

GCL Super Fund  
27 Whitehaven Way  
Pelican Waters QLD 4551

25/10/2023

Dear Gary & Christine,

## GCL Super Fund

On behalf of the above self-managed super fund, please find attached the following documentation;

- a) 2023 Financial Statements including Declaration by Trustees and Members Statements
- b) 2023 Income Tax Return
- c) Engagement Letter
- d) Management Representation Letter
- e) Investment Strategy (copy)

Would you please sign each document where indicated and return all documents to our office for lodgment with the Australian Taxation Office (ATO) and filing in your electronic fund register.

The fund income tax return must be lodged by 15 May 2024. We estimate fund income tax of **\$6,898.81** is **refundable** in respect of the 2023 financial year (inclusive of ATO SMSF Supervisory Levy).

The S.I.S. Act 1993 requires that trustees of superannuation funds review their written investment strategy annually to ensure that it conforms to the actual spread and type of investments held by the fund. You should note that the minutes from the meeting of trustees indicate that your current investment strategy has been reviewed for the year ended 30 June 2023.

### Investment Strategy

I have provided a copy of your last written investment strategy for your perusal. If the fund's portfolio of investments does not conform to your written investment strategy either now or at a future time, would you please prepare an updated investment strategy and forward this to me, to comply with the act.

### Pension Payments

Please note that for the current financial year, the following minimum total pension payments must be drawn by the respective members from the fund before 30 June 2024.

Member	Minimum Annual Pension Payment - 2024	Maximum Annual Pension Payment - 2024
Gary Longbottom	\$28,291.93	\$565,838.51
Christine Longbottom	\$43,877.07	\$877,541.32

Please be aware that should further contributions be made to your superannuation accounts within the fund during the current financial year, and your existing pension accounts are 'reset', then further pension withdrawals will need to be made, as the pension minimums will also increase with your increased pension benefits.

**Audit**

Upon receipt of your signed documentation, I will forward all required superannuation records to our auditor so that an independent audit report may be prepared for the year and ensure your fund's ongoing compliance. A copy of this audit report, together with any comments or recommendations provided by the auditor, will be forwarded to you in due course.

**Fees**

Since I have now completed your annual SMSF compliance work, I will shortly forward you an invoice for my services. Payment terms are 7 days from invoice, and payment options are shown on the invoice for your convenience. Please note that without prior arrangement, returns are generally not lodged until payment of fee/s has been made.

**Guarantee & Referral**

I am committed to providing you with the highest quality of personalised service. To reinforce this commitment, I undertake to continue to work with you until you are completely satisfied with the services provided, within the agreed scope of your work. As such, please don't hesitate to contact me should you have any concerns.

Upon the finalisation of your work, if you are happy with my service, the greatest compliment you can pay is by referring family, friends, and any other people whom you feel would benefit from the use of my services. By our encouraging client referrals, you help me grow a business with like-minded quality clients such as yourself.

Should you have any queries in relation to the above matters, please don't hesitate to contact me.

Thank you again for using my services.

Regards,

*J. Mulhearn*

.....  
**James Mulhearn CA**  
Principal

**reduceTAX**

Chartered Accountants & Tax Advisers

# Financial Statements

GCL Super Fund  
ABN 29 216 686 090  
For the year ended 30 June 2023

Prepared by reduceTAX

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# Compilation Report

## GCL Super Fund For the year ended 30 June 2023

Compilation report to GCL Super Fund

We have compiled the accompanying special purpose financial statements of GCL Super Fund, which comprise the detailed operating statement, the statement of financial position as at 30 June 2023, a summary of significant accounting policies, and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

### The Responsibility of the Trustees

The directors of Toye Pty Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

### Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

### Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

*James Mulhearn*

### James Mulhearn CA

reduceTAX  
Chartered Accountants & Tax Advisers  
PO Box 5688  
West End QLD 4101

Dated: 24 October 2023

# Detailed Operating Statement

## GCL Super Fund

For the year ended 30 June 2023

	NOTES	2023	2022
<b>Income</b>			
<b>Investment Income</b>			
<b>Interest Income</b>			
Interest Income - Hub24		1,266	-
Interest Income - Macquarie		129	128
<b>Total Interest Income</b>		<b>1,395</b>	<b>128</b>
Dividends Received		6,552	8,311
Foreign Income		15,063	14,251
Gain/(Loss) on Disposal of Investments		20,776	43,072
Trust Distributions Received		27,861	24,832
Net Market Value Movement		85,029	(82,906)
<b>Total Investment Income</b>		<b>156,676</b>	<b>7,688</b>
<b>Total Income</b>		<b>156,676</b>	<b>7,688</b>
<b>Expenses</b>			
<b>Operating Expenses</b>			
Accounting Fees		2,451	2,494
Excess Foreign Tax Credits Written Off		1,993	1,784
Filing Fees		59	56
Financial Adviser Fees		8,956	8,529
Investment Management Fees		6,856	7,546
SMSF Supervisory Levy		259	259
<b>Total Operating Expenses</b>		<b>20,573</b>	<b>20,668</b>
<b>Pensions Paid</b>			
Pension Paid - Gary Longbottom		28,470	63,470
Pension Paid - Christine Longbottom		117,130	82,130
<b>Total Pensions Paid</b>		<b>145,600</b>	<b>145,600</b>
<b>Total Expenses</b>		<b>166,173</b>	<b>166,268</b>
<b>Operating Result Before Income Tax</b>		<b>(9,497)</b>	<b>(158,580)</b>
<b>Operating Result for Period</b>		<b>(9,497)</b>	<b>(158,580)</b>
<b>Allocated Member Earnings</b>			
Allocation of Earnings - Gary Longbottom		22,435	(68,398)
Allocation of Earnings - Christine Longbottom		(31,932)	(90,182)
<b>Total Allocated Member Earnings</b>		<b>(9,497)</b>	<b>(158,580)</b>
<b>Undistributed Income</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

# Statement of Financial Position

## GCL Super Fund As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
<b>Assets</b>			
<b>Current Assets</b>			
<b>Bank Accounts</b>			
Macquarie CMA (#3103)	1	6,493	5,973
<b>Total Bank Accounts</b>		<b>6,493</b>	<b>5,973</b>
<b>Receivables</b>			
Receivables - Hub24 Income		15,155	21,598
<b>Total Receivables</b>		<b>15,155</b>	<b>21,598</b>
<b>Total Current Assets</b>		<b>21,649</b>	<b>27,571</b>
<b>Non-Current Assets</b>			
Hub24 Investments	2	1,414,573	1,417,146
<b>Total Non-Current Assets</b>		<b>1,414,573</b>	<b>1,417,146</b>
<b>Total Assets</b>		<b>1,436,222</b>	<b>1,444,717</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Taxation</b>			
Income Tax Payable		(7,158)	(8,160)
<b>Total Taxation</b>		<b>(7,158)</b>	<b>(8,160)</b>
<b>Total Current Liabilities</b>		<b>(7,158)</b>	<b>(8,160)</b>
<b>Total Liabilities</b>		<b>(7,158)</b>	<b>(8,160)</b>
<b>Net Assets</b>		<b>1,443,380</b>	<b>1,452,877</b>
<b>Equity</b>			
<b>Liability for Accrued Benefits</b>			
Liability for Accrued Benefits - Gary Longbottom	3	565,839	543,403
Liability for Accrued Benefits - Christine Longbottom	3	877,541	909,473
<b>Total Liability for Accrued Benefits</b>		<b>1,443,380</b>	<b>1,452,877</b>
<b>Total Equity</b>		<b>1,443,380</b>	<b>1,452,877</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

# Notes to the Financial Statements

## GCL Super Fund For the year ended 30 June 2023

### Summary of Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements. They have been consistently applied in the current and previous periods unless otherwise stated to ensure the financial information satisfies the concept of relevance and reliability.

#### (a) Statement of Compliance

The trustees have prepared the financial statements on the basis that the superannuation fund is a non-reporting entity because the members are able to command the preparation of tailored reports so as to satisfy specifically all of their information needs and there are no other users dependent on the financial statements. The financial statements are therefore special purpose financial statements that have been prepared in accordance with the legislative requirements of the *Superannuation Industry (Supervision) Act 1993 and Regulations 1994* and the provisions of the Trust Deed. The trustees have determined that the accounting policies adopted are appropriate to meet their needs.

#### (b) Basis of Preparation

The financial statements have been prepared on a cash basis using historical costs convention unless stated otherwise. For investments and financial liabilities, they are measured at market values.

The financial statements are presented in Australian dollars, which is the functional currency of the fund.

#### (c) Use of Accounting Estimates and Judgments

The preparation of financial statements requires the trustees to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

#### (d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks or financial institutions and short-term, highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of change in value.

#### (e) Foreign Currency

Any foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the operating statement in the period in which they arise.

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These notes should be read in conjunction with the attached compilation report.



## (f) Valuation of Assets

### *Investments*

An investment is initially recognised when as a result of past transactions or events, the fund controls the future economic benefits expected to flow from the asset.

The investment assets are firstly recorded at cost, being the fair value of the consideration given. After initial recognition, they are measured at market value. Gains or losses arising from changes in market value are recognised on the Operating Statement in the periods in which they occur.

Market value as defined in s10 of SISA 1993, in relation to an asset, means the amount that a willing buyer of the asset could reasonably be expected to pay to acquire the asset from a willing seller if the following assumptions were made:

1. that the buyer and the seller dealt with each other at arm's length in relation to the sale;
2. that the sale occurred after proper marketing of the asset;
3. that the buyer and the seller acted knowledgeably and prudentially in relation to the sale.

As disposal costs are generally immaterial unless otherwise stated, market value approximates fair value. Market values for various types of investment have been determined as follows:

1. listed securities, government and other fixed interest securities for which there is a readily available market quotation, the valuation is recorded as the last quoted sale price as at the close of business on reporting date. If the listed securities are foreign, they are also converted to Australian dollars using the exchange rate at the close of business on the reporting date;
2. unit trusts and managed funds are stated by reference to the unit redemption price quoted by the fund manager at the end of the reporting period;
3. unlisted investments are stated at the Trustees' valuation based on estimated market value at balance date; or where necessary, upon external valuers' expert opinions;
4. Investment properties are carried at market value and are held for the purpose of generating long-term rental yields and capital appreciation. The Trustees give consideration to the value of the investment property each financial year and revalue when a significant event occurs or when deemed appropriate. Where an external valuation has been obtained, the valuation is based on objective and supportable data and has been carried out by a property valuation service provider or qualified independent valuer as appropriate.

### *Financial Liabilities*

The fund initially recognises a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities including credit balances of hedging instruments and derivatives are measured at market values as at the reporting date. Any change in market values of the financial liabilities since the beginning of the reporting period shall be included in the profit or loss for the reporting period. As disposal costs are generally immaterial, unless otherwise stated, market value approximates fair value.

### *Receivables and Payables*

Current assets such as accounts receivable, which are expected to be recovered within twelve months after the reporting period, are carried at nominal amounts which approximate the fair values.

Accounts payable are recognised when the fund becomes obliged to make future payments resulting from the goods and services received, whether or not billed to the fund and are carried at nominal amounts which are equivalent to fair values.

## (g) Revenue Recognition

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 measured at the fair value of consideration received or receivable. The following recognition criteria relate to the specific items of revenue the fund receives:

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These notes should be read in conjunction with the attached compilation report.

#### *Interest*

The interest revenue is recognised by the fund on a cash receipt basis, unless the Fund chooses the accrual method and the amount can be reliably measured by reference to the principal outstanding and using the effective interest rate of the instrument calculated at the acquisition or origination date.

#### *Dividend Revenue*

The entitlement to a dividend is based on the date the shares are quoted ex-dividend; the actual dividend revenue is recognised by the fund when it is received.

#### *Distribution Revenue*

Distributions from unit trusts and managed funds are recognised as at the date the unit value is quoted ex-distributions 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.

#### *Rental Income*

Rent from investment properties is recognised by the fund on a cash receipt basis.

#### *Movement in Market Values*

Changes in the market value of investments are determined as the difference between the market value at balance date or consideration received (if sold during the year) and the market value as at the prior year end or cost (if the investment was acquired during the period). All movements are recognised in the Operating Statement.

#### *Contributions and Rollovers In*

Contributions and rollovers 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.

The financial report was authorised for issue on 26 September 2023 by the directors of the trustee company.

### (h) Goods and Services Tax (GST)

Where applicable, revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

### (i) Financial Assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

## Notes to the Financial Statements

Continued;

	2023	2022
<b>1. Cash and Cash Equivalents</b>		
<b>Bank Accounts</b>		
Macquarie CMA (#3103)	6,493	5,973
<b>Total Bank Accounts</b>	<b>6,493</b>	<b>5,973</b>
<b>Total Cash and Cash Equivalents</b>	<b>6,493</b>	<b>5,973</b>
	2023	2022

## 2. Financial Assets

### Non Current

#### Hub24 Care Portfolio

Receivables - Hub24 Income	15,155	21,598
Hub24 Investments	1,414,573	1,417,146
<b>Total Hub24 Care Portfolio</b>	<b>1,429,729</b>	<b>1,438,744</b>
<b>Total Non Current</b>	<b>1,429,729</b>	<b>1,438,744</b>
<b>Total Financial Assets</b>	<b>1,429,729</b>	<b>1,438,744</b>

## 3. Member Accounts

Please see "Member Statements" for breakdown of member activity.

These notes should be read in conjunction with the attached compilation report.

## Member Statement - Gary Longbottom

GCL Super Fund

For the year ended 30 June 2023

### Member Details

<b>Member Name:</b>	Gary Longbottom	Date of Birth:	13/03/1950	Date Joined Fund:	11/04/2015
<b>Member Address:</b>	27 Whitehaven Way Pelican Waters QLD 4551	Tax File Number Held:	Yes	Eligible Service date:	04/05/1981

Pension Account: ABP 79.10% Tax Free

Your Account Summary		Your Tax Components	
Opening balance at 1 July 2022	\$543,403.40	Tax-Free	\$447,552.55
Increase/(decreases) to your account	\$22,435.11	Taxable - Taxed	\$118,285.96
Closing withdrawal benefit at 30 June 2023	\$565,838.51	Taxable - Untaxed	\$0.00

## Member Statement - Christine Longbottom

GCL Super Fund

For the year ended 30 June 2023

### Member Details

<b>Member Name:</b>	Christine Longbottom	Date of Birth:	24/03/1952	Date Joined Fund:	11/04/2015
<b>Member Address:</b>	27 Whitehaven Way Pelican Waters QLD 4551	Tax File Number Held:	Yes	Eligible Service date:	04/05/1981

### Pension Account: ABP 79.10% Tax Free

<b>Your Account Summary</b>		<b>Your Tax Components</b>	
Opening balance at 1 July 2022	\$909,473.40	Tax-Free	\$395,744.02
Increase/(decreases) to your account	(\$31,932.08)	Taxable - Taxed	\$481,797.30
Closing withdrawal benefit at 30 June 2023	\$877,541.32	Taxable - Untaxed	\$0.00

# Trustee Declaration

## GCL Super Fund For the year ended 30 June 2023

The directors of Toye Pty Ltd declare that GCL Super Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 of the financial statements.

In accordance with a resolution of the Board of Directors, the directors of Toye Pty Ltd declare that:

1. The financial statements and notes present fairly GCL Super Fund's financial position as at 30 June 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
2. The financial statements and notes have been prepared in accordance with the requirements of the Trust Deed.
3. The operation of the fund has been carried out in accordance with its Trust Deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 during the year ended 30 June 2023.

Signed in accordance with a resolution of the trustees of GCL Super Fund by:

*Gary Longbottom*  
Director: [Gary Longbottom \(Oct 26, 2023 14:01 GMT+10\)](#)

Gary Longbottom

*Christine Longbottom*  
Director: [Christine Longbottom \(Oct 26, 2023 13:58 GMT+10\)](#)

Christine Longbottom

Date:

# SMSF Tax Return

**2023**

1 Jul 2022—30 Jun 2023

TFN Recorded

**PART A** ELECTRONIC LODGMENT DECLARATION (FORM P, T, F, SMSF OR EX)

This declaration is to be completed where the tax return is to be lodged via the Tax Office's electronic lodgment service (ELS). It is the responsibility of the taxpayer to retain this declaration for a period of five years after the declaration is made, penalties may apply for failure to do so.

**Privacy**

The ATO is authorised by the *Taxation Administration Act 1953* to request the provision of tax file numbers (TFNs). The ATO will use the TFNs to identify each partner or beneficiary or entity in our records. It is not an offence not to provide the TFNs. However, you cannot lodge your tax return electronically if you do not quote your TFN.

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

**The Australian Business Register**

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

Please refer to the privacy statement on the Australian Business Register (ABR) website ([www.abr.gov.au](http://www.abr.gov.au)) for further information – it outlines our commitment to safeguarding your details.

**Electronic Funds Transfer – Direct Debit**

Where you have requested an EFT direct debit some of your details will be provided to your financial institution and the Tax Office's sponsor bank to facilitate the payment of your taxation liability from your nominated account.

Tax File Number	Name of partnership, trust, fund or entity	Year
TFN Recorded	GCL Super Fund	2023


I authorise my tax agent to electronically transmit this tax return via the electronic lodgment service.

**Important**

Before making this declaration please check to ensure that all income has been disclosed and the tax return is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the Tax Office. The tax law provides heavy penalties for false or misleading statements on tax returns.

**Declaration - I declare that:**

- the information provided to my registered tax agent for the preparation of this tax return, including any applicable schedules is true and correct, and
- the agent is authorised to lodge this tax return.

Signature of partner, trustee or director	Date
 Christine Longbottom (Oct 26, 2023 13:58 GMT+10)	

**PART B ELECTRONIC FUNDS TRANSFER CONSENT**

This declaration is to be completed when an electronic funds transfer EFT of a refund is requested and the tax return is being lodged through the electronic lodgment service ELS.

This declaration must be signed by the taxpayer prior to the EFT details being transmitted to the Tax Office. If you elect for an EFT, all details below must be completed.

**Important**

Care should be taken when completing EFT details as the payment of any refund, including any family tax benefit, will be made to the account specified.

Agent Ref No.	BSB Number	Account Number	Account Name
06325005	182512	963393103	Toye Pty Ltd ATF GCL Super Fund

I authorise the refund to be deposited directly to the account specified.

<p>Signature</p> <p><i>Christine Longbottom</i></p> <p><small>Christine Longbottom (Oct 26, 2023 13:58 GMT+10)</small></p>	<p>Date</p>
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**PART D TAX AGENTS CERTIFICATE (SHARED FACILITIES USERS ONLY)**

Client Ref	Agent Ref No.	Contact Name	Contact No.
	06325005	James Mulhearn	0411772579

**Declaration - I declare that:**

- I have prepared this tax return and/or family tax benefit tax claim in accordance with the information supplied by the taxpayer
- I have received a declaration made by the taxpayer that the information provided to me for the preparation of this document is true and correct, and
- I am authorised by the taxpayer to lodge this tax return and any applicable schedules that are attached.

<p>Agent's Signature</p>	<p>Date</p>
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## Section A: Fund information

Period start 01/07/2022

Period end 30/06/2023

**1 TAX FILE NUMBER** TFN Recorded

**2 NAME OF SELF-MANAGED SUPERANNUATION FUND (SMSF)** GCL Super Fund

**3 AUSTRALIAN BUSINESS NUMBER** 29 216 686 090

**4 CURRENT POSTAL ADDRESS**

Address	Town/City	State	Postcode
PO Box 5688	West End	QLD	4101

**5 ANNUAL RETURN STATUS**

Is this the first required return for a newly registered SMSF? No

**6 SMSF AUDITOR**

Title Mr

First name Anthony

Family name Boys

SMSF auditor number 100014140

Contact number 04-10712708

Auditor Address	Town/City	State	Postcode
702/20 Hindmarsh Square	Adelaide	SA	5000

**7 ELECTRONIC FUNDS TRANSFER (EFT)**

**A. Fund's financial institution account details**

BSB number 182512

Account number 963393103

Account name Toye Pty Ltd ATF GCL Super Fund

I would like my tax refunds made to this account Yes

**8 STATUS OF SMSF**

Australian superannuation fund? **A** Yes

Fund benefit structure **B** D

Does the fund trust deed allow acceptance of the Government's Super Co-contribution and Low Income Super Contribution? **C** 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? Yes

Exempt current pension income amount **A** \$53,067.00

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

Was an actuarial certificate obtained? **D** No

Did the fund have any other income that was assessable? **E** 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**

**11 INCOME**

**Losses carried forward**

Net Capital Losses from Collectables \$0.00

Other Net Capital Losses \$0.00

Assessable contributions (R1 + R2 + R3 less R6) **R** \$0.00

No-TFN-quoted contributions **R3** \$0.00

**Gross income **W** \$0.00**

**Total assessable income **V** \$0.00**

**Section C: Deductions and non-deductible expenses**

**12 DEDUCTIONS**

	Deductions	Non-Deductible Expenses
Investment expenses <span style="float: right;"><b>I1</b></span>	<b>I2</b>	\$15,812.00
Management and administration expenses <span style="float: right;"><b>J1</b></span>	<b>J2</b>	\$2,450.00
Other amounts <span style="float: right;"><b>L1</b></span>	<b>L2</b>	\$318.00
		O - Other expenses not listed elsewhere
<b>Totals <b>N</b></b>	<b>Y</b>	<b>\$18,580.00</b>
<b>Total SMSF expenses</b>	(N + Y) <b>Z</b>	<b>\$18,580.00</b>
<b>Taxable income or loss</b>	(TOTAL ASSESSABLE INCOME less TOTAL DEDUCTIONS) <b>O</b>	<b>\$0.00</b>

**Section D: Income tax calculation statement**

**13 CALCULATION STATEMENT**

Tax on taxable income **T1** \$0.00

Tax on no-TFN-quoted contributions **J** \$0.00

Gross tax **B** \$0.00

**Subtotal (B less C - cannot be less than zero) **T2** \$0.00**

**Subtotal (T2 less D - cannot be less than zero) **T3** \$0.00**

REFUNDABLE TAX OFFSETS	(E1 + E2 + E3 + E4)	E	\$7,157.81
Complying fund's franking credits tax offset		E1	\$7,157.81
Tax Payable		T5	\$0.00
Tax offset refunds (Remainder of refundable tax offsets)		I	\$7,157.81
Supervisory levy		L	\$259.00
Supervisory levy adjustment for wound up funds		M	\$0.00
Supervisory levy adjustment for new funds		N	\$0.00
<b>Amount refundable</b>		<b>S</b>	<b>\$6,898.81</b>

## Section H: Assets and liabilities

<b>15</b>	<b>ASSETS</b>		
<b>15a</b>	<b>Australian managed investments</b>		
	Other managed investments	D	\$1,429,729.00
<b>15b</b>	<b>Australian direct investments</b>		
	Cash and term deposits	E	\$6,493.00
	Other assets	O	\$7,158.00
<b>15d</b>	<b>Overseas direct investments</b>		
	<b>Total Australian and overseas assets</b>	<b>U</b>	<b>\$1,443,380.00</b>
<b>16</b>	<b>LIABILITIES</b>		
	Total member closing account balances	W	\$1,443,379.00
	<b>Total liabilities</b>	<b>Z</b>	<b>\$1,443,379.00</b>

## Section K: Declarations

### PREFERRED TRUSTEE OR DIRECTOR CONTACT DETAILS

Title	Mrs
First name	Christine
Family name	Longbottom
Non-individual trustee name	Toye Pty Ltd
Contact number	04 08709423
Email address	chrislong1@bigpond.com

### TAX AGENT'S CONTACT DETAILS

Practice name	reduceTAX
First name	James
Family name	Mulhearn
Contact number	04 11772579

**Member 1 — Longbottom, Gary John (TFN Recorded)**

Account status	Open
Tax File Number	TFN Recorded
<b>INDIVIDUAL NAME</b>	
Title	Mr
Given name	Gary
Other given names	John
Family name	Longbottom
Suffix	
Date of birth	13 Mar 1950
Date of death	
<b>CONTRIBUTIONS</b>	
Opening account balance	\$543,403.40
Employer contributions	<b>A</b>
Principal Employer ABN	<b>A1</b>
Personal contributions	<b>B</b>
CGT small business retirement exemption	<b>C</b>
CGT small business 15 year exemption	<b>D</b>
Personal injury election	<b>E</b>
Spouse and child contributions	<b>F</b>
Other third party contributions	<b>G</b>
Proceeds from primary residence disposal	<b>H</b>
Receipt date	<b>H1</b>
Assessable foreign superannuation fund amount	<b>I</b>
Non-assessable foreign superannuation fund amount	<b>J</b>
Transfer from reserve: assessable amount	<b>K</b>
Transfer from reserve: non-assessable amount	<b>L</b>
Contributions from non-complying funds and previously non-complying funds	<b>T</b>
Any other contributions (including Super Co-contributions and Low Income Super Contributions)	<b>M</b>
<b>Total Contributions</b>	<b>N</b>

**OTHER TRANSACTIONS**

Allocated earnings or losses	<b>O</b>	\$50,905.11
Inward rollovers and transfers	<b>P</b>	
Outward rollovers and transfers	<b>Q</b>	
TRIS Count		
Accumulation phase account balance	<b>S1</b>	
Retirement phase account balance - Non CDBIS	<b>S2</b>	
Retirement phase account balance - CDBIS	<b>S3</b>	\$565,838.51
Accumulation phase value	<b>X1</b>	
Retirement phase value	<b>X2</b>	
Outstanding Limited recourse borrowing arrangement	<b>Y</b>	
Lump Sum payment	<b>R1</b>	
Income stream payment	<b>R2</b>	\$28,470.00
<b>Closing account balance</b>	<b>S</b>	<b>\$565,838.51</b>

**Member 2 — Longbottom, Christine Mary (TFN Recorded)**

Account status	Open
Tax File Number	TFN Recorded
<b>INDIVIDUAL NAME</b>	
Title	Mrs
Given name	Christine
Other given names	Mary
Family name	Longbottom
Suffix	
Date of birth	24 Mar 1952
Date of death	
<b>CONTRIBUTIONS</b>	
Opening account balance	\$909,473.40
Employer contributions	<b>A</b>
Principal Employer ABN	<b>A1</b>
Personal contributions	<b>B</b>
CGT small business retirement exemption	<b>C</b>
CGT small business 15 year exemption	<b>D</b>
Personal injury election	<b>E</b>
Spouse and child contributions	<b>F</b>
Other third party contributions	<b>G</b>
Proceeds from primary residence disposal	<b>H</b>
Receipt date	<b>H1</b>
Assessable foreign superannuation fund amount	<b>I</b>
Non-assessable foreign superannuation fund amount	<b>J</b>
Transfer from reserve: assessable amount	<b>K</b>
Transfer from reserve: non-assessable amount	<b>L</b>
Contributions from non-complying funds and previously non-complying funds	<b>T</b>
Any other contributions (including Super Co-contributions and Low Income Super Contributions)	<b>M</b>
<b>Total Contributions</b>	<b>N</b>

**OTHER TRANSACTIONS**

Allocated earnings or losses	<b>O</b>	\$85,197.92
Inward rollovers and transfers	<b>P</b>	
Outward rollovers and transfers	<b>Q</b>	
TRIS Count		
Accumulation phase account balance	<b>S1</b>	
Retirement phase account balance - Non CDBIS	<b>S2</b>	
Retirement phase account balance - CDBIS	<b>S3</b>	\$877,541.32
Accumulation phase value	<b>X1</b>	
Retirement phase value	<b>X2</b>	
Outstanding Limited recourse borrowing arrangement	<b>Y</b>	
Lump Sum payment	<b>R1</b>	
Income stream payment	<b>R2</b>	\$117,130.00
<b>Closing account balance</b>	<b>S</b>	<b>\$877,541.32</b>

# Worksheets

15 ASSETS

15a AUSTRALIAN MANAGED INVESTMENTS

D Other managed investments

Description	Amount
Hub24	\$1,414,574.00
Hub24 (receivables)	\$15,155.00
<b>Total</b>	<b>\$1,429,729.00</b>



**GCL SUPER FUND  
2021-2022 FINANCIAL YEAR**

**INVESTMENT STRATEGY**

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## 1 Introduction

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The crucial area of responsibility for a Trustee of a Self-Managed Superannuation fund (“SMSFs”) is investment management of the fund. Under the Superannuation Laws (the *Superannuation Industry Supervision Act 1993* - SISA) the Trustee of every SMSF is required to set an investment objective and in addition prepare and implement an investment strategy for the fund. The investment objective and strategy must reflect the purpose and circumstances of the particular super fund and have particular regard to:

- Investing in such a way as to maximise investment returns for retirement purposes for all members of the SMSF and in that regard consider the risk associated in holding the investment.
- Ensuring that there is appropriate diversification in investments and consideration of the benefits of investing across a number of different asset classes (for example shares, property, fixed interest, cash, etc.);
- The ability of the super fund to pay benefits as well as other costs of the superannuation fund as they become due and payable which may include the repayment of principal and interest where the Trustee of the fund undertakes Limited Recourse Borrowing Arrangement.
- The necessity of the Trustee to consider the insurance needs and requirements of all members of the SMSF.

An appropriate investment strategy should set out the investment objectives of the super fund and detail the investment methods the Trustee of the fund may use to achieve those objectives. Trustees must ensure all investment decisions are made in accordance with the investment strategy and that they are in writing – *this is the law*. Trustee also needs to ensure that they prepare, implement and regularly review the SMSF’S investment strategy.

Investment Rules are one of the most important requirements of the SISA and breaches of this requirement can result in the Trustee being fined or sued for loss or damages. In addition, the super fund can lose its complying status.

Whilst Trustees are not prevented from engaging or authorising other persons to act on or to do certain things on their behalf (e.g., engaging the services of an investment adviser or financial planner), they are bound to retain control over the fund. Ultimate responsibility and accountability for running the fund in a prudent manner lies with the Trustees.

For more information go to the Australian Taxation Office (ATO) website.

## 2 Investment Strategy Guideline – The Commissioners View

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The ATO has released important guidelines in relation to investment objectives and investment strategies for Trustees of an SMSF and their advisers. An investment strategy should set out the investment objectives of the fund and detail the investment methods the Trustees may adopt to achieve these objectives.

The key obligations raised by the ATO concerning the fund’s investment objectives and investment strategy are as follows:

- The Trustees of an SMSF are solely responsible and directly accountable for the prudential management of their member’s benefits. They can use an adviser but ultimately, it is the Trustee who retains responsibility.
- As part of this prudential responsibility, the Trustees of an SMSF are required to prepare and implement an investment strategy for the superannuation fund;
- The 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;

- An investment strategy should set out the investment objectives of the fund and detail the investment methods the Trustees may adopt to achieve those objectives;
- It is the Trustees duty to make, implement and document decisions about investing fund assets and to carefully monitor the performance of those assets;
- The Trustees must ensure all investment decisions are made in accordance with the investment strategy;
- The investment strategy must be regularly reviewed;
- Insurance must be considered for all members of the fund; and
- Breaches of the investment strategy requirement may result in the Trustees being fined or sued for loss or damages. In addition, the fund could lose its complying status.

### **WHY AN INVESTMENT STRATEGY IS IMPORTANT**

Where the fund does not complete an investment strategy or the ATO is of the view that the purported investment strategy does not amount to an investment strategy at all then there may be a breach of SIS Reg 4.09.

The breach may result, as noted in the ATO guidelines, in the following:

- The Trustee being liable to a monetary fine; the Trustee being able to be sued for any loss or damage caused as a consequence of the Trustee making an investment not covered by an investment strategy;
- The Superannuation Laws provide a defence to Trustees against an action for loss or damage suffered as a result of the Trustee making an investment. This defence is available when the Trustee can show that the investment was made in accordance with an investment strategy formulated and implemented under the investment strategy rules. If there is no investment strategy, then members of the fund may sue the Trustee for any loss or damage to their member benefits as a result of the Trustee making an investment not in accordance with the fund's investment strategy.
- The existence of a statutory defence allows Trustees to focus on the overall risks of the total investments, rather than the risk attached to each investment in isolation. This enables the Trustee to invest fund assets according to the investment strategy in what might, when considered in isolation, appear to represent a rather risky investment.

This emphasises the importance for Trustees to document their considerations and approaches to investment decision. An investment strategy must be reviewed regularly.

### **3 Investment Restrictions for SMSF trustees**

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SMSFs are restricted in the investments they can make. These restrictions aim to protect superannuation fund members from being overly exposed to risk and aim to ensure that the assets of the fund may be available to provide retirement income rather than providing current day support. In accordance with SISA the Trustees may not:

- Lend money or give other financial assistance to a member or a relative of a member of the fund.
- The use of superannuation assets by a member or members relative for no cost or on a guarantee to secure a personal loan would be in breach of the investment restrictions [SISA S65(1)].
- Intentionally acquire an asset from a member or a relative of a member of the fund (related party)
- unless it meets the following criteria: [SISA S66]
  - The asset is business real property, or a listed security; and
  - Is acquired at market value;
  - The asset is an "in-house asset" which, after being acquired by the Trustees would not result in the level of "in-house assets" of the fund exceeding more than 5% of the superannuation fund assets.

- Borrow any funds, other than to overcome cash flow problems in the payment of benefits or surcharge liabilities. Any borrowings may be restricted to a period not exceeding 90 days and may not exceed 10% of the market value of the fund's total assets. [SISA section 67]. However, the trustee of the fund may borrow pursuant to a limited recourse loan arrangement under SISA sections 67A and 67B to acquire a single acquirable asset that is allowed to be acquired by the Trustee of the fund.
- Acquire any fund assets for amounts other than arm's length consideration. Investments must be made and maintained on a strict commercial basis and any related party arrangement must not favour the related party although in certain conditions it may favour the Trustee of the SMSF. The purchase and sale price of super fund assets and the income from the assets should duly reflect a true market rate [SISA section 109].
- Trustees should consider the costs associated with the asset (i.e.: insurance costs particularly where there is an SMSF Borrowing). Also, where a fund acquires an asset which is utilised by the member at no cost, a breach of the Sole Purpose Test may have occurred.

#### **4 The fund's Investment Guidelines**

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Trustees of SMSFs are responsible for determining investment strategies and selecting investments for each strategy consistent with the fund's investment objectives and more importantly the fund's purpose. The Trustee is responsible for monitoring on an ongoing basis whether investments remain consistent with investment strategies and remain appropriate for the fund. The Trustees are also responsible for periodically informing members of the fund's investment strategies and objectives. The Trustee of the fund may make and maintain an investment strategy for a single member of the fund or a specific superannuation interest in the fund such as a member's pension.

The governing rules of the fund allow the Trustee to invest in any or all (but not limited) to the following investment types:

##### **Cash Management Trust**

Prior to investing in any cash management trust, the Trustee should consider the rate of return and security of such investment against the expected rate of return offered by alternative investments to cash.

##### **Debenture/Mortgage Funds**

Prior to investing in any debenture/first or even second mortgage, the Trustee may consider the period of investment, the security offered, the accessibility of funds, the return, and likely interest rate movements. As there have been a number of failed debenture and mortgage funds in the past decade the Trustee should seek professional advice before investing in this type of asset class.

##### **Unit Trusts**

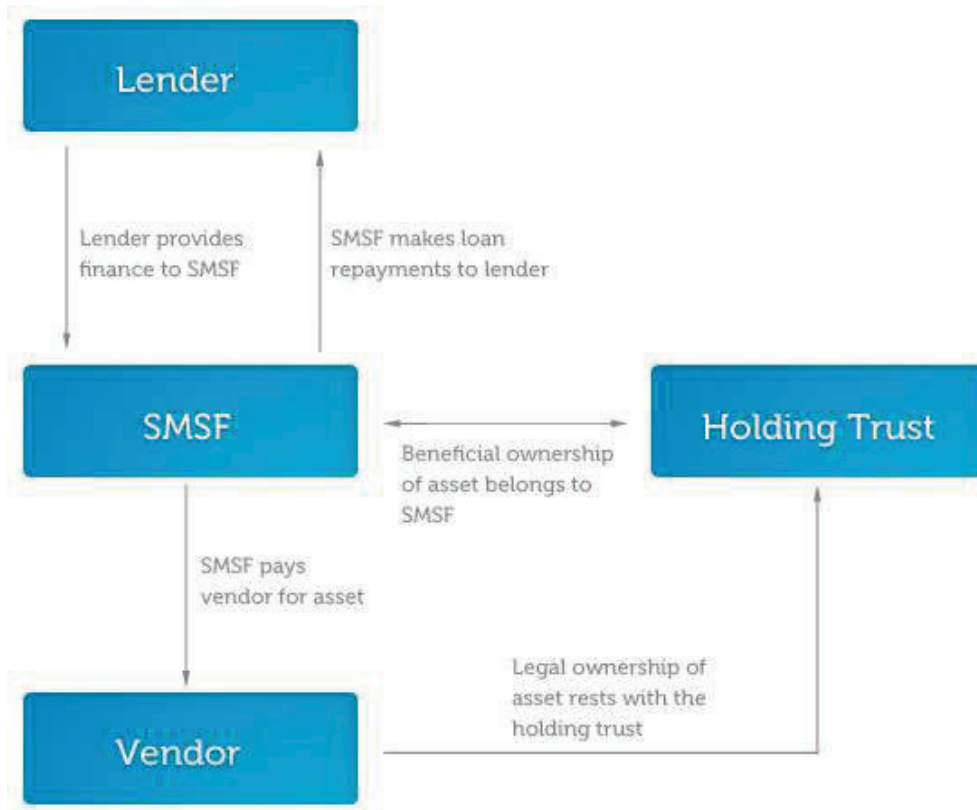
Prior to acquiring or disposing of any units in an unlisted unit trust the Trustee may:

- Obtain appropriate advice on whether the investment would constitute an impermissible in-house asset of the fund under SISA; and
- Obtain and consider valuations of all real and other property held by the unit trust to ensure the price of the units reflect true market value.

The Trustee may also ascertain the intentions of the Trustee of the unit trust in relation to borrowings (if any) and the use of the property as security.

### Limited Recourse Borrowing Arrangement – SMSF Borrowing

SMSFs can now borrow via a limited recourse loan arrangement pursuant to section 67A of SISA. This must be done with the following structure:



Prior to using a Holding Trust for the purposes of a limited recourse loan the Trustee of the fund is to secure appropriate borrowing from a bank, credit union or even a related party and at the same time ensure the arrangement meets the limited recourse lending rules under the Superannuation Laws, does not breach any other laws and that the underlying property to be acquired is one that can be acquired by the Trustee. It must be a single acquirable asset such as commercial property or residential property.

The trustee is to include the value of the attached liability for the purposes of this investment strategy either directly or as a net value of the single acquired asset subject to the limited recourse loan arrangement.

### Shares – Public Company

Prior to acquiring (or disposing) of any shares in public companies, the Trustee may consider the portfolio profile of the fund and the diversification of shareholding across different market sectors (industrial, retail, banking, mining and other sectors) with a view to attempting to obtain a reasonable diversification within the available assets. The Trustee may also consider advice in relation to expected capital growth and dividend income from the shareholding.

### Shares – Private Company

Prior to acquiring or disposing of any shares in non-associated proprietary companies, the Trustee may obtain a valuation to satisfy itself that the price of the shares reflects true market values and constitute a prudent investment/disposal.

The Trustee may also consider the saleability, security and dividend return of the shares and may ensure that the acquisition is not an in-house asset beyond acceptable limits.

### **Direct Property**

Prior to acquiring or disposing of any property to be held directly by the fund both within and outside Australia, the Trustee may obtain and consider property and rental valuations to satisfy the Trustee that the price of the property reflects the true market value and constitutes a prudent investment/disposal on an arm's length basis.

In obtaining a tenant (if any) for any property held by the fund, the Trustee may only enter into a lease with a fund member-, employer sponsor or their SISA Part 8 Associates where to do so would not constitute an impermissible in-house asset of the fund under SISA and provided that a written lease agreement is made, and the transaction is entered into on an arm's length basis with regular rental reviews. The Trustee should seek legal advice where a lease to a related party is contemplated.

In determining the proportion of fund assets to be invested directly in property, the Trustee may consider the liability profile and liquidity requirements of the fund.

### **Agribusiness Investment**

Prior to investing in Agribusiness, the Trustee should consider the profile of the fund and seek expert advice on the appropriateness of the investment. Trustees should consider the protection, performance, risk and return (capital growth, liquidity and potential income) before acquiring investments in agribusiness. The Trustee should also consider the costs associated with the asset such as ongoing rent and maintenance and insurance costs.

### **Derivatives**

Prior to investing in derivatives, the Trustee should have in place appropriate policies for their use, adequate controls on the use of derivatives and adequate checks on compliance with those controls.

For a derivative transaction to be allowed on existing investments, the Trustee must have prepared a Derivatives Risk Statement and only be entering into such a transaction for the purposes of:

- hedging against risk, not for speculation and;
- ensuring that the fund is not exposed to an asset class outside the limits set out in the investment strategy.

### **In-House Assets and Acquisition Restrictions**

An in-house asset is where the Trustee of the fund invests, lends money or otherwise permits a related party of the fund to use an asset of the fund. Although an in-house investment is not directly prohibited – excluding loans to members or their relatives, there is a 5% limit on the amount of in-house assets an SMSF can hold.

The Trustee must not acquire an asset contrary to the restrictions contained in SISA with respect to fund members, employer sponsors or their Part 8 associates under SISA.

If in any doubt about the validity of an investment decision, the Trustee should seek professional advice or contact the ATO for assistance.

## **5 The Fund's Valuation Requirements**

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SIS Regulation 8.02B requires that when preparing accounts and statements required by subsection 35B(1) of the SISA, an asset must be valued at its market value. The term 'market value' takes the same meaning as provided in subsection 10(1) of the SISA, that is, 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:

- that the buyer and seller dealt 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 seller acted knowledgeably and prudentially in relation to the sale.

## **6 Insurances in the Fund**

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As noted previously the SISR has been changed to include a requirement for Trustees of the fund to investigate whether the trustees of the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund. In that regard the Explanatory Memorandum to the Regulation changes provides that:

"Regulation 4.09 requires trustees to formulate, regularly review and give effect to an investment strategy having regard to the whole circumstances of the fund. One circumstance SMSF trustees must have regard to is whether the trustees should hold insurance for their members, such as life insurance.

The Super System Review panel noted that less than 13 percent of SMSFs have insurance and that SMSF members were more likely to hold appropriate levels of insurance, or be able to hold insurance outside their superannuation, than members of other superannuation funds. In making its recommendation, the panel wanted to ensure that trustees consider holding insurance for SMSF members.

Trustees of SMSFs are expected to be self-reliant in determining the type and level of insurance cover members might require whether within or outside their SMSF. In meeting this requirement, trustees should have regard to the personal circumstances of their members and other legislative requirements such as the sole purpose test in section 62 SISA. Trustees may evidence this requirement by documenting decisions in the fund's investment strategy or minutes of trustee meetings that are held during the income year."

## **7 Investment Policy Statement**

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The SISA places certain duties, responsibilities and restrictions on Trustees when making investment decisions. They aim to protect and increase the member benefits for retirement, transition to retirement income stream and estate planning purposes. All investments must be made in accordance with the investment strategy.

### **A. Details of the fund**

- GCL Super Fund
- The trustees of the fund are Gary Longbottom and Christine Longbottom.

The fund has been established to provide retirement benefits for the members of the fund. Membership of the fund is voluntary, and upon joining, members are required to provide certain minimum information to the Trustees. The fund is maintained as an SMSF under SISA and regulated by the ATO.

#### **A.1 Members**



The Members of GCL Super Fund are:

Name of Member	Date of Birth
Gary Longbottom	13/03/1950
Christine Longbottom	24/03/1952

## **A.2 Benefits**

The current intention is to pay one or more benefits before or at retirement of the member provided the Superannuation Laws allow including the payment of:

- A lump sum
- An Accounts Based Pension
- A Transition to Retirement Income Stream, or
- Such other superannuation benefits as the Superannuation Laws allow.

The Trustee may invest fund assets having regard to the need to realise the investments at the members' dates of retirement, age preservation age, 60 (or such later date as the member nominates in accordance with the rules governing the payment of benefits from complying superannuation funds) or in the event of disability – whether permanent or temporary or upon the death of a member of the fund.

## **B. Investment Objective of the fund**

The Trustees of the fund have the objective of maintaining the fund in line with the governing rules of the fund and SISA and through its investment strategy seeking to maximise the superannuation benefits of all members of the fund having regard to risk and reward.

## **C. Asset Management Strategy**

In order to give effect to the investment objective of the fund, the Trustee may have regard to the investment principles outlined in the fund Rules in the implementation of its strategy and the actual making of its investments.

The Trustee must also satisfy that the proposed investment:

- Is permitted by the Trust Deed
- Complies with the law
- Is within the asset allocation of the adopted investment strategy

The Trustee may generally accept the following investments provided they comply with the investment strategy:

- Private or closely held unit trusts
- Private or unlisted companies
- Private business premises
- Domestic and international residential and commercial property
- Domestic companies listed on other exchanges
- Listed International securities
- Limited - Collectables, including art, coins, antiques
- Agribusiness investments

- Derivatives with limited investment risk

**The Trustee may not accept these investments unless authorised by the Regulator:**

- Family home
- Any mortgage where the family home is security
- Derivatives that have unlimited investment risk unless a Risk Management Strategy has been put in place by the Trustee
- In-house assets exceeding more than 5% of the superannuation fund's assets
- Assets not considered at arm's length or on a strictly commercial basis

**D. Asset Class**

It was resolved that the fund may also be permitted to invest in any or all of (but not limited to) the following investment types:

**D.1 Investment Type**

- Cash
- Property – both commercial and residential
- Australian Shares – both listed and unlisted shares
- International Shares – both listed and unlisted shares
- Australian Fixed Interest
- International Fixed Interest
- Mortgages
- Other

It was resolved that investments may be made directly or indirectly via unit trusts, instalment warrants, holding trusts or other vehicles as permitted under relevant statutes and regulations that may be deemed suitable by the Trustees.

Given the Trustees desire to maintain the flexibility of the fund, the Trustee has reserved the right to alter the investment mix of the fund at any time, in the manner they believe is the best at that time for the purpose of achieving the fund's objectives. The Trustees reserve the right to invest in any asset class not covered in the tables above.

**D.2 Investment Risk and Return**

It has been noted and accepted by the Trustees that growth assets such as Australian and International shares and property present greater potential risk and volatility than cash and fixed interest investments.

The Trustees recognise that the taxation benefits associated with the use of growth assets such as Australian and International shares and property may assist in achieving the fund's investment objectives. If the Trustee of the fund enters into a limited recourse loan or other borrowing arrangements in respect of the acquisition of a fund asset, then return may be enhanced however any market risk on the downside may be magnified. The Trustees of the fund are authorised to borrow and will take into account the benefits of leverage in their risk/return profile for the fund's investments.

**E. Investment Management and Review**

To monitor the success of the investment policy in achieving the investment objective, the Trustee may take the following action:

- a) compare the investment performance of the fund against a specific index;

- b) compare investment returns against cash rates available over a 12-month period.

The fund's investment strategy is to be reviewed at least annually to ensure that it remains appropriate to the objectives and circumstances of the fund and its member(s). The Trustee undertakes to communicate with the members should they feel that any change in strategy should be contemplated in order to better achieve the fund objective.

## **F. Investment Strategy**

In order to achieve the investment objective of the fund, the Trustee wishes to adopt and pursue the strategy set out hereunder. The Trustee reserves the right to implement more than one strategy as it sees fit, and to offer separate strategies to members and even for member superannuation interests. The Trustee also reserves the right to implement separate and different action plans in the acquisition and disposal of assets pursuant to this strategy.

The Trustee may consider the implementation of this objective through a single asset strategy where it considers it to be appropriate, provided all other investment strategy criteria are met.

### **F.1 Detailed Investment Strategy**

The investment strategy detailed below is a plan for making, holding and realising the assets of the fund to meet the specific objective of the Trustee of the fund as outlined above. It focuses on key parameters relating to making an investment in the fund with the purpose of maximising member's retirement balances or income streams.

### **F.2 Portfolio Allocation**

In order to meet the investment objective of the fund the Trustee has determined GCL Super Fund shall broadly be invested in the following asset classes and managed around the following ranges:

<b>Asset Class</b>	<b>Asset Allocation Range (%)</b>
Cash	0-30%
Australian Shares	0-90%

### **F.3 Portfolio Diversification**

In considering the degree of diversification appropriate to the fund, the Trustee has taken into account the following:

- a) the existing assets of the fund;
- b) the existing assets of the family other than assets held in the fund;
- c) its access to expert investment advice;
- d) the existing and projected membership and assets of the fund; and
- e) the current and expected future liabilities, cash flows and liquidity requirements of the fund

The Trustee is satisfied that the likely return and the potential gains to members retirement benefits from any inadequate diversification of its investments, including any geographical concentration of investments, outweigh the risks associated with the lack of diversification

### **F.4 Liabilities**

The fund will need to have adequate funds held in cash/fixed interest to meet short term liabilities including insurance premiums, pension payments, lumpsum payments, tax liabilities, annual return fees, accounting fees, audit fees and other operational expenses of the fund. Further monies may be retained from time to time in cash/fixed interest in order to take advantage of investment opportunities as they arise. The Trustees of the fund are of the opinion that the investment strategy is structured in such a manner that the fund is sufficiently liquid to discharge its current and future liabilities.

Where the Trustee of the fund has undertaken a limited recourse lending arrangement the Trustee will need to ensure that it maintains cash flow to cover any interest and principal repayments, insurance premiums and other expenses associated with the arrangement.

#### **F.5 Cash Flow and Liquidity**

Cash flow requirements for the fund depend on the payment of expenses, pensions, insurance premiums and any loan repayments and it is the Trustee's intention to hold enough cash on hand to ensure these and other cash payments are made.

#### **F.6 Fund Demographics**

The Trustee has implemented its strategy taking into account the dates of retirement of the members of the fund. It has also taken into account the expressed intention of the members to receive their benefits as a lump sum / account-based pensions upon retirement.

#### **F.7 Performance Monitoring**

To monitor the success of the investment strategy in achieving the investment objectives, the Trustee may take the following action:

- compare investment returns against cash rates and CPI available over a 12-month period or a specific investment index; and
- may review this strategy on an annual basis or on such other basis as it believes appropriate.

#### **F.8 Benchmarks**

The Trustee may measure its success criteria against certain benchmarks and indices although there is no requirement to do so. The nominated benchmarks for performance may be as follows:

- a) Australian shares - all ordinaries accumulation index;
- b) Liquid assets - average cash management trusts;
- c) Australian fixed trusts - commonwealth all series, all maturities and accumulation index;
- d) Property trusts - average of composite property accumulation index;
- e) Such loans as may not be prohibited by SIS, and whether or not the loan may also count as an in-house asset of the fund - average rate for comparable loans from major banks;
- f) Such leases of fund property as may be permitted by SISA, and whether or not the lease may also count as an in-house asset of the fund – at a commercial rate obtained by the Trustee from a qualified source;
- g) Such acquisitions of assets as may not be prohibited by SISA, and whether or not the acquisition may also count as an in-house asset of the fund - for a commercial price reflected in comparable markets.
- h) Moses/Myer index for Investment Grade Artwork
- i) A residential property index in the area where the Trustee invests.

## **F.9 Insurance**

As was noted and emphasised earlier in this investment strategy – insurances play an important role in protecting the fund's and a member's superannuation benefits. Superannuation law requires trustees to formulate, regularly review and have regard to whether the trustees should hold insurance for their members, such as life insurance.

The Trustees of the fund have reviewed the member's superannuation benefits, their family and other circumstances and have decided to implement the following insurance strategy for the fund:

The Trustee of the fund has been made aware of the insurances of its members outside the fund and in some cases other superannuation funds and has decided not to hold any insurance on behalf of its members until circumstances change.

## Resolution of the Trustee of GCL Super Fund

**Date:** 01 Dec 2022  
**Present:** Gary Longbottom and Christine Longbottom  
**Held:** 10 Lake Kawana Boulevard, Birtinya QLD 4575

The Trustee of the above fund DO HEREBY RESOLVE as follows:

### **ADOPTION OF INVESTMENT POLICY STATEMENT, OBJECTIVE AND STRATEGY**

It is noted that the Trustees have formulated investment objectives for the fund and an investment strategy to achieve those objectives, (the investment objectives and investment strategy together as attached) having regard to the whole of the circumstances of the fund, including:

- (i) the risk involved in making, holding and realising, and the likely return from the entity's investments having regard to its objectives and its expected cash flow requirements;
  - (ii) the composition of the entity's investments as a whole including the extent to which the investments are diverse or involve the entity in being exposed to risks from inadequate diversification;
  - (iii) the liquidity of the entity's investments having regard to its expected cash flow requirements;
- the ability of the entity to discharge its existing and prospective liabilities;
  - the fund profile;
  - anticipated future contributions;
  - past investment performance; and
  - the current investment portfolio and asset mix,

The Trustee resolved to adopt the investment objectives of the fund being "The Trustees of the fund have the objective of maintaining the fund in line with the governing rules of the fund and SISA and through its investment strategy seeking to maximise the superannuation benefits of all members of the fund having regard to risk and reward" and adopt and implement the investment strategy herein.

**Executed by:**

**The Trustees**


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Signed by Gary Longbottom and Christine Longbottom:



Gary Longbottom  
Trustee

Dated: 01 Dec 2022



Christine Longbottom  
Trustee

Dated: 01 Dec 2022









# 2023 SMSF Signing Pack 251023

Final Audit Report

2023-10-26

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