

DEBHAM SUPERANNUATION FUND
 ABN: 23 435 171 014
 FINANCIAL YEAR ENDED 30 JUNE 2021

SCHEDULE - EXEMPT CURRENT PENSION INCOME

	Non-ECPI 36.793%	ECPI 63.207%	TOTAL 100.00%
Dividends	807	1,386	2,193
Trust Distributions	483	829	1,312
Foreign Income	-	-	-
Interest	4	7	11
Rental Income	13,082	22,475	35,557
Other Income	-	-	-
Net Taxable Capital Gains	-	-	-
TOTAL INCOME	14,376	24,697	39,073
Depreciation - Division 40 (Capital Allowance)	913	1,569	2,482
Depreciation - Division 43 (Capital Works)	3,016	5,180	8,196
Rental Expenses	227	391	618
Fees & Charges	16	28	44
Subscription	147	252	399
Donation	-	1	1
Accountancy	2,205	-	2,205
ATO Levy	259	-	259
ASIC Fee	55	-	55
TOTAL EXPENSES	6,838	7,421	14,259

Note:

Appendix C - Exempt income proportion results and adequacy opinion

Exempt income proportion

Superannuation funds claiming exempt current pension income ("ECPI") under section 295.390 of the ITAA 1997, known as the proportionate or unsegregated method, are required to obtain an actuary's certificate prior to lodgement of the fund's income tax return. The proportion of the applicable income, excluding income earned on segregated current pension assets and segregated non-current assets, for the year ending 30 June 2021 that should be exempt from income tax is calculated as follows:

$$\frac{\text{Average value of current pension liabilities}}{\text{Average value of superannuation liabilities}} = \frac{\$591,306}{\$935,506} = 63.207\%$$

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

	Member 1	Member 2	Fund
Exempt income proportion	0.000%	63.207%	63.207%
Non-exempt income proportion	36.793%	0.000%	36.793%

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

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

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

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

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

Adequacy opinion and methodology

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

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