

Leighton Kesteven Superannuation Fund No 1

Tax Accounting Reconciliation

For the period 1 July 2019 to 30 June 2020

Operating Statement Profit vs. Provision for Income Tax		2020
		\$
Benefits Accrued as a Result of Operations before Income Tax		607,552.61
<u>ADD:</u>		
Non-Taxable Income		882.00
Pension Non-deductible Expenses		1,471.28
Pensions Paid		53,000.00
Realised Capital Losses		125,288.64
Rounding		0.29
<u>LESS:</u>		
Increase in Market Value		690,330.82
Pension Exempt Income		33,789.00
Non-Taxable Contributions		23,800.00
Taxable Income or Loss		<u>40,275.00</u>
	Income Amount	Tax Amount
Gross Tax @ 15% for Concessional Income	40,275.00	6,041.25
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
Provision for Income Tax		<u>6,041.25</u>

Provision for Income Tax vs. Income Tax Expense

Provision for Income Tax	6,041.25
Income Tax Expense	<u>6,041.25</u>

Provision for Income Tax vs. Income Tax Payable

Provision for Income Tax	6,041.25
<u>LESS:</u>	
Franking Credits	27.42
Income Tax Instalments Paid	8,427.00
Income Tax Payable (Receivable)	<u>(2,413.17)</u>

Leighton Kesteven Superannuation Fund No 1

FundID LEIG

**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 Leighton Kesteven Corporation 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:

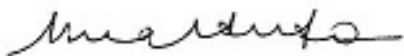
Average value of unsegregated current pension liabilities	\$1,823,004
Average value of all unsegregated superannuation liabilities	\$2,575,735
Ratio of ordinary and statutory income (ie. investment income) exempt from tax in 2019/2020 in accordance with Section 295-390	71%

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: 28 May 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**
Scott Smith	Accumulation	\$133,519	\$30,252
Scott Smith	Eligible Pension	\$1,106,382	\$1,528,393
Tomoko Smith	Accumulation	\$138,375	\$20,572
Tomoko Smith	Ineligible Pension	\$950,991	\$0
Tomoko Smith	Eligible Pension	\$0	\$1,348,626
Total Account Balances **		\$2,329,267	\$2,927,842

* 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.

Leighton Kesteven Superannuation Fund No 1
Statement of Taxable Income
For the Period from 1 July 2019 to 30 June 2020

Description	Investment Reference	Date	Tax Return Ref.	Amount
			Section B	
Income				
Net Capital Gain				
Deferred Capital Gain Realised		30 Jun 2020	A	0.00
Less Capital Losses Applied		30 Jun 2020	A	0.00
Less Discount		30 Jun 2020	A	0.00
Total Net Capital Gain			A	0.00
Total Gross Rent and Other Leasing & Hiring Income			B	0.00
Gross Interest				
DEPOSIT INTEREST	CBACDIA: CBA Direct Inv. A/c 10948107	01 Apr 2020	C	0.01
<i>Less Rounding</i>			C	(0.01)
Total Gross Interest			C	0.00
Total Forestry Managed Investment Scheme Income			X	0.00
Total Net Foreign Income			D	0.00
Total Australian Franking Credits from a New Zealand Company			E	0.00
Total Transfers from Foreign Funds			F	0.00
Total Gross Payments where ABN not quoted			H	0.00
Total Gross Distribution from Partnerships			I	0.00
Total Unfranked Dividend Amount			J	0.00
Franked Dividend Amount				
TLS 8C FRANKED@30%;3C SPECIAL;DRP NIL DISC	TLS: Telstra Corporation Limited	26 Sep 2019	K	32.00
TLS AUD 0.03 SPEC, 0.08 FRANKED, 30% CTR, DRP NIL DISC	TLS: Telstra Corporation Limited	27 Mar 2020	K	32.00
Total Franked Dividend Amount			K	64.00
Dividend Franking Credit				
TLS 8C FRANKED@30%;3C SPECIAL;DRP NIL DISC	TLS: Telstra Corporation Limited	26 Sep 2019	L	13.71
TLS AUD 0.03 SPEC, 0.08 FRANKED, 30% CTR, DRP NIL DISC	TLS: Telstra Corporation Limited	27 Mar 2020	L	13.71
<i>Less Rounding</i>			L	(0.42)
Total Dividend Franking Credit			L	27.00
Gross Trust Distributions				
Distribution	41MCL: 41 McLaren Street North Sydney	30 Jun 2020	M	46,618.00
Distribution - Tax Statement	41MCL: 41 McLaren Street North Sydney	30 Jun 2020	M	882.00
Total Gross Trust Distributions			M	47,500.00
Assessable Employer Contributions				
Contribution Allocation	1: Scott Smith	26 Jul 2019	R1	660.00
INTERNET TRANSFER ONLINE W3553695177 Super Contribution LEIGHT KESTE	1: Scott Smith	22 Jun 2020	R1	10,000.00
INTERNET TRANSFER ONLINE Z0217464502 Super Contribution LEIGHT KESTE	1: Scott Smith	25 Jun 2020	R1	10,000.00
INTERNET TRANSFER INTERNET TRANSFER SUPER CONTRIB LEIGHTONKESTEVEN	2: Tomoko Smith	18 Jul 2019	R1	4,000.00
INTERNET TRANSFER ONLINE W3553695177 Super Contribution LEIGHT KESTE	2: Tomoko Smith	22 Jun 2020	R1	5,000.00
Total Assessable Employer Contributions			R1	29,660.00
Total Assessable Personal Contributions			R2	0.00

Leighton Kesteven Superannuation Fund No 1
Statement of Taxable Income
For the Period from 1 July 2019 to 30 June 2020

Description	Investment Reference	Date	Tax Return Ref.	Amount
Total No-TFN quoted contributions			R3	0.00
Total Transfer of Liability to life insurance company or PST			R6	0.00
Total Assessable Contributions			R	29,660.00
Total Other Income			S	0.00
Total Assessable Income Due to Changed Tax Status of Fund			T	0.00
Total Net Non-arm's Length Income			U	0.00
Exempt Current Pension Income				
Exempt Current Pension Income	Dividend Franking Credit	30 Jun 2020	Y	(19.00)
Exempt Current Pension Income	Franked Dividend Amount	30 Jun 2020	Y	(45.00)
Exempt Current Pension Income	Gross Trust Distributions	30 Jun 2020	Y	(33,725.00)
Total Exempt Current Pension Income			Y	(33,789.00)
Total Assessable Income				43,462.00
Deductions			Section C	
Total Interest Expenses within Australia			A	0.00
Total Interest Expenses Overseas			B	0.00
Total Capital Works Deductions			D	0.00
Total Deduction for Decline in Value of Depreciating Assets			E	0.00
Total Death or Disability Premiums			F	0.00
Total Death Benefit Increase			G	0.00
Approved Auditor Fee				
INTERNET TRANSFER INTERNET TRANSFER INV 1462		29 Jun 2020	H	550.00
Less Current Pension Deductions		30 Jun 2020	H	(183.91)
<i>Less Rounding</i>			H	(0.09)
Total Approved Auditor Fee			H	366.00
Total Investment Expenses			I	0.00
Management and Administration Expenses				
INTERNET TRANSFER INTERNET TRANSFER INV 105		29 Jun 2020	J	3,740.00
INTERNET TRANSFER INTERNET TRANSFER INV 105		29 Jun 2020	J	110.00
Less Current Pension Deductions		30 Jun 2020	J	(1,287.37)
<i>Less Rounding</i>			J	(0.63)
Total Management and Administration Expenses			J	2,562.00
Total Forestry Managed Investment Scheme Deduction			U	0.00
Other Deductions				
INTERNET BILL PAYMNT INTERNET BPAY TAX OFFICE PAYMENTS 551000999030998421		29 Jun 2020	L	259.00
Total Other Deductions			L	259.00
Tax Losses Deducted				
Tax Losses Brought Forward		30 Jun 2020	M	0.00

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Statement of Taxable Income
For the Period from 1 July 2019 to 30 June 2020

Description	Investment Reference	Date	Tax Return Ref.	Amount
Less Net Exempt Income		30 Jun 2020	M	0.00
Total Tax Losses Deducted			M	0.00
Total Deductions				3,187.00
Taxable Income or Loss			(V - N) O	40,275.00

Income Tax Calculation Statement

Section D

Gross Tax

Gross Tax @ 15% for Concessional Income		30 Jun 2020	T1	6,041.25
Gross Tax @ 45% for Net Non-Arm's Length Income		30 Jun 2020	T1	0.00
No-TFN Quoted Contributions @ 32%		30 Jun 2020	J	0.00
Total Gross Tax				6,041.25

Total Credit: Foreign Tax Income Offset			C1	0.00
Total Credit: Rebates and Tax Offset			C2	0.00
Rebates and Offsets			C	0.00
SUBTOTAL				6,041.25

Credit: Refundable Franking Credits

TLS 8C FRANKED@30%;3C SPECIAL;DRP NIL DISC	TLS: Telstra Corporation Limited	26 Sep 2019	E1	13.71
TLS AUD 0.03 SPEC, 0.08 FRANKED, 30% CTR, DRP NIL DISC	TLS: Telstra Corporation Limited	27 Mar 2020	E1	13.71

Total Credit: Refundable Franking Credits			E1	27.42
Total Credit: No-TFN Tax Offset			E2	0.00
Total Credit: Refundable National Rental Affordability Scheme Tax Offset			E3	0.00
Total Credit: Interest on Early Payments			H1	0.00
Total Credit: Foreign Resident Withholding			H2	0.00
Total Credit: ABN/TFN Not Quoted (Non-Individual)			H3	0.00
Total Credit: Interest on No-TFN Tax Offset			H6	0.00
Total Eligible Credits				0.00
Net Tax Payable				6,013.83

PAYG Instalments Raised

INTERNET BILL PAYMNT INTERNET BPAY TAX OFFICE PAYMENTS 241976342042360		30 Sep 2019	K	2,809.00
INTERNET BILL PAYMNT INTERNET BPAY TAX OFFICE PAYMENTS 241976342042360		31 Dec 2019	K	2,809.00
INTERNET BILL PAYMNT INTERNET BPAY TAX OFFICE PAYMENTS 241976342042360		31 Mar 2020	K	2,809.00
Total PAYG Instalments Raised			K	8,427.00

Total Supervisory Levy			L	259.00
Total Supervisory Levy Adjustment for Wound Up Funds			M	0.00
Total Supervisory Levy Adjustment for New Funds			N	0.00

Leighton Kesteven Superannuation Fund No 1

Statement of Taxable Income

For the Period from 1 July 2019 to 30 June 2020

Description	Investment Reference	Date	Tax Return Ref.	Amount
Total Amount Due / (Refundable)			■	(2,154.17)