

I must keep myself informed of changes to the legislation relevant to the operation of my fund and ensure the trust deed is kept up to date in accordance with the law and the needs of the members.

If I do not comply with the legislation, the Commissioner may take the following actions:

- impose administrative penalties on me
- enter into agreements with me to rectify any contraventions of the legislation
- disqualify me from being a trustee or director of a corporate trustee of any superannuation fund in the future
- remove the fund's complying status, which may result in significant adverse tax consequences for the fund
- prosecute me under the law, which may result in fines or imprisonment.

SOLE PURPOSE

I understand it is my responsibility to ensure the fund is only maintained for the purpose of providing benefits to the members upon their retirement (or attainment of a certain age) or their beneficiaries if a member dies. I understand that I should regularly evaluate whether the fund continues to be the appropriate vehicle to meet this purpose.

TRUSTEE DUTIES

I understand that by law I must at all times:

- act honestly in all matters concerning the fund
- exercise skill, care and diligence in managing the fund
- act in the best interests of all the members of the fund
- ensure that members only access their super benefits if they have met a legitimate condition of release
- refrain from entering into transactions that circumvent restrictions on the payment of benefits
- ensure that my money and other assets are kept separate from the money and other assets of the fund
- take appropriate action to protect the fund's assets (for example, have sufficient evidence of the ownership of fund assets)
- refrain from entering into any contract or do anything that would prevent me from, or hinder me in, properly performing or exercising my functions or powers as a trustee or director of the corporate trustee of the fund
- allow all members of the fund to have access to information and documents as required, including details about
 - the financial situation of the fund
 - the investments of the fund
 - the members' benefit entitlements.

I also understand that by law I must prepare, implement and regularly review an investment strategy having regard to all the circumstances of the fund, which include, but are not limited to:

- the risks associated with the fund's investments
- the likely return from investments, taking into account the fund's objectives and expected cash flow requirements
- investment diversity and the fund's exposure to risk due to inadequate diversification
- the liquidity of the fund's investments having regard to the fund's expected cash flow requirements in discharging its existing and prospective liabilities (including benefit payments)
- whether the trustees of the fund should hold insurance cover for one or more members of the fund.

Investment restrictions

I understand that, as a trustee or director of the corporate trustee of the fund, subject to certain limited exceptions specified in the law, I am prohibited from:

- lending money of the fund to, or providing 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)
- acquiring assets (other than business real property, listed securities, certain in-house assets and acquisitions made under mergers allowed by special determinations or acquisitions as a result of a breakdown of a relationship) for the fund from members or other related parties of the fund
- borrowing money (or maintaining an existing borrowing) on behalf of the fund except in certain limited circumstances (while limited recourse borrowing arrangements are permitted, they can be complex and particular conditions must be met to ensure that legal requirements are not breached)

- having more than 5% of the market value of the fund's total assets at the end of the income year as in-house assets (these are loans to, or investments in, related parties of the fund – including trusts – or assets subject to a lease or lease arrangement between the trustee and a member, relative or other related party)
- entering into investments on behalf of the fund that are not made or maintained on an arm's length (commercial) basis (this ensures the purchase or sale price of the fund's assets and any earnings from those assets reflects their market value).

Accepting contributions and paying benefits

I understand that I can only accept contributions and pay benefits (income streams or lump sums) to members or their beneficiaries when the conditions specified in the law and the fund trust deed have been met.

Administration

I understand that the trustees of the fund must:

- keep and retain for at least 10 years
 - minutes of all trustee meetings at which matters affecting the fund were considered (this includes investment decisions and decisions to appoint members and trustees)
 - records of all changes of trustees, including directors of the corporate trustee
 - each trustee's consent to be appointed as a trustee of the fund or a director of the corporate trustee
 - all trustee declarations
 - copies of all reports given to members
- ensure that the following are prepared and retained for at least five years
 - an annual statement of the financial position of the fund
 - an annual operating statement
 - copies of all annual returns lodged
 - accounts and statements that accurately record and explain the transactions and financial position of the fund
- ensure that an approved auditor is appointed within the prescribed period (currently this is no later than 31 days before the due date for lodgment of the fund's annual return but this may change to 45 days) to audit the fund for each income year, and provide that auditor with documents as requested
- lodge the fund's annual return, completed in its entirety, by the due date
- notify the ATO within 28 days of any changes to the
 - membership of the fund, or trustees or directors of the corporate trustee
 - name of the fund
 - contact person and their contact details
 - postal address, registered address or address for service of notices for the fund
- notify the ATO in writing within 28 days of the fund being wound up or after becoming aware that the fund has ceased to be an SMSF.

DECLARATION

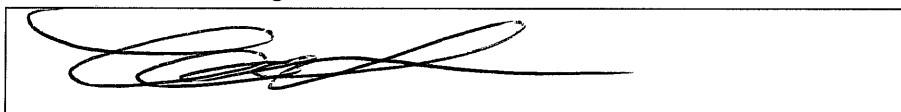
By signing this declaration I acknowledge that I understand my duties and responsibilities as a trustee or director of the corporate trustee of the self-managed superannuation fund named on this declaration (or if the fund's name changes, that name). I understand that:

- I must ensure this document is retained for at least 10 years or while I remain a trustee or director of the corporate trustee (whichever is longer) and, if I fail to do this, penalties may apply.
- I may have to make this document available for inspection by a member of staff of the ATO and, if I fail to do this, penalties may apply.
- I do not have access to the government's financial assistance program that is available to trustees of Australian Prudential Regulation Authority (APRA) regulated funds in the case of financial loss due to fraudulent conduct or theft.

Trustee's or director's name

ANTHONY JAMES GRIMASON

Trustee's or director's signature



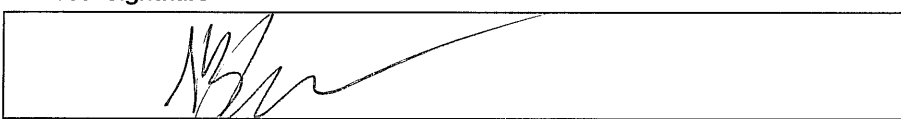
Date

Day: 28 / Month: 05 / Year: 2013

Witness' name (witness must be 18 years old or over)

SUSAN BARBARA GRIMASON

Witness' signature



Date

Day: 28 / Month: 05 / Year: 2013

Trustee declaration

To be completed by new trustees and directors of corporate trustees of self-managed super funds.



Read this declaration in conjunction with *Self-managed super funds – key messages for trustees* (NAT 71128).



WHO SHOULD COMPLETE THIS DECLARATION?

You must complete this declaration if you become a **new** trustee (or director of a corporate trustee) of:

- a **new** self-managed super fund (SMSF)
- an **existing** SMSF.

You must sign this declaration within 21 days of becoming a trustee or director of a corporate trustee of an SMSF.

A separate declaration is required to be completed and signed by each and every new trustee (or director of a corporate trustee).

You must also complete the declaration if you are a legal personal representative who has been appointed as trustee (or director of a corporate trustee) on behalf of a:

- member who is under a legal disability (usually a member under 18 years old)
- member for whom you hold an enduring power of attorney
- deceased member.

INFORMATION YOU NEED TO READ

Make sure you read *Self-managed super funds – key messages for trustees* (NAT 71128). It highlights some of the key points from the declaration and some important messages for you.

BEFORE COMPLETING THIS DECLARATION

Before you complete and sign this declaration, make sure you:

- read each section
- understand all the information it contains.

➤ If you have any difficulties completing this declaration or you do not fully understand the information it contains:

- speak to a professional adviser
- visit www.ato.gov.au/smsf
- phone us on **13 10 20**.

If you are not familiar with some of the terms used in this declaration or you need more information, refer to *Running a self-managed super fund* (NAT 11032).

WHEN COMPLETING THIS DECLARATION

When you complete this declaration, remember to:

- insert the full name of the fund at the beginning
- sign and date it
- ensure it is signed and dated by a witness (anyone 18 years old or over).

WHAT SHOULD YOU DO WITH THE DECLARATION?

You must keep your completed declaration for at least 10 years and make it available to us if we request it.

We recommend that you keep a copy of your completed declaration and refer to it and *Self-managed super funds – key messages for trustees* (NAT 71128), which is available on the ATO website, when making important decisions, such as those relating to choosing investments, accepting contributions and paying benefits.

ⓘ Do not send your completed declaration to us.



Self-managed super fund trustee declaration

I understand that as an individual trustee or director of the corporate trustee of

Fund name

GRIMASON SUPERANNUATION FUND

I am responsible for ensuring that the fund complies with the *Superannuation Industry (Supervision) Act 1993* (SISA) and other relevant legislation. The Commissioner of Taxation (the Commissioner) has the authority and responsibility for administering the legislation and enforcing the fund's compliance with the law.

I must keep myself informed of changes to the legislation relevant to the operation of my fund and ensure the trust deed is kept up to date in accordance with the law and the needs of the members.

If I do not comply with the legislation, the Commissioner may take the following actions:

- impose administrative penalties on me
- enter into agreements with me to rectify any contraventions of the legislation
- disqualify me from being a trustee or director of a corporate trustee of any superannuation fund in the future
- remove the fund's complying status, which may result in significant adverse tax consequences for the fund
- prosecute me under the law, which may result in fines or imprisonment.

SOLE PURPOSE

I understand it is my responsibility to ensure the fund is only maintained for the purpose of providing benefits to the members upon their retirement (or attainment of a certain age) or their beneficiaries if a member dies. I understand that I should regularly evaluate whether the fund continues to be the appropriate vehicle to meet this purpose.

TRUSTEE DUTIES

I understand that by law I must at all times:

- act honestly in all matters concerning the fund
- exercise skill, care and diligence in managing the fund
- act in the best interests of all the members of the fund
- ensure that members only access their super benefits if they have met a legitimate condition of release
- refrain from entering into transactions that circumvent restrictions on the payment of benefits
- ensure that my money and other assets are kept separate from the money and other assets of the fund
- take appropriate action to protect the fund's assets (for example, have sufficient evidence of the ownership of fund assets)
- refrain from entering into any contract or do anything that would prevent me from, or hinder me in, properly performing or exercising my functions or powers as a trustee or director of the corporate trustee of the fund
- allow all members of the fund to have access to information and documents as required, including details about
 - the financial situation of the fund
 - the investments of the fund
 - the members' benefit entitlements.

I also understand that by law I must prepare, implement and regularly review an investment strategy having regard to all the circumstances of the fund, which include, but are not limited to:

- the risks associated with the fund's investments
- the likely return from investments, taking into account the fund's objectives and expected cash flow requirements
- investment diversity and the fund's exposure to risk due to inadequate diversification
- the liquidity of the fund's investments having regard to the fund's expected cash flow requirements in discharging its existing and prospective liabilities (including benefit payments)
- whether the trustees of the fund should hold insurance cover for one or more members of the fund.

Investment restrictions

I understand that, as a trustee or director of the corporate trustee of the fund, subject to certain limited exceptions specified in the law, I am prohibited from:

- lending money of the fund to, or providing 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)
- acquiring assets (other than business real property, listed securities, certain in-house assets and acquisitions made under mergers allowed by special determinations or acquisitions as a result of a breakdown of a relationship) for the fund from members or other related parties of the fund
- borrowing money (or maintaining an existing borrowing) on behalf of the fund except in certain limited circumstances (while limited recourse borrowing arrangements are permitted, they can be complex and particular conditions must be met to ensure that legal requirements are not breached)

- having more than 5% of the market value of the fund's total assets at the end of the income year as in-house assets (these are loans to, or investments in, related parties of the fund – including trusts – or assets subject to a lease or lease arrangement between the trustee and a member, relative or other related party)
- entering into investments on behalf of the fund that are not made or maintained on an arm's length (commercial) basis (this ensures the purchase or sale price of the fund's assets and any earnings from those assets reflects their market value).

Accepting contributions and paying benefits

I understand that I can only accept contributions and pay benefits (income streams or lump sums) to members or their beneficiaries when the conditions specified in the law and the fund trust deed have been met.

Administration

I understand that the trustees of the fund must:

- keep and retain for at least 10 years
 - minutes of all trustee meetings at which matters affecting the fund were considered (this includes investment decisions and decisions to appoint members and trustees)
 - records of all changes of trustees, including directors of the corporate trustee
 - each trustee's consent to be appointed as a trustee of the fund or a director of the corporate trustee
 - all trustee declarations
 - copies of all reports given to members
- ensure that the following are prepared and retained for at least five years
 - an annual statement of the financial position of the fund
 - an annual operating statement
 - copies of all annual returns lodged
 - accounts and statements that accurately record and explain the transactions and financial position of the fund
- ensure that an approved auditor is appointed within the prescribed period (currently this is no later than 31 days before the due date for lodgment of the fund's annual return but this may change to 45 days) to audit the fund for each income year, and provide that auditor with documents as requested
- lodge the fund's annual return, completed in its entirety, by the due date
- notify the ATO within 28 days of any changes to the
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 - contact person and their contact details
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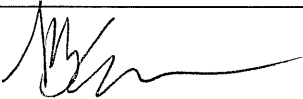
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- I may have to make this document available for inspection by a member of staff of the ATO and, if I fail to do this, penalties may apply.
- I do not have access to the government's financial assistance program that is available to trustees of Australian Prudential Regulation Authority (APRA) regulated funds in the case of financial loss due to fraudulent conduct or theft.

Trustee's or director's name

SUSAN BARBARA GRIMASON

Trustee's or director's signature




Date

Day: 28 / Month: 05 / Year: 2013

Witness' name (witness must be 18 years old or over)

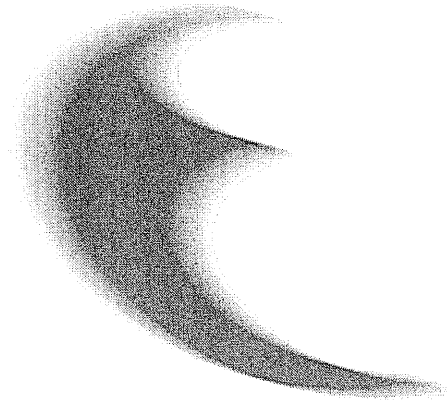
ANTHONY JAMES GRIMASON

Witness' signature



Date

Day: 28 / Month: 05 / Year: 2013



**The *Strategist* Sole Purpose
SMSF Trustee Company**

**The Constitution of
Good Judgement Pty Ltd
A.C.N. 127 297 787**

29th August 2007

Constitution prepared by
Robert Richards
Robert Richards & Associates
Revenue and Corporate Law
Suite 3, Level 12, 53 Martin Place
Sydney, New South Wales

Certificate of Registration of a Company



This is to certify that

GOOD JUDGEMENT PTY LTD

Australian Company Number 127 297 787

is a registered company under the Corporations Act 2001 and
is taken to be registered in Queensland.

The company **is limited by shares.**

The company is a **proprietary** company.

The day of commencement of registration is
the twenty-ninth day of August 2007.

Issued by the
Australian Securities and Investments Commission
on this twenty-ninth day of August, 2007.

A handwritten signature in black ink, appearing to read 'AMDA'.

Anthony Michael D'Aloisio
Chairman

CERTIFICATE

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The Information Statement and the Constitution are based on the Australian corporations and superannuation law as at 1 May 2007. Neither Espreon Corporate Services Pty Limited its employees nor advisers accept any liability for any loss or damages of any kind whatsoever arising as a result of use of this document.

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What this Document is about

This document explains the rights, obligations and responsibilities of those involved with this special purpose SMSF Trustee Company. It is expected that this company be used for the sole or primary purpose of acting as the trustee of a SMSF.

This document is in two parts. The first part is an information statement that talks about the role of the trustee of a SMSF and more importantly the role and responsibilities of a director of a trustee company. It also considers the powers of the trustee and what is required to be done at meetings. The information memorandum is educational and informational only.

The second part is the legal constitution of the trustee company. These are the rules that the directors of the trustee company and the shareholders agree to. They must be followed at all times.

Part One Information Statement

1. Introduction to Trustee's Role

Self managed super funds or SMSFs as they are commonly known are increasingly popular. However there are a number of statutes and laws that govern the trustees of a SMSF. So too are there various regulators such as the Australian Taxation Office ("ATO") and the Australian Securities and Investment Commission ("ASIC"). To be a director of a company is a big responsibility and one not to be taken lightly. A member of a SMSF with a corporate trustee is required to become a director of the trustee company under the *Superannuation (Industry) Supervision Act 1993* ("SIS Act").

From 1 July 2007 a person becoming a trustee or a director of a trustee company of a SMSF must sign a declaration that they understand their duties attached to this role.

Where the directors of the trustee company breach any of the rules of the fund or the *SIS Act*, *Income Tax Assessment Act 1997* ("Tax Act") or the *Corporations Act 2001* they may be liable to a fine and in some cases imprisonment. For these reasons it is vital that a director of a trustee company of a SMSF do the following things:

1. Read the constitution of the trustee company. If a director or potential director has any questions about their role as a director then in the first instance they should be directed to the chairman of the fund's trustee company and failing that to the adviser appointed to establish the trustee company;
2. The director of the trustee company must read and be aware of all of the material contained in the product disclosure statement ("PDS") and the governing rules of the SMSF. These documents provide the trustee with all the benefits available to a member of a fund, when those benefits may be paid and how they will be paid. They also cover how a member's benefits are taxed, the risks involved in being a trustee, the authorised investments of the fund, the powers of the trustee and what the trustee must or must not do when certain member and other actions take place involving the fund.
3. Read the ATO publication "Role and Responsibilities of Trustees." This publication is an essential guide for trustees on operational matters within a SMSF and the nature of their trustee responsibilities.

2. Trustee's Corporations Act 2001 Responsibilities

The trustee of a SMSF is not required to be licensed however they do have other important responsibilities. In that regard the *Corporations Act 2001* provides that where a person is provided with a financial product the trustee of a SMSF must issue them with a PDS. A PDS is a statement that contains information required by the *Corporations Act*

2001 to provide prospective members and members with sufficient information to make an informed decision about acquiring a financial product. Importantly the PDS is required to provide information about any significant benefits to which that person may become entitled as well as the circumstances, process and timeframe in which those benefits may be provided.

Failure to do so may render the trustee and its directors liable to a \$22,000 fine and/or two years imprisonment.

In relation to a SMSF, the *Corporations Act 2001* includes the following as financial products:

- the making of a contribution into a fund;
- the payment of a SMSF pension;
- taking a disability benefit;
- putting in place an investment strategy;
- establishing a transition to retirement income plan;
- paying out benefits in the event of a member's death;
- making an investment that is a financial product;
- withdrawal of a lump sum from the fund;
- creating an insurance plan for the members of the fund.

It is important to understand that it is the trustee's responsibility to provide members and prospective members with a PDS. This is the case even though the members of the fund may be directors of the trustee company. The trustee may use the Strategist PDS where the trustee is using the Strategist Trust Deed and Governing Rules.

3. The Purpose of the Fund

The fund has been established as a SMSF with a *Strategist* SMSF Trust Deed and Governing Rules. The *Strategist* SMSF Governing Rules are unique and not universal to every SMSF.

The directors of the trustee company act in their capacity as trustee.

The sole and primary purpose of a SMSF is to provide retirement, death, or incapacity benefits to the members and their dependants. Benefits might be provided by way of lump sum or an income stream (that is a pension) or a combination of both. Further, members who have reached their preservation age – age 55 for those born before 1960, are entitled to a transition to retirement income stream (even though the member may still be working).

The trustee must ensure that it maintains the fund for the sole purpose of providing the above benefits to members. Failure to do so may render the fund a non-complying SMSF. The Commissioner of Taxation may replace trustees that have breached the *SIS Act* or their governing rules with his preferred trustee. Accordingly a trustee must ensure that they are conservative in their actions and take professional SMSF advice where necessary.

4. Trustee's General Responsibilities

Under general trust law at all times a trustee is required to act honestly, prudently and in the best interests of members in relation to all matters concerning the Fund.

Directors and potential directors reviewing this constitution should be aware that both civil and criminal penalties can be imposed under the superannuation laws for any breach of these and other trustee responsibilities including breaking the Fund's governing rules. Prior to accepting an appointment as a director, it is important that a person consider the risks associated with such an appointment. The excuse that the director was not aware

of the superannuation laws or the governing rules is not valid at law. If a person is unwilling to take on the responsibilities as director of a trustee company yet retain the benefits generally available in a SMSF then it may be advisable to appoint an approved trustee. In this instance the fund becomes what is known as a small APRA fund or SAF.

Some of the more important responsibilities for a trustee of a SMSF include but are not limited to:

- act honestly;
- act in the best interests of members and other beneficiaries;
- keep the money and assets of the fund separate from the trustee's personal assets and money or those of another person including other trusts, companies and businesses that the member or trustee may have an interest in;
- formulate and implement an investment strategy for the fund. This strategy must follow the fund's investment objective and should be detailed and in writing;
- abide by the governing rules of the fund at all times;
- ensure that the trustee does not breach any of the superannuation laws;
- ensure proper accounting including the maintenance of member accounts;
- appoint an auditor and other specialists;
- meet all regulatory obligations.

5. Trustee Meetings and Decision Making

The directors of the trustee company need to meet regularly to decide issues and approve transactions that arise within the fund. Some of these issues include the:

- appointment of various professional advisers including the auditor and SMSF specialist adviser,
- appointment of the fund administrator;
- establishment of a bank account,
- setting the investment objective and investment strategy for the fund,
- admission of members to the fund and issue of a PDS;
- acquisition and disposal of investments pursuant to the investment strategy,
- approval of the payment of benefits to a member,
- payment of a death benefit to a dependant or legal personal representative of a deceased member,
- payment of a disability benefit to a member or their legal personal representative,
- acceptance of a binding death benefit nomination from a member,
- review of audit reports,
- creation of any Reserves.

In making any decision, the directors of the trustee company may vote according to the balance of the member accounts on whose behalf that they represent. The trustee may, at any stage lay down a specific voting procedure to apply in the event of a corporate transaction or some thing happening to a member. Directors need to be aware of the number of votes that they may bring to a meeting and ensure that any requirement to vote must be exercised according to their responsibilities as director of the trustee company.

6. Trustee's Powers

In the administration of a fund and in the exercise of the powers, authorities and discretions conferred by the trust deed, governing rules or by law the trustee shall have the following powers:

- i. *Generally deal with Fund assets:* to sell, call in, convert into money, grant options or rights to purchase, mortgage, charge, sub-charge, or otherwise deal with or dispose of or transfer any item or asset comprising the whole or part of the Fund;
- ii. *Real property:* to acquire, dispose of, exchange, mortgage, sub-mortgage, lease, sub-lease, grant, release or vary any right or easement or otherwise deal with any interest in real property;
- iii. *Personal property:* to acquire, dispose of, exchange, hire, lease, mortgage or otherwise deal with any interest in personal property;
- iv. *Lease:* to rent premises from any person, acquire the interest of any lessee in any lease, purchase, hire, take on lease, grant leases, sub-leases, tenancies or rights of any nature to any interest in real estate, motor vehicles, computer hardware and software, fixtures and fittings, furniture, utensils, plant and equipment and other personal property of any description;
- v. *To let:* to lease and let property owned by the Fund or held by the Trustee pursuant to the provisions of these Rules upon terms and conditions as the Trustee may decide, to accept surrenders from, and to make arrangements with a lessee or tenant as the Trustee may consider appropriate;
- vi. *Engage specialists:* to employ or engage agents or professionals in the execution of the Self Managed Superannuation Fund and powers and instead of acting personally from time to time to employ or engage and pay out of the trust fund such managers, agents, self managed superannuation fund advisers, solicitors, barristers, auditors, accountants, brokers, surveyors or other persons, to transact any business or to do any act required to be done in connection with the administration of the trusts declared in this deed, and to act upon the opinion or advice of any such person without being responsible for any loss or damage occasioned by acting in accordance therewith;
- vii. *To lend:* subject to these Rules and the Act to lend and advance moneys;
- viii. *Bank accounts:* to open in the name of the Fund or in the name of any person or corporation as nominee of the Trustee, or in the joint names of the Trustee and another, any cheque, savings or other bank account with any bank or financial institution wherever situated, as the Trustee decides, with full power to operate or close any such account;
- ix. *Management expenses:* to pay out of the assets, Reserves or the income of the Fund all costs charges and expenses incidental to the management of the Fund or to the exercise of any power, authority or discretion contained in the Rules or the Deed;
- x. *Pay general expenses:* to pay insurance premiums, rates, taxes, rents, and outgoings in connection with any real or personal property of the Fund from the assets, Reserves or the income of the Fund and to manage such property and effect repairs as the Trustee may consider necessary or advisable;
- xi. *Corporate securities:* with respect to any company in which the Trustee holds shares, stocks, debentures, options, convertible notes or is otherwise interested or concerned ("securities") to exercise the following powers in addition to powers conferred by law:
 - to pay calls on securities or to permit securities to be forfeited and sold;
 - to purchase securities and to take up securities of a new issue;

- to attend meetings personally or by proxy, attorney or representative and vote at the discretion of the Trustee;
 - to sell securities at such price and upon such terms with or without security as the Trustee decides;
 - to agree to any arrangement relating to the sale, transfer or exchange of any securities, or modifying any rights, privileges or interests in relation to the securities, to agree to any scheme or arrangement for the increase or reduction of the value or amounts of any shares or stock or of the capital of any company in which any securities form the whole or any part of the Fund, or by which any such securities are substituted or given in exchange, either wholly or partly for other securities, whether in the same company or not, for any such purpose to deposit, surrender or exchange any scrip or documents of title relating to the securities and generally to manage and deal with any securities as if the Trustee owned them beneficially; and
 - to agree in respect of a winding up with the liquidator of the company or any member of such company or any other person, in all things as the Trustee shall decide, for the division or partition in kind or specie of the assets or property of whatsoever nature of the company and to accept any of the assets and property in payment or satisfaction of any interest of the Trustee in the company with power to pay any moneys by way of equality of division or partition;
- xii. *Unit trust interests:* to acquire units or sub-units of any fixed or flexible unit trust either by way of application, purchase or by way of settlement by the Trustee in the establishment of such unit trust and to exercise all rights including voting rights and perform all obligations as a holder of any units in such trust and to accept all distributions by the trustee of such unit trust;
- xiii. *Franchises:* to acquire by means of purchase or otherwise and to sell, dispose, relinquish or otherwise deal in franchises, franchise agreements, licences or things of like nature;
- xiv. *Subdivision of property:* to partition or agree to the partition of or to subdivide or agree to the subdivision of property of any kind which, or any interest in which, may for the time being be subject to these trusts and to pay moneys by way of equality or partition;
- xv. *Maintain property:* to maintain and preserve in good condition any real or personal property of the Fund or otherwise held by the Trustee according to the Rules and to pay or defray those costs;
- xvi. *Power to set aside:* to set aside out of the income or capital of the Fund from time to time such money as may in the opinion of the Trustee be sufficient to meet any debt or obligation due or accruing;
- xvii. *Future contracts and options:* to engage brokers and commission agents and vary and determine the terms of any such engagement and either directly or through any broker or agent in any market in any part of the world buy sell, open, close-out or otherwise deal in futures contracts of all kinds, to enter into, vary, exercise, abandon or sell any put or call option or rights, or to place bids, make offers, hedge and effect orders including buying, selling, straddle, switch and stop-loss order, to tender and take delivery of commodities and currencies which are the subject of any futures contract or option, and otherwise to do and perform all things so as to operate on, utilise or deal with the facilities of any stock or futures exchange provided the Trustee maintains a risk management strategy;
- xviii. *Trustee's power to deal with itself:* notwithstanding any rule or law or equity to the contrary, to acquire as property of the Fund real or personal property the legal and beneficial interest in which is at the date of such acquisition the absolute property of the Trustee PROVIDED THAT any property so acquired is acquired for a consideration being not greater than the current Market Value of the property and upon which such

acquisition the beneficial interest in and to the property shall be held by the Trustee according to the Rules;

- xix. *Policies:* to effect or acquire policies of life assurance of any kind on the life of any Member or in respect of sickness, disability or accident to any Member; to pay premiums transfer, surrender, change the situs of and deal with these policies in any manner whatsoever, whether or not these policies are individual policies on the life of one person or a group policy on the lives of two or more persons; to purchase or enter into insurance or investment bonds whether or not the bonds are linked to a policy over the life of any person;
- xx. *Agency and licences:* to apply for, purchase and hold any permit, agency or licence which may be desirable or required to enable or facilitate the carrying on of any business which the Trustee is empowered to engage in and to surrender, relinquish, sell, vary or assign the same;
- xxi. *Choses-in-action:* to acquire choses-in-action including debts and obligations of all kinds for value or by way of gift or at a discount or at a premium and to assign, release, vary, relinquish or otherwise deal with the choses-in-action in any way whatsoever on such terms and conditions as the Trustee may see fit;
- xxii. *Receive gifts or distributions:* to receive property by gift inter vivos or by distribution under a will or under the provisions of any other trust or otherwise from any person as an addition to the trust fund, whether subject to liabilities or not and to hold these gifts according to the Rules and to administer such additions under these provisions;
- xxiii. *Legal proceedings:* to institute, join in and defend proceedings at law or by way of mediation or arbitration and to proceed to the final end and determination of, or to compromise the same and to compromise and settle any such dispute or proceedings for such consideration and upon the terms and conditions as the Trustee may decide;
- xxiv. *Intellectual property:* to apply for, purchase or otherwise acquire and to sell patents, patent rights, copyrights, trade marks, designs, formulas, licenses, concessions, know-how and the like, conferring any exclusive or non-exclusive or limited right to use of any other intellectual property rights and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property rights or information so acquired;
- xxv. *Release of powers:* by irrevocable deed to renounce and release any power conferred on the Trustee under the Rules in respect of the whole or any part of the Trustee or the income or any part thereof. Upon such renunciation and release any power or powers shall be deemed to be at an end and no longer exercisable by the Trustee to the extent of the renunciation and release;
- xxvi. *Incidental powers:* to do all such other things as may be incidental to the exercise of the powers, rights, discretions and authorities hereby conferred on the Trustee.

However in exercising any of its powers including the powers of investments the trustee must ensure that at all time the fund remains a Complying SMSF. If an action is taken that may render the fund a non-complying SMSF then the trustee is not authorised to take that action.

7. Authorised Investments

The trustee may invest the assets of the fund in any investment the trustee believes appropriate provided they comply with all relevant laws and the governing rules of the fund. The investments may be both within and outside Australia. In particular, the trustee should have the power to invest any either alone or in partnership or co-ownership with other people. Some of these investment activities include:

- i. *Authorised investments:* in any one or more of the investments from time to time sanctioned by law in any State or Territory of Australia for the investment of trust moneys;

- ii. *Real and personal property:* in the acquisition of real or personal property or any interest therein and without limiting the generality thereof of any patent, copyright, design, formula, secret process, concession, trademark and other like right or privilege in Australia or in any other country and although the acquisition is not made primarily for the production of income;
- iii. *Property development:* in developing and turning to account any real or personal property or any interest therein, or any property right or interest which is or may be subject to these trusts and without limiting such generality by constructing, reconstructing, maintaining or improving any buildings or by laying out and preparing land for subdivision, conversion to strata or similar title and for buildings;
- iv. *Shares:* in the acquisition of fully or partly paid shares including; redeemable, preference or redeemable preference shares, stock debentures, debenture stock bonds, units, securities or obligations or any interest, with or without deferred, restricted, qualified or special rights relating thereto and whether or not there is or is not a liability in respect of any such shares, units, securities or interests, of or in any public proprietary or no liability company, association, firm, mutual fund or unit trust wherever incorporated or formed, whether carrying on business in Australia or in any other country, or in giving any guarantee or otherwise becoming a proprietor of a company limited by guarantee;
- v. *Option and rights:* in the acquisition of options, entitlements or rights to any of the securities mentioned in paragraph (d) of this sub-clause;
- vi. *Deposit:* on fixed deposit or at call with any bank, savings bank, building society, company, corporation or firm wherever incorporated or situated and wherever carrying on business;
- vii. *Insurance:* in the acquisition of any policy of assurance or insurance of any kind whatsoever and wherever made;
- viii. *Loans:* in making loans to any person or company except to Members of the Fund or their Relatives;
- ix. *Precious objects:* in the purchase of gold, silver, works of art, coins, stamps, furniture, ornaments, precious objects, jewellery and antiques;
- x. *Commodity contracts:* in the acquisition of foreign currencies, hedging contracts, commodity contracts and also options or future contracts of any kind which are quoted on a recognised stock exchange;
- xi. *Permanent building society:* in the lodgement of moneys with a permanent building society wherever situated by taking up shares therein or depositing funds therewith;
- xii. *Deferred property:* in the acquisition of any reversionary or deferred property or rights of any description.

8. Trustee must not borrow

Normally the Trustee is not allowed to borrow nor mortgage or charge the assets of the Fund. A borrowing includes an overdraft or a margin account. An acquisition of an instalment warrant unless specially allowed by the SIS Act might be a borrowing. These are prohibitions imposed by the SIS Act. The Strategist rules reflect those prohibitions. As such these prohibitions may prevent the trustee from acquiring a particular investment. If the trustee wishes to borrow they should first obtain advice from a specialist or the auditor.

9. Trustee must prepare accounts

The trustee is required under the rules and the law to prepare a set of accounts each year and to have these accounts audited. The accounts must show the profit and loss on the fund's investments, tax, the value of the fund's assets and liabilities and any other things as required by the law. These accounts must be audited on an annual basis.

The trustee is also required to issue to each member a report of their superannuation benefits at the end of a financial year including the return on their benefits and any costs associated with maintaining the fund that have been allocated against their benefits.

10. Appointment of Specialists

The various laws as they apply to SMSFs are complicated. As noted above breaches of these laws and governing rules may render a fund to be a non-complying superannuation fund, which is taxed on its income at a rate of 45% with the trustee subject to financial and criminal penalties.

Although all actions undertaken in the fund are the trustee's responsibility the rules allow a trustee to appoint managers, advisers, and to engage other specialists to assist them in the on-going management of the fund. It is highly recommended that the trustee appoint an experienced SMSF auditor and SMSF adviser to advise on compliance and other issues relating to the fund.

Part 2 Rules of the Company

Rule 1 Replacement of Replaceable Rules

Explanation

The Corporations Act contains rules that are deemed to be adopted by a company if a company does not have its own constitution. However those rules are "replaceable rules" – they do not have to be adopted by the members of the company. Since this Company has been formed for the sole purpose of acting as a trustee of a Self Managed Superannuation Fund not all of those "replaceable rules" are presently relevant.

Further the law has specific requirements as to what should be contained with the constitution of a company that is the trustee of a superannuation fund. Accordingly this Constitution states that the "replaceable rules" do not apply and adopts rules that are more appropriate to a company that is the trustee of a Self Managed Superannuation Fund.

In particular this Constitution has been so drafted that any company adopting it is particularly suited to be a trustee of a superannuation fund that adopts fund rules the copyright of which is vested in Espreon Corporate Services Pty Limited.

Rule

The replaceable rules set out in the *Corporations Act* do not apply to this Company.

Rule 2 Definitions and Interpretations

2.1 Definitions

In the interpretation of this Constitution unless the subject matter or context otherwise require:

"Board" means the Directors acting in meeting.

"Company" means the company the shareholders of which have adopted this Constitution.

"Complying Superannuation Fund" means a complying superannuation fund within the meaning of section 45 of the SIS Act.

"Constitution" means this constitution.

"Corporations Act" means the *Corporations Act 2001 (Cth)* as amended, or modified from time to time or any replacement to that act.

"Director" means a person properly appointed as a director of the Company.

"Financial Year" means a year ended on 30 June or on such other date as determined by the Directors.

"Fund" means the Self Managed Superannuation Fund of which the Company is currently the trustee.

"Legal Personal Representative" means the executor of the will or administrator of the estate of a deceased person, the trustee of the estate of a person who is under a legal liability or a person who holds an enduring power of attorney granted by a person.

"Member" means a member of the Fund.

"Member's Account" means an account kept by the Company as trustee of the Fund that records a Member's interests in the Fund.

"Notice" means a notice given to a Member or Shareholder.

"Regulated Superannuation Fund" means a regulated superannuation fund as defined by section 10(1) of the *SIS Act*.

"Regulator" means the Commissioner of Taxation or such other person or body as defined by section 10(1) of the *SIS Act*.

"Registered Address" means that address as notified by a Director or Shareholder to the Secretary as that address being either a physical or electronic address to which Notices can be sent to the Director or Shareholder.

"Relative" means a relative as defined by section 65 of the *SIS Act*.

"Represents" means if a Director is also a Member that that Director represents himself or if the Director is a Legal Personal Representative of a Member that the Director represents that Member.

"Rule" means a rule of this Constitution.

"Secretary" means the secretary of the Company.

"Self Managed Superannuation Fund" is a superannuation fund that is a self managed superannuation fund as defined by the *SIS Act*.

"SIS Act" means the *Superannuation Industry (Supervision) Act 1993*.

"Shares" means shares in the Company.

"Shareholder" means a person owning Shares.

2.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation;
- (b) Except where the context requires words and phrases given a meaning by the *Corporations Act* or the *SIS Act* have the same meaning in this Constitution;
- (c) Explanations accompanying a Rule are for information and interpretation purposes only and may be taken into account in interpreting a Rule:
 - i. in considering the purpose or object underlying a Rule; or
 - ii. to confirm that the meaning of a Rule is its ordinary meaning conveyed by its text taking into account the purpose or object underlying the Rule; or
 - iii. in determining a Rule's meaning if the Rule is ambiguous or obscure; or
 - iv. in determining a Rule's meaning if the ordinary meaning conveyed by its text, taking into account its context in the Rules and the purpose or object underlying the Rule leads to a result that is manifestly absurd or unreasonable;
- (d) A reference to any person or body shall include a reference to a company, references to its respective authorised officers, agents, delegates, successors, assigns, executors and administrators.

Rule 3 Company a Trustee of a Self Managed Superannuation Fund

- 3.1 The sole purpose of the Company is that of being the trustee of a Self Managed Superannuation Fund and if any provision of this Constitution is in conflict with a provision of the *SIS Act* or a regulation made pursuant to that Act that provision or that regulation prevails.
- 3.2 If the Company is the trustee of the Fund the Company must not be the trustee of any other superannuation fund or trust or engage in any business.

Rule 4 Company a Proprietary Limited Company

The Company is a proprietary company limited by shares and must not be changed to any other type of company unless required by the *Corporations Act* or the *SIS Act*.

Rule 5 Directors

Explanation

A superannuation fund must have a trustee.

The Company has been formed to be the trustee of a superannuation fund that is a Self Managed Superannuation Fund.

Section 17A of the SIS Act 1993 states that if a company is the trustee of a Self Managed Superannuation Fund each member (or Legal Personal Representative of the Member) must be a director of that company.

However a person cannot be director of a Self Managed Superannuation Fund if that person is a "disqualified person". A person will be a "disqualified person" if (broadly speaking) that person has contravened a provision of the SIS Act or has been convicted of dishonest conduct.

Rule

5.1 Entitlement to be a Director

5.1.1 Subject to Rule 5.1.2 and Rule 5.1.3 a person may only be a Director if that person is a Member of the Fund.

5.1.2 A person may not be appointed as a Director if that person is under a legal disability.

5.1.3 If a Member is under a legal disability then the Legal Personal Representative of the Member may be appointed a Director in lieu of that Member who is under the legal liability.

5.1.4 A person including a person who is the Legal Personal Representative of a Member cannot be a Director if that person has been disqualified by the Regulator (pursuant to section 120A of the SIS Act).

5.2 Resignation of a Director

A Director who is the Personal Legal Representative of a Member may resign as a Director and subject to the provisions of the Constitution the Member or some other Personal Legal Representative of the Member shall be appointed in place of that person.

5.3 Removal of a Director

A person who is a Director is forthwith removed as a Director if the continued appointment of that person as a Director will cause the Fund not to be a Self Managed Superannuation Fund.

Rule 6 Powers of Directors

6.1 The Company is to be managed by or be under the direction of the Directors.

6.2 The Directors may exercise all powers of the Company except all powers that by law or by this Constitution must be exercised at a general meeting.

6.3 If the Company has two or more Directors any two of the Directors may sign, draw, accept, endorse or otherwise execute a negotiable instrument.

- 6.4 If the Company has only one Director that Director may sign, draw, accept, endorse or otherwise execute a negotiable instrument.
- 6.5 Whilst the Company is the trustee of the Fund the Directors may exercise all the powers of the trustee of the Fund.
- 6.6 Whilst the Company is the trustee of the Fund the Directors must ensure that the Fund is a Complying Superannuation Fund.

Rule 7 Meetings of Directors

Explanation

If there is more than one Director, the Directors should meet to decide matters such as the:

- *appointment of various professional advisers to the Fund including an auditor;*
- *establishment of the Fund's cash account;*
- *setting of an investment objective and investment strategy for the Fund;*
- *admission of Members to the Fund;*
- *acquisition and disposal of investments pursuant to an investment strategy;*
- *approval of the payment of benefits to a Member;*
- *payments of death benefits;*
- *acceptance of a binding death benefit nominations;*
- *review of audit reports;*
- *creation of any reserves.*

The Directors should also attend to the day-to-day administration of the Fund (attending to such things as the making and maintenance of investments) although the Directors may appoint a manager or accountant to assist them.

Rule

- 7.1 If there is more than one Director the Secretary may serve a Notice on the Directors requiring the Directors to meet and to conduct business on behalf of the Company.
- 7.2 The Secretary must give reasonable notice of any such meeting to each of the Directors (which may be by mail, facsimile or email to that address, facsimile number or electronic address last nominated by the Director) unless the Directors unanimously agree that the meeting may be held on some earlier date. Such written notice must:
 - (a) set out the place, date and time for the meeting (and, if the meeting is to be held in two or more places, the technology that will be used to facilitate this); and
 - (b) state the general nature of the business of the meeting.
- 7.3 Where, through a link established by means of any system of telephone, audio or audio-visual communication approved by the Directors for the purpose of any meeting of the Directors, the Directors will be taken to be assembled together at a meeting and all proceedings of the Directors conducted with the aid of the link, will be as valid and effectual as if conducted at a meeting at which all Directors were physically present.
- 7.4 At any meeting of the Directors a quorum is equal to that number of Directors or proxies who Represent Members the balance of whose Member's Accounts aggregate at least 50% of the balance of all Member's Accounts.

- 7.5 At any meeting of the Directors, unless the Directors unanimously agree otherwise, a Director shall be entitled to cast that number of votes as is equal to the nearest number of whole dollars of the balance of the Member's Account of that Member whom that Director Represents.
- 7.6 A resolution shall not be passed at any meeting of the Directors unless it is passed by the casting of a majority of the votes entitled to be cast by all Directors who are present and voting at that meeting.
- 7.7 A Director may appoint a person to act as that Director's proxy at any meeting of the Director.
- 7.8 If a circulating minute, containing a statement that the Directors are in favour of a resolution in the terms set out in that document has been signed by all Directors a resolution in those terms will be taken to have been passed at a meeting of the Directors held on the day and at the time at which the document was last signed by a Director. Two or more separate documents containing statements in identical terms each of which is signed by one or more Directors will together be taken to constitute one document for the purposes of this Rule.

Rule 8 Directors' Records

Explanation

A written record must be kept of all decisions made by the Directors. Those records must be held for ten years.

Rule

- 8.1 If there is only one Director that Director must make a written record of all decisions made by the Director. If there is more than one Director the Directors must keep minutes of every meeting held by the Directors.
- 8.2 Records and minutes required by this Rule must be kept for at least ten years from the date the decision was made or the date of the meeting.

Rule 9 Remuneration of Directors

- 9.1 A Director will not be paid any remuneration as a consequence of being a Director.
- 9.2 The Company may pay travelling and other expenses properly incurred by a Director:
- i. in attending Director's Meetings or any committees of the Directors; and
 - ii. in attending general meetings of the Company; and

Rule 10 Secretaries

The Board may appoint one or more persons as Secretary or Secretaries of the Company. A Secretary holds office on the terms and conditions as determined by the Board.

Rule 11 Sole Shareholder Companies

Explanation

The Company might only have one Shareholder and one Director. This Rule is designed to:

- *reiterate those provisions of the Corporations Act which allow the Director of a proprietary company who is its only director and shareholder to exercise all the powers of the company;*
- *ensure that where there is only one shareholder and director of a Company that the provisions of the Constitution are to be read as if there was only one Shareholder and Director of the Company.*

Rule

If there is only one Shareholder who is also a Director of the Company this Constitution is to be read and interpreted as if any reference in this Constitution to more than one Shareholder and Director was a reference to that one Shareholder and Director.

Rule 12 Joint Owners

Explanation

Where a Share is held jointly and one of the co owners dies that co owner's interest in the Share is automatically transferred to the other or other joint owners.

Rule

Shares may be held jointly with another person.

Rule 13 Transfers of Shares

A Shareholder may only transfer Shares held by him to another person as allowed by this Constitution.

- 13.1 A person transferring Shares remains the holder of the Shares until the transfer is registered and the name of the person to whom they are being transferred is entered in the Company's register of Shareholders as holder of the Shares.
- 13.2 The Directors must refuse to register a transfer of Shares unless:
 - (a) a properly completed form of transfer and any certificate of registration of those Shares have been left at the Company's registered office; and
 - (b) the Directors have been given such information as they reasonably require to establish the right of the person to whom the Shares have been transferred to hold those Shares.

Rule 14 Transmission of Shares on Death

- 14.1 If a Shareholder dies the Company will recognise only the Legal Personal Representative of the deceased Shareholder as being entitled to the deceased Shareholder's interest in a Share unless that interest is held jointly with another person. If the Legal Personal Representative gives the Directors the information they reasonably require to establish the Legal Personal Representative's entitlement to be registered as the holder of the Share the Legal Personal Representative may:
 - (a) by giving a written and signed notice to the Company, elect that until administration of the estate of that deceased Shareholder, that he be registered as the holder of the Share; or

(b) by giving a completed transfer form to the Company transfer the Share to another person being a Member.

14.2 On receiving a notice under Rule 14.1 the Company must register the personal representative or that other Member as the holder of the Share.

Rule 15 Transmission of Shares on Bankruptcy

Explanation

A Shareholder may become bankrupt. This Rule is to protect the other Shareholders against a trustee in bankruptcy acquiring a Share and as consequence meddling in the affairs of the Company.

Rule

15.1 If a Shareholder becomes bankrupt the Company will recognise only the Legal Personal Representative of the Shareholder, not being a trustee in bankruptcy of the Shareholder, as being entitled to the bankrupt Shareholder's interest in a Share. If a Legal Personal Representative, not being a trustee in bankruptcy of the Shareholder, gives the Directors the information they reasonably require to establish the Legal Personal Representative's entitlement to be registered as the holder of a Share the Legal Personal Representative may, by giving a written and signed notice to the Company, elect to be registered as the holder of the Share.

On receiving that election the Company must register the Legal Personal Representative as the holder of the Share.

Rule 16 Transmission of Shares on Mental Incapacity

16.1 If a Shareholder becomes mentally incapacitated the Company will recognise only the Legal Personal Representative of the Shareholder, not being a trustee in bankruptcy of the Shareholder, as being entitled to the Shareholder's interest in a Share. If a Legal Personal Representative, not being a trustee in bankruptcy of the Shareholder, gives the Directors the information they reasonably require to establish the Legal Personal Representative's entitlement to be registered as the holder of a Share the Legal Personal Representative may, by giving a written and signed notice to the Company, elect to be registered as the holder of the Share.

16.2 On receiving that election the Company must register the Legal Personal Representative as the holder of the Share.

Rule 17 Meetings of Shareholders

17.1 Calling of meetings

A Director may call a meeting of Shareholders for the purpose of considering that business which that Director requires to be considered by the Directors.

17.2 Notice

Notice of any meeting of the Shareholders shall be given as detailed at Rule 28.

17.3 Adjourned meetings

When a meeting is adjourned new notice of the adjourned meeting must be given if the meeting is adjourned for one week or more.

17.4 Quorum

At any meeting of the Shareholders a quorum is equal to the number of Shareholders or proxies who Represent Members the balance of whose Member's Accounts aggregate at least 50% of the balance of all Member's Accounts.

17.5 Chairperson

At a meeting the Shareholders will elect a chairperson of the meeting who will have a casting vote on a show of hands but no additional vote on a poll.

17.6 Voting

Subject to any rights or restrictions attached to any Share at a meeting of the Company:

(a) on a show of hands each Shareholder has one vote;

(b) on a poll unless the Shareholders present unanimously agree otherwise a Shareholder shall be entitled to cast that number of votes as is equal to the nearest whole number of dollars of the balance of the Member's Account of that Member whom that Shareholder Represents. If no Shareholder Represents a Member each Shareholder shall be entitled to cast one vote for each Share that Shareholder owns.

17.7 Resolutions

A resolution shall not be passed at any meeting of the Shareholders unless it is passed by the casting of a majority of the votes entitled to be cast by Shareholders who are present at the meeting.

17.8 Circulating minutes

If a circulating minute containing a statement that the Shareholders are in favour of a resolution in the terms set out in that document and that document has been signed by all Shareholders a resolution in those terms will be taken to have been passed at a meeting of the Shareholders held on the day and at the time at which the document was last signed by a Shareholder. Two or more separate documents containing statements in identical terms, each of which is signed by one or more Shareholder, will together be taken to constitute one document for the purposes of this Rule.

17.9 Attendance by auditors

Any one Shareholder can invite any person who is or has audited the Company or the Fund to attend any meeting of the Shareholders and that auditor shall have the right to address that meeting.

Rule 18 Proxies

18.1 Right to appoint a proxy

A Shareholder who is entitled to attend and cast a vote at a meeting of the Shareholders of the Company may appoint a person as that Shareholder's proxy to attend and vote for the Shareholder at that meeting.

18.2 A proxy may be an individual or body corporate

The person appointed as the Shareholder's proxy may be an individual or a body corporate.

18.3 Number of votes

The appointment must specify the proportion or number of votes that the proxy may exercise.

18.4 More than one proxy

If the Shareholder is entitled to cast 2 or more votes at the meeting he may appoint 2 proxies. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the votes each proxy may cast each proxy may exercise half of the votes which might be exercised by that Shareholder at that meeting.

18.5 Validity of proxy

Unless the Company has received written notice of the matter before the start or resumption of the meeting at which a proxy votes, a vote cast by the proxy will be valid even if, before the proxy votes:

- (a) the appointing Shareholder dies; or
- (b) the Shareholder is mentally incapacitated; or
- (c) the Shareholder revokes the proxy's appointment; or
- (d) the Shareholder revokes the authority under which the proxy was appointed by a third party; or
- (e) the Shareholder transfers the Share in respect of which the proxy was given.

18.6 Form of proxy

An appointment of a proxy is valid if it is signed, or otherwise authenticated in a manner prescribed by the regulations to the *Corporations Act* by the Shareholder making the appointment and contains the following information:

- (a) the Shareholder's name and address;
- (b) the Company's name;
- (c) the proxy's name;
- (d) the meetings at which the appointment may be used.

Rule 19 Inspection of Records

The Directors of the Company or the Company by a resolution passed at a general meeting may authorise a Shareholder to inspect the records of the Company.

Rule 20 Company Accounts

- 20.1 The Company must keep such accounting records as correctly record and explain the transactions of the Company.
- 20.2 Such accounting records are to be kept in such form and supported by such documentation as to enable those accounting records to be properly audited.
- 20.3 The Company must as soon as practical after the end of each Financial Year:
 - (a) prepare a balance sheet recording the assets and liabilities of the Company as at the end of that preceding Financial Year;
 - (b) prepare a profit and loss account recording the profit derived or loss incurred by the Company for that preceding Financial Year (or part year if the Company was not in existence for a full year);
 - (c) arrange for the Company's balance sheet, profit and loss account and accounting records to be audited by an auditor;
 - (d) arrange for all tax returns and other statements required to be lodged by the Company to be lodged as and when required.
- 20.4 The Company must retain the accounts and statements for a period of 10 years after the end of the Financial Year to which they relate.

Rule 21 Common Seal

Explanation

The Company does not have to have a seal. This is because section 127 of the Corporations Act states that a company may execute a document without using a common seal if the document is signed by:

- *two directors of the company;*
- *a director and a company secretary of the company; or*
- *for a proprietary company that has a sole director who is also the sole company secretary – that director.*

However some persons transacting business with a company prefer that a company in executing a document affix a seal to that document. As a consequence this Rule authorises but does not require the Company to acquire a seal.

Rule

The Company may have a seal. If the Company has a seal it may only be used as authorised by the Directors.

Rule 22 Dividends

Explanation

Annual fees payable to ASIC by a company that is a "special purpose company" are significantly less than those fees payable by most companies to the Commission. A company whose sole purpose is to act as the trustee of a Regulated Superannuation Fund will be a special purpose company if its constitution prohibits distribution of the company's income or property to its shareholders (Regulation 3 of the Corporations (Review Fees) Regulation 2003). This rule is designed to allow the Company to only have to pay the lower fees to ASIC. Assets of the Fund are not income or property of the Company.

Further it is appropriate that a company whose sole purpose is to be a trustee of a Self Managed Superannuation Fund should not be able to pay dividends or make a distribution of its income or capital to its members.

Rule

The Company cannot pay dividends or make a distribution of its income or property to its Shareholders.

Rule 23 Loans to Members, Shareholders and Directors

Explanation

Section 65 of the SIS Act states that a trustee of a Regulated Superannuation Fund must not lend money of the fund to a member of the fund or to a relative of a member of the fund. The purpose of this Rule is to prohibit the Company from making loans to Members.

Rule

The Company must not:

- (a) lend money of the Company to:
 - (i) a Member, Shareholder or Director;
 - (ii) a Relative of a Member, Shareholder or Director; or

- (b) give any other financial assistance to:
 - (iii) a Member, Shareholder or Director;
 - (iv) a Relative of a Member, Shareholder or Director.

Rule 24 Alteration of Capital

If at a meeting of the Shareholders the Shareholders agree, the Shares on issue can be converted into larger or smaller number of Shares on issue.

Rule 25 Winding Up

- 25.1 The Company shall not be wound up whilst it is still the Trustee of the Fund.
- 25.2 On the winding up of the Company all the income and property of the Company shall be distributed to such charities as the Shareholders agree at a meeting of the Company.

Rule 26 Notices

The Company may give a notice to a Shareholder:

- (a) by leaving it at the Shareholder's registered address; or by sending it by prepaid post or facsimile transmission to the Shareholder's Registered Address;
- (c) by sending it by any other electronic means to the Shareholder's Registered Address.

Rule 27 Indemnification of Directors

- 27.1 Subject to law the Company indemnifies each person who is or has been a Director out of the assets of the Company or Fund against any liability incurred by the person as a consequence of that person being or having been a Director except any liability incurred by that person's gross negligence, willful wrongdoing, or fraud.
- 27.2 The Company may insure any person against any liability incurred by that person as a consequence of that person being or having been a Director.

Shareholder Declaration


I/We being the person specified in the application, dated 29th August 2007, for the registration of Good Judgement Pty Ltd pursuant to Section 117 of the *Corporations Act 2001*, as having given my consent to become a Shareholder, HEREBY AGREE to the Rules of this Constitution as set out above.

DATED: FOURTH DAY SEPTEMBER 2007

Signature: 

Shareholder Name: Susan Barbara Grimason

Address: 105 Bray Road Lawnton QLD 4501

Witness Signature: 

Witness Name: KERRIE DARK

Signature: 

Shareholder Name: Anthony James Grimason

Address: 105 Bray Road Lawnton QLD 4501

Witness Signature: 

Witness Name: KERRIE DARK

**Minutes of Trustee Resolution
Grimason Superannuation Fund ('the Fund')
Purpose of Resolution – Amend Governing Rules of the Fund**

Attended by the Directors of Good Judgement Pty Ltd (A.C.N. 127 297 787) ('the trustee') as trustee for Grimason Superannuation Fund.

HELD AT: 105 Bray Road, Lawnton Qld 4503

DATE: 12th December 2008

PRESENT: Anthony James Grimason
Susan Barbara Grimason

CHAIRMAN: Anthony James Grimason was appointed Chairman of the meeting.

TABLE OF MOTION TO AMEND THE RULES OF THE FUND: The Chairman tabled a motion to amend the governing rules of the **Grimason Superannuation Fund** in accordance with **Rule 57** of the rules of the Fund.

The Replacement Rules attached to this minute were forwarded to each director prior to this meeting.

There were no comments or concerns raised by the directors in relation to the Replacement Rules.

TRUSTEE RESOLUTIONS: **IT WAS RESOLVED** by the directors to adopt the amendments to the governing rules by replacing the rules with the Replacement Rules identified as EON2008.9_v1 as tabled before the meeting.

MEETING CLOSED: There being no further business the meeting was declared closed.

Confirmed as a true and correct record.



.....
(Chairman)