



NAME:		INDEX No.	
PERIOD:	CODE:	Prepared by:	Reviewed by:
		Date	Date

Option 1.

New \$625K 154 sqm + 9 carparks

+ partitions \$500 sqm = \$75K

Rent \$315 sqm.

Option 2: \$730K existing 5 carparks + 190sqm + 30sqm
5 yrs old. Rent \$285/sqm.

Both @ multiplex Murrarie

Delman unit trust - deeds? who is trustee?

Branka payout at 28/2/10 - advise David

Step 2a) info to DD

2b) DD to do

2c) MTS to do to get signed.

2d) register monthly

Step 4 a) by wed 21st April
order copy

4 b)

Now Brad Sorensen - David to email
his contact details - Virginia

REMOVE stamp



marsh**tincknell**

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\$ \$300k to do 'deposit'

\$100k - CC.

\$200k - loan? - Talk to Tim.
or NCC.

+ Extra \$1500 for loan.

Mari Ashted

From: David Dolman [david_dolman@pacific.net.au]
Sent: Thursday, 4 March 2010 2:06 PM
To: Mari Ashted
Subject: RE: 5 year plan + building acquisition
Attachments: image001.png; image005.png; image006.png; image007.gif

Thanks Marie.

All seems clear enough

David

From: Mari Ashted [mailto:maria@mtaccountants.com.au]
Sent: Wednesday, 3 March 2010 11:16 AM
To: Tim Davis; David Dolman
Subject: RE: 5 year plan + building acquisition

Hi David

As mentioned to you yesterday, Tim and I have had a chat about this strategy and I've had a look over the excel spreadsheets he has attached in his email to you and I echo his comments about this being a clever use of the super fund and the end result is that you will have acquired an asset to provide you with an income in retirement and have it held in the most tax advantageous environment we have available (not to mention also you will fund the purchase of the property over the next five years with tax deductible contributions and rent).

The borrowing within the super fund is a special type of loan and with that comes some conditions that must be strictly met so as to avail yourself of this opportunity. Get the set up wrong and it is potentially a disaster and very costly. We have done many of these for clients now and have found the NAB product to be the best so far so I will base my estimated costs below on using their lending product.

Firstly however I will set out for you in the attached spreadsheet an overview of the key steps that must be taken and identified key points to note in bold.

For the most part the specific order in which things must happen is as noted in the attached. Some of the steps can be in progress simultaneously so long as the crucial events such as the signing of the contract and the establishment of the structure occur in the precise order noted. We can also get the finance application underway before the contract is signed with the issue of a discussion paper from NAB which will list out the costs and an indicative position on whether they will approve the borrowing with respect to LVRs and the credit assessment.

The expected costs are also included for your information about when they are likely to be payable etc.

I detail below further information with regards to a breakdown of the costs, particularly the Bank fees:

This is an expected costs position. The NAB fees are my guess-timate as they tend to vary slightly based on the type of deal that is being done.

Deed update	\$600
Documentation for "bare trust"	\$1,700
New security trustee company	\$990
Marsh Tincknell consulting fees re implementation, finance appn	\$3,000
NAB Application Fee	\$3,000
NAB Legal Review Fees	\$3,000

These costs are GST exclusive (except NAB fees) but as the Fund will be able to claim the GST back I have quoted ex GST as the true cost.

In addition to these costs you will of course have Stamp Duty which I estimate at \$16,625 on the \$520,000 purchase price and legal fees regarding the purchase. You will need to obtain a costs estimate for your solicitor for acting on your behalf in relation to the conveyance of property and ensure that they are conversed with this legislation. From experience, if the solicitor is not familiar with these borrowings then the conveyance cost tends to blow out.

There are also a few government charges on the loan security which I can't estimate without knowing the value of the transaction.

As you can see the costs are not cheap however the advantages of doing this need to be considered and weighed up against the costs. The documentation we use is first class prepared by a specialist superannuation legal firm out of Melbourne whom we deal with and NAB have had absolutely no qualms with it. It is better to go with the experts in this area than save a few dollars on documents as the consequences of getting it wrong are pretty serious.

To get the ball rolling, I will arrange to have Bianca's final balance calculated so we are ready to roll her out at the same time you and Marie make your contributions into the fund. As I mentioned to you yesterday there is a bank statement or two that I need to get that done so I will send you a separate email with those details on it soon.

Additionally if you are certain to go ahead with this then we should set up the bare trustee company and update the deed of the super fund. Let me know if you are ready to do this and I will go ahead and if you are happy to use my suggested name or if you have preference for something different.

I would also suggest touching base with NAB now to get the discussion paper organized so we know that the deal is able to be done and to make the formal approval process quicker when the contract is actually signed. I don't need anything from you on that, so can get that process underway immediately.

David, hopefully this all makes sense to you, however if you have any queries about any of the above or the contents of the attached, please don't hesitate to give me a call.

I shall await your further instructions.

Kind regards

Mari Ashted SSA
Director



 **marshtincknellsuper**

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Marsh Tincknell - Meeting Challenges as a Team

From: Tim Davis
Sent: Tuesday, 2 March 2010 3:26 PM
To: David Dolman
Cc: Mari Ashted
Subject: 5 year plan + building acquisition
Importance: High

Hi David

Thanks for your time this morning.

Vachie accounts

Further to our discussions of this morning, we will complete the 2009 accounts and tax returns as discussed – using the new method of income and expense recognition.

Can you please shoot to me the following:

- Schedule of sundry creditors at 30 June 2009
- Schedule of sundry creditors at 30 Sept 2009
- Schedule of sundry creditors at 31 Dec 2009
- MYOB file, once the Accrual account has been corrected

Once done, we will have the file for 2 days and we will amend the file, up to 31 Dec.

I will run through with you the adjustments made before I return the file.

5 year plan + building

David – I do believe that we can better use the equity locked up in the Dockside asset, as long as that “use” works hand in hand with your 5 year plan.

It is evident that the 5 year plan encompasses you selling the business and retiring by 30 June 2014.

Attached is the 5 year plan excel sheet we went through this morning – adjusted for the sale of Dockside in the 2011 year. Please have a look through and let me know your thoughts.

Most importantly, the critical “line” in the entire sheet is the revenue line for Vachie – ***we must hit these numbers.***

I think that we can better use the value of the Dockside asset in this 5 year plan, and set yourself and Marie up well for the future by utilising super in a clever fashion.

I do believe that the acquisition of business premises via the super fund will be a good long term strategy, and assuming we can pay the debt off by 30 June 2014 you will be left with an excellent income producing asset in a tax advantaged environment.

David – Mari from our super practice will email you with some key elements to consider for the super fund acquisition.

Sale of business

We need to continue to put some thought to this issue.

Please let me know if you have any queries on this matter, or the excel sheet.

As always, great to catch up

Cheers

Tim

Tim Davis
Director



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Marsh Tincknell - Meeting Challenges as a Team

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