

## St George Kart Centre Pty Ltd Retirement Fund

FundID SGKC

Actuarial Certificate for the purposes of  
Section 295-390 of the Income Tax Assessment Act 1997  
Year of Income : 2019/ 2020

### Definitions

In this Certificate:

'Act' means the Income Tax Assessment Act 1997

'Trustee' means Dell Family Pty Ltd.

Terms such as 'ordinary income', 'statutory income', 'current pension liabilities', 'segregated current pension assets' and 'superannuation liabilities' have the meanings ascribed to these terms in Subdivision 295-F of the Act.

### Background

During the 2019/2020 financial year, certain members received superannuation income streams from the fund that entitle the fund to a tax exemption on some or all of its ordinary and statutory income (ie. investment income other than non-arm's length income). These superannuation income streams are referred to as "eligible pensions" in this certificate.

If the fund has any segregated current pension assets, ordinary and statutory income in relation to these assets is eligible for a tax exemption under Section 295-385 of the Act. This income is not subject to this certificate.

The proportion of the fund's ordinary and statutory income earned on the **remaining** fund assets that is exempt from tax is calculated as follows:

$$\frac{\text{average value of current pension liabilities during the period}}{\text{average value of all superannuation liabilities during the period}}$$

to the extent that these are not supported by segregated current pension assets or segregated non-current pension assets. The pension liabilities referred to here are liabilities relating to **eligible pensions** only.

In order to take advantage of this tax exemption, the Trustee must obtain an actuarial certificate which states that the liabilities referred to above plus future contributions and earnings (where applicable) will provide the amount required to meet the unsegregated liabilities of the fund in the future. Given the nature of the pensions provided by this fund this will always be the case.

My certification (below) relies on information provided by the Fund's accountant. The key data and confirmations I have relied upon are set out in the attached Appendix. Should any of this information prove to be incorrect, this certificate will immediately cease to be valid.

## Certification

During the 2019/2020 year of income:

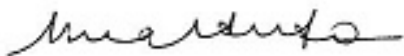
Average value of unsegregated current pension liabilities	\$1,258,116
Average value of all unsegregated superannuation liabilities	\$1,582,754
Ratio of ordinary and statutory income (ie. investment income) exempt from tax in <b>2019/2020</b> in accordance with Section 295-390	79%

If the fund held segregated current pension assets during the year, an additional tax exemption may be applicable to the ordinary and statutory income earned on these assets under Section 295-385 of the Act.

**I certify that I am satisfied that the pension accounts supporting the fund's unsegregated current pension liabilities, together with future investment earnings, will discharge in full the fund's current pension liabilities as at 30 June 2020.**

Given the nature of the fund's pension liabilities, it was not necessary to make any assumptions about future experience in order to make the statements in this certificate.

I believe the calculations in this Certificate are appropriate for the purposes of Section 295-390 of the Act. They have been carried out in accordance with all relevant professional standards issued by the Actuaries Institute.



**Margaret Elizabeth Heffron    BEc FIAA**  
**Actuary**

**Date: 26 Feb 2021**

## APPENDIX – INFORMATION ON WHICH THIS CERTIFICATE IS BASED

Information to prepare this certificate has been provided by the fund’s accountants on behalf of the Trustee.

The table below shows the various member accounts throughout the year. Accounts relating to pensions which provide the tax exemption discussed in this certificate have been identified as “eligible pensions” below. Any eligible pensions supported by segregated current pension assets or other accounts supported by segregated non-current pension assets have been specifically identified.

Account Name	Account Type	1 July 2019	30 June 2020**
ADELE DELL	Accumulation	\$72,479	\$77,629
ADELE DELL	Eligible Pension	\$1,226,774	\$1,268,417
CHRISTOPHER DELL	Accumulation	\$238,629	\$259,901
<b>Total Account Balances **</b>		<b>\$1,537,882</b>	<b>\$1,605,947</b>

\* eligible pensions for which segregated assets are held

\*\* these are estimates only, drawn from draft financial statements. They reflect an allocation of fund earnings but not income tax on these earnings.

The figures above are based on unaudited financial statements and may therefore change. This certificate must be reviewed if the changes would alter the relative values of the fund’s eligible pension accounts and its other accounts.

I have been advised by the fund’s accountants that:

- the fund is a regulated complying superannuation fund and is not a defined benefit fund. Instead, members’ benefits consist entirely of accumulation accounts and/ or pensions where the benefit is determined by the value of the relevant account (ie. transition to retirement income streams, account-based pensions, market linked pensions, allocated pensions);
- there are no unusual terms or guarantees that would cause the liability represented by any individual member account to exceed the value of that account;
- for any accounts identified as relating to eligible pensions above, all requirements in relation to superannuation income streams have been satisfied (including pension payment obligations) for the relevant period or the fund has been or will be granted relief from these requirements. Unless otherwise indicated we have not verified this and have instead relied on the statements provided to us.

This advice from the fund’s accountants is critical to the accuracy of the certificate. Should it prove to be incorrect the certificate will cease to be valid.

# St George Kart Centre Pty Ltd Retirement Fund

## Tax Accounting Reconciliation

For the period 1 July 2019 to 30 June 2020

<b>Operating Statement Profit vs. Provision for Income Tax</b>		<b>2020</b>
		<b>\$</b>
<b>Benefits Accrued as a Result of Operations before Income Tax</b>		<b>70,085.57</b>
<b><u>ADD:</u></b>		
Pension Non-deductible Expenses		5,267.64
Pensions Paid		33,009.80
Realised Capital Losses		5,015.20
<b><u>LESS:</u></b>		
Increase in Market Value		66,974.18
Pension Exempt Income		31,289.00
Rounding		2.03
<b>Taxable Income or Loss</b>		<b>15,113.00</b>
	<b>Income Amount</b>	<b>Tax Amount</b>
Gross Tax @ 15% for Concessional Income	15,113.00	2,266.95
Gross Tax @ 45% for Net Non-Arm's Length Income	0.00	0.00
No-TFN Quoted Contributions @ 32%	0.00	0.00
Change in Carried Forward Losses	0.00	0.00
<b>Provision for Income Tax</b>		<b>2,266.95</b>

## Provision for Income Tax vs. Income Tax Expense

<b>Provision for Income Tax</b>	<b>2,266.95</b>
<b>Income Tax Expense</b>	<b>2,266.95</b>

## Provision for Income Tax vs. Income Tax Payable

<b>Provision for Income Tax</b>	<b>2,266.95</b>
<b><u>LESS:</u></b>	
Franking Credits	337.92
Income Tax Instalments Paid	9,003.00
<b>Income Tax Payable (Receivable)</b>	<b>(7,073.97)</b>

## Exempt Current Pension Income Settings

Pension Exempt % (Actuarial)	79.0000%
Pension Exempt % (Expenses)	64.1726%
Assets Segregated For Pensions	No