

# SMSF Workpapers Checklist

INFORMATION	Attached	
	YES	N/A
1 Workpapers Checklist	YES	
2 Trial Balance	YES	
3 ASIC Annual statement/Extract		N/A
4 Actuary Cert	YES	
<b>INCOME</b>		
5 RBS		N/A
6 Contributions	YES	
7 Capital Gains		N/A
8 Distributions		N/A
9 Dividends		N/A
10 Interest		N/A
11 Rent	YES	
12 Other	YES	
<b>EXPENSES</b>		
13 Lump Sums		N/A
14 Pensions	YES	
15 Insurance		N/A
16 Accounting	YES	
17 Advisor		N/A
18 Audit	YES	
19 Bank Fees		N/A
20 Depreciation		N/A
21 Interest Paid		N/A
22 Investment Expenses/Mgt Fee		N/A
23 Postage Print Stationery		N/A
24 Property Expenses		N/A
25 Advertising		N/A
26 Agent Fee		N/A
27 Amortisation		N/A
28 Council Rates	YES	
29 Insurance		N/A
30 Land Tax	YES	
31 Repairs & Maintenance		N/A
32 Strata levy		N/A
33 Sundry Expenses		N/A
34 Water Rates		N/A
35 Regulatory Fee		N/A
36 SMSF Supervisory levy		N/A
37 Sundry Expenses		N/A
<b>INVESTMENTS</b>		
38 Term Deposits		N/A
39 Properties	YES	
40 Managed Investments		N/A
41 Shares AU		N/A
42 Shares Foreign		N/A

43 Units		N/A
44 Bank Accounts AU	YES	
45 Bank Accounts Foreign		N/A
46 Distribution Receivable		N/A
47 Prepaid Expenses		N/A
48 Sundry Debtors		N/A
49 Unsettled Trades		N/A
<b>LIABILITIES</b>		
50 LRBAS		N/A
51 GST	YES	
52 ITA/ICA	YES	
53 Sundry Creditors	YES	
<b>PERMANENT YEARLY</b>		
54 Variation Deeds		N/A
55 Change of Trustee		N/A
56 Pension Documents		N/A
57 Investment Strategy	YES	
<b>PERMANENT 1st YEAR ONLY</b>		
58 Establishment Deed	YES	
59 ATO Trustee Declarations		N/A
60 Member Applications	YES	
61 BDBN		N/A
62 Previous Pension Documents	YES	
63 Bare Trust Deed		N/A
64 Loan Offer Documents		N/A
65 Pre Existing Lease		N/A
66 Prior Year FS	YES	
67 Prior Year ITR	YES	
68 Prior Year Audit Report/Mgt Letter	YES	
69 Prior Year ACR		N/A

# Krenn Super Fund

Trial Balance as at 30 June 2023

Prior Year		Description	Current Year	
Debits	Credits		Debits	Credits
		<b>INCOME</b>		
		Contributions		
-	\$55,000.00	Employer	-	\$55,000.00
-	-	Market Gains	-	\$317,500.00
-	\$128.57	Interest	-	\$70.96
-	\$205,943.64	Rent	-	\$216,626.89
-	-	Other Income	-	\$10.59
		<b>EXPENSE</b>		
-	-	Pensions Paid	\$146,620.00	-
\$6,300.00	-	Accountancy Fee	\$6,470.00	-
-	-	Auditor Fee	\$330.00	-
-	-	Establishment Fee	\$770.00	-
\$18,471.89	-	Property Expenses	\$21,156.42	-
\$259.00	-	SMSF Supervisory Levy	\$259.00	-
		<b>INCOME TAX</b>		
\$16,930.50	-	Income Tax Expense	\$223,949.47	-
		<b>PROFIT &amp; LOSS CLEARING ACCOUNT</b>		
\$219,110.82	-	Profit & Loss Clearing Account	\$189,653.55	-
		<b>ASSETS</b>		
\$8,000,000.00	-	Direct Property	\$8,317,500.00	-
\$687,971.85	-	Cash At Bank	\$785,712.48	-
\$770.00	-	Receivables	-	-
		<b>LIABILITIES</b>		
-	-	Other Creditors and Accruals	-	\$17,392.00
-	\$5,425.50	Income Tax Payable	-	\$199.00
-	-	Deferred Tax Liability	-	\$206,483.47
-	\$3,945.89	Other Taxes Payable	-	\$10,114.00
		<b>MEMBER ENTITLEMENTS</b>		
-	\$4,338,892.70	Mr Alfred Krenn	-	\$4,433,649.50
-	\$4,340,477.76	Mrs Blanca Krenn	-	\$4,435,374.51
<hr/>	<hr/>		<hr/>	<hr/>
\$8,949,814.06	\$8,949,814.06		\$9,692,420.92	\$9,692,420.92

Dear Trustees,

Your Self-Managed Superannuation Fund Administrator has requested that we prepare an actuarial certificate for your SMSF to support claims for income tax exemption in the tax return of the Fund. The actuary James Fitzpatrick of Waatinga has calculated the tax-exempt percentage and has prepared the certificate accordingly.

If there are any periods of the income year where the only accounts held by the Fund are Retirement Phase (Pension) accounts, these periods are known as Deemed Segregated Periods (DSPs) and the Segregated Method is generally used to determine the Exempt Current Pension Income (ECPI) during those periods.

We have been informed that the Fund is not eligible to use the Segregated Method in the current income year. As a result, we have treated the assets as being unsegregated for the entire income year.

The tax-exempt percentage specified in the actuarial certificate applies to the net ordinary and statutory assessable income (excluding assessable contributions, non-arm's length income and income derived from any segregated assets) received during the Unsegregated Periods for the given income year. The tax-exempt percentage is calculated as the average of the Retirement Phase balances over the unsegregated periods of the income year as a proportion of the average of the total Fund balances over the unsegregated periods of the income year.

Regards,

A handwritten signature in black ink, appearing to read "A. O'Meagher".

Andy O'Meagher  
Director & Founder  
Act2 Solutions Pty Ltd  
Ph 1800 230 737  
andy@act2.com.au

Reference: CC370008 KRENN SUPER FUND





# ACTUARIAL CERTIFICATE

Income Tax Assessment Act 1997 (the Act), Section 295.390

We have been requested by Act2 Solutions to prepare an Actuarial Certificate in compliance with the Act for the following Self-Managed Super Fund (SMSF);

**KRENN SUPER FUND (the Fund)**

**Trustee(s): Blanca Krenn, Alfred Krenn**

We have been advised the Fund is a complying Self-Managed Super Fund. This certificate is for the year ended 30/06/2023

## Results and Segregation

The Exempt Current Pension Income (ECPI) proportion we have calculated for the unsegregated periods set out below is;

**67.313%**

This certificate relies on the information that we have been provided. If any of the information is incorrect or materially changes, please request an amendment.

There were no actively segregated assets during the year of income.

Where the Fund has Disregarded Small Fund Assets (DSFA) the tax-exempt percentage of income must be calculated using the proportionate or unsegregated method. From the 2021/22 income year, where the Fund does not have DSFA and for a portion of the year, 100% of the SMSF's liabilities are Retirement Phase, the Trustees may choose to use the proportionate method for the full year, or the default segregated method.

This certificate is prepared on the basis that the Fund is not eligible to use the Segregated Method in the current income year. The tax-exempt percentage applies to earnings for the entire income year.

## Liabilities

I am advised the unsegregated net assets at 30/06/2023, prior to application of the above ECPI, which are also equal to liabilities of the Fund, were;

*Current Pension Liabilities: \$6,058,519*

*Superannuation Liabilities: \$8,869,024*

These figures are from draft financial statements. Please note that there is no need to request a revised ECPI if these balances change due to tax or investment income as these do not impact the ECPI calculation.

I certify that I am satisfied that the value of the stated liabilities of the Fund at 30/06/2023 is also the amount of the Fund's assets on this date. These assets plus any future contributions plus expected future earnings will provide the amount required to discharge the liabilities as they fall due.

### Exempt Current Pension Income (ECPI)

Subsection 295.390(1) of the Act states "that a proportion of ordinary income and statutory income of a complying superannuation fund that would otherwise be assessable income is exempt from income tax."

To assist the trustee with calculating this proportion for the year of income ending 30/06/2023 set out below is a proportion that is calculated consistently with the Act.

*Average Value of Current Pension Liabilities: \$5,796,354*

*Average Value of Superannuation Liabilities: \$8,611,048*

*ECPI Proportion: 67.313%*

The ECPI proportion should be applied to the Fund's assessable income (excluding any non-arm's length income, contributions and any income derived from segregated assets) to determine how much income is exempt from tax.

Please Note: The average values are time weighted average balances over the financial year and exclude net investment earnings and expenses. These average values are appropriate to calculate the proportion on the assumption that the Trustee will allocate the relevant unsegregated assessable income in proportion to member's unsegregated account balances at a fixed crediting rate throughout the unsegregated period.

### Data Summary

The data on which the above certification and calculation is based has been provided by Act2 Solutions. I have been provided with details of contributions, benefits payments and transfers for each member throughout the year. A summary of this data for the Fund is set out below

	<u>Contributions</u>	<u>Benefit Payments</u>	<u>Transfers</u>
<b>Fund Transactions</b>	<b>\$46,750</b>	<b>(\$146,620)</b>	<b>\$0</b>

The net assets at 01/07/2022 were \$8,679,370. The member balances as at 30/06/2023 provided and prior to application of the above ECPI proportion were;

	<u>Retirement Phase</u>	<u>Total Balance</u>
<b>Total Fund Balance</b>	<b>\$6,058,519</b>	<b>\$8,869,024</b>
Alfred Krenn	\$3,029,175	\$4,433,650
Blanca Krenn	\$3,029,344	\$4,435,375

## Assumptions and Notes

I have been advised that the relevant pension liabilities meet the requirements to be considered a retirement phase superannuation income stream. This advice has been relied upon in preparing this certificate.

During the income year, some or all of the assets of the Fund were Disregarded Small Fund Assets as defined in section 295-387 of the Act. Consequently, the Fund is ineligible to use the Segregated Method to claim ECPI.

I have been advised that the values at 01/07/2022 are from audited financial statements and that the values for the financial year are from unaudited draft financial statements. If there are material changes after the certificate was issued an amendment should be requested.

As the fund only contained account-based pensions and member accounts in accumulation phase, the liabilities have been taken to be the balances of the relevant accounts and reserves (if any). We have been advised there are no unusual terms or guarantees in the SMSF however should this be incorrect please contact Act2 Solutions as this certificate may need to be revised.

For the calculation of the exempt proportion, we have relied on data provided that included the Fund's balances in accumulation phase, the Fund's balances in retirement phase, transactions within, to and from the Fund during the year.

The Fund contained only member accounts in accumulation phase and account-based pensions. Therefore, no assumptions about future inflation, future contributions, investment returns, or discount rates have been required to calculate the tax-exempt percentage.

The preparation of this actuarial certificate and the determination of the liability values are in accordance with Professional Standard 406 of the Institute of Actuaries of Australia.

Yours sincerely,



James Fitzpatrick  
Fellow of the Institute of Actuaries of Australia

31st of August 2023

# Krenn Super Fund

## Contribution Caps

### For the Period From 1 July 2022 to 30 June 2023

#### Mr Alfred Krenn

**Date of Birth:** 04 Mar 1949  
**Age:** 74 (at 30/06/2023)  
**Status:** Member may be eligible for the bring forward rule, certain conditions apply

#### Contributions Summary

##### Prior Year Contributions

**Non-Concessional**

The 'Bring Forward Rule' was unavailable in previous 2 years; member was 65 or older  
 3-year cap in effect from previous years  
 Total non-concessional contributions in previous 2 years

\$N/A  
 \$N/A

Current Year Contributions	Note	Concessional	Non-Concessional
Caps	1	\$27,500.00	\$0.00
Cumulative Available Unused Cap	2	\$0.00	\$0.00
Contributions made (to this fund)	3	\$27,500.00	\$0.00
Contributions made (to other funds)		\$0.00	\$0.00
Contributions as allocated		\$27,500.00	\$0.00
Amount above caps	4	\$0.00	\$0.00
Available		\$0.00	\$0.00

#### Notes

- 1 . Total Superannuation Balance was \$1.7 million or more at 30 June 2022, member not eligible to make Non-Concessional Contributions
- 2 . Total Superannuation Balance was \$500,000 or more at 30 June 2022, member not eligible to make catch-up concessional contributions
- 3 . Excludes any unmatched deposits
- 4 . Any excess concessional contributions are treated as non-concessional

#### Contributions Breakdown

<u>Income Type</u>	<u>Contribution Type</u>	<u>Amount</u>
<b>Concessional</b>	Employer	\$27,500.00
	Personal	\$0.00
	Family and friends	\$0.00
	Foreign superannuation fund	\$0.00
	Transfers from reserve	\$0.00
	<b>Contributions as allocated</b>	<b>\$27,500.00</b>
<b>NonConcessional</b>	Personal	\$0.00
	Spouse	\$0.00
	Child	\$0.00
	Transfers from reserve	\$0.00
	Foreign superannuation fund	\$0.00
	<b>Contributions as allocated</b>	<b>\$0.00</b>
<b>Other</b>	CGT small business 15-year exemption	\$0.00
	CGT small business retirement exemption	\$0.00
	Government Co-Contributions	\$0.00
	Directed termination payment (taxed)	\$0.00
	Directed termination payment (untaxed)	\$0.00
	Personal injury election	\$0.00
	Downsizer Contribution	\$0.00
	COVID-19 Re-Contribution	\$0.00
<b>Total Other contributions</b>		<b>\$0.00</b>

#### Transactions

Date	Contribution Type	Concessional	Non-Concessional	Other	Source
28/06/2023	Employer Mandated	\$27,500.00			manual
<b>Totals:</b>		<b>\$27,500.00</b>			

**Krenn Super Fund**  
**Contribution Caps**  
**For the Period From 1 July 2022 to 30 June 2023**

**Mrs Blanca Krenn**

**Date of Birth:** 01 Jan 1950  
**Age:** 73 (at 30/06/2023)  
**Status:** Member may be eligible for the bring forward rule, certain conditions apply

**Contributions Summary**

**Prior Year Contributions**

**Non-Concessional**

The 'Bring Forward Rule' was unavailable in previous 2 years; member was 65 or older  
3-year cap in effect from previous years  
Total non-concessional contributions in previous 2 years

\$N/A  
\$N/A

<b>Current Year Contributions</b>	<b>Note</b>	<b>Concessional</b>	<b>Non-Concessional</b>
Caps	1	\$27,500.00	\$0.00
Cumulative Available Unused Cap	2	\$0.00	\$0.00
Contributions made (to this fund)	3	\$27,500.00	\$0.00
Contributions made (to other funds)		\$0.00	\$0.00
Contributions as allocated		\$27,500.00	\$0.00
Amount above caps	4	\$0.00	\$0.00
Available		\$0.00	\$0.00

**Notes**

- 1 . Total Superannuation Balance was \$1.7 million or more at 30 June 2022, member not eligible to make Non-Concessional Contributions
- 2 . Total Superannuation Balance was \$500,000 or more at 30 June 2022, member not eligible to make catch-up concessional contributions
- 3 . Excludes any unmatched deposits
- 4 . Any excess concessional contributions are treated as non-concessional

**Contributions Breakdown**

<u>Income Type</u>	<u>Contribution Type</u>	<u>Amount</u>
<b>Concessional</b>	Employer	\$27,500.00
	Personal	\$0.00
	Family and friends	\$0.00
	Foreign superannuation fund	\$0.00
	Transfers from reserve	\$0.00
	<b>Contributions as allocated</b>	<b>\$27,500.00</b>
<b>NonConcessional</b>	Personal	\$0.00
	Spouse	\$0.00
	Child	\$0.00
	Transfers from reserve	\$0.00
	Foreign superannuation fund	\$0.00
	<b>Contributions as allocated</b>	<b>\$0.00</b>
<b>Other</b>	CGT small business 15-year exemption	\$0.00
	CGT small business retirement exemption	\$0.00
	Government Co-Contributions	\$0.00
	Directed termination payment (taxed)	\$0.00
	Directed termination payment (untaxed)	\$0.00
	Personal injury election	\$0.00
	Downsizer Contribution	\$0.00
	COVID-19 Re-Contribution	\$0.00
	<b>Total Other contributions</b>	<b>\$0.00</b>

**Transactions**

<b>Date</b>	<b>Contribution Type</b>	<b>Concessional</b>	<b>Non-Concessional</b>	<b>Other</b>	<b>Source</b>
28/06/2023	Employer Mandated	\$27,500.00			manual
	<b>Totals:</b>	<b>\$27,500.00</b>			



# Lease of Commercial Premises

(where the period is for 3 years or less (including any option period) and to which the Retail Leases Act 1994 does not apply)

**N** National  
**INDUSTRIAL**  
Industrial Property Specialists  
Call 1300 100 200

1. This form should not be used if the term of the lease (including the period of any option of renewal) exceeds three years.  
2. Delete whichever of alternate clauses 23A/23B and 24A/24B are not to apply- See clause 26.

**This Deed of Lease is made the** 8th **day of** June **2021**

## PARTIES

### LESSOR ["the Lessor"]

Registered for GST Yes ACN|ABN 96 374 801 291

Name/s:

Or Corporation Name: Krenn Super Fund

Address: 41 Victoria Street, Smithfield NSW 2164

Phone: 02 9609 1286

Fax: Not Provided

Mobile: 0409 834 057

Email: alf@alltypeplastics.com.au

### LESSOR'S AGENT

ACN 064 767 504

ABN 26 064 767 504

Name:

National Industrial Realty

Address:

PO Box 2499

Phone:

02 9609 6111

Fax:

Not Provided

Mobile: 0411 577 099

Email: carolinac@nationalindustrial.com.au

### LESSEE ["the Lessee"]

Registered for GST Yes ACN|ABN 24 003 264 524

Name/s:

Or Corporation Name: All Type Plastics

Address: 41 Victoria Street, Smithfield NSW 2164

Phone: 02 9609 1286

Fax: Not Provided

Mobile: 0409 834 057

Email: alf@alltypeplastics.com.au

### GUARANTOR ["the Guarantor"]

Name: NA

Address: NA

### Item 1 - PREMISES ["the Premises"]

Known as 41 Victoria Street, Smithfield NSW 2164  
and any attached inventory signed forming part of this lease.

### Item 2 - PERMITTED USE [clause 2]

The premises must only be used for:

Plastic Injection Moulding and Tool Making

### Item 3 - TERM OF LEASE [subject to Clause 27]

A term of Three (3) Years

Commencing on 1st July 2021

Ending on 30th June 2024

### Item 4 - RENT [clause 30]

An initial base rent (GST inclusive) of \$18,958.00 inc GST per Month commencing on 1st July 2021 and payable on the 1st day of each Month in advance to the Lessor/Agent and upon the terms and conditions set out in this Lease.

### Item 5 - OPTION TO RENEW [clause 32]

For a further period of Nil year/s.

Select one method for renewal rent review see clause 32(b) (i), clause 32 (b)(ii) and clause 32(b)(iii).  
Tick applicable box

Fixed Amount (clause 32(b)(i))

[ ]

Amount of \$

Fixed Percentage of Rent (clause 32(b)(i))

[ ]

Percentage of %

CPI (clause 32(b)(ii))

[ ]

Current Market Rent (clause 32(b)(iii))

[ ]

A Fixed Percentage of Rent (clause

[ ]

32(b)(i) at

% or CPI (clause 32(b)(ii)), whichever is the greater in value at the time of renewal.

If using a fixed percentage, the initial rent referred to in clause 32 (b)(i) is \$

(GST inclusive) per

### Item 6 - SECURITY DEPOSIT/BANK GUARANTEE

The amount of the security deposit referred to in clause 22 is \$

NA

The amount of the bank guarantee referred to in clause 29 is \$

NA



The percentage of outgoings referred to in clause 24A is 100 % or  
The percentage of increases in outgoings referred to in clause 24B is NA %

**Item 9 - Review**

Select one method for review of rent see clauses 23A and 23B.

**Tick applicable box**

CPI (clause 23A) ☒   
Fixed Amount (clause 23B) ☐ Amount of \$   
Fixed Percentage of Rent (clause 23B) ☐ Percentage of 3 %   
A Fixed Percentage of Rent (clause 23B) at      % or CPI (clause 23A), whichever is greater in value at the time of review.   
If using a fixed percentage, the initial rent referred to in clause 23B is \$      (GST inclusive) per Month

**Item 9 -**

Public Liability Insurance required is \$ \$20,000,000.00

12 % %

The guarantor referred to in clause 28 is NA of NA

**THE LEASE TERMS AND CONDITIONS**

- (a) "the premises" includes any fixtures, fittings, furnishings, plant, equipment and chattels owned by the Lessor and in or at any time installed in the premises.  
(b) "the Lessee" includes the Lessee's successors and permitted assigns and, where the context permits, includes the Lessee's servants, agents, contractors and invitees.  
(c) "the Lessor" includes the Lessor's successors and assigns and, where the context permits, includes the Lessor's contractors, employees and agents.  
(d) Words importing the singular number include the plural, and the masculine gender includes the feminine or neuter genders and vice versa, and a reference to a person shall include a corporation.  
(e) Any covenant or agreement on the part of two or more persons shall bind them jointly and severally.

- (a) The premises must only be used for the purposes as set out in Item 2.  
(b) The Lessee will not do or suffer to be done in or near the premises anything which might annoy or disturb the occupiers of nearby premises.

The covenants and powers implied in every lease by virtue of Sections 84,84A and 85 of the Conveyancing Act 1919 shall not apply to or be implied in this lease.

- 4  
(a) If the premises are, or the building (if any) of which they form part is damaged, the Lessor is not obliged to repair or reinstate the premises or that building.  
(b) If the premises (or the building, if any, of which they form part) shall be destroyed or damaged so as to render the premises unfit for occupation and use by the Lessee for the purposes of the Lessee's business then:  
(i) the Lessor may at any time thereafter by written notice to the Lessee terminate this lease without compensation; and  
(ii) if the Lessor shall fail to rebuild or reinstate the premises (or the building, if any, of which they form part) within a reasonable time after having received written notice from the Lessee requiring the Lessor so to do then the Lessee may at any time thereafter by written notice to the Lessor terminate this lease without compensation.  
(c) Any such termination shall be without prejudice to the rights of either party in respect of any antecedent breach matter or thing;  
(d) Upon the happening of any such destruction or damage the rent payable under this lease or a proportionate part thereof according to the nature and extent of the damage sustained shall abate until the premises have been made fit for occupation and use by the Lessee for the purposes of the Lessee's business or until this lease has been terminated pursuant to Clause 4(b).  
(e) If the Lessor and the Lessee do not agree as to the amount of rent to be so abated that amount shall be determined by a person appointed by agreement between the Lessor and the Lessee or, failing such agreement, appointed by the President of the NSW Division of the Australian Property Institute.  
(f) The person making such determination shall be acting as an expert and not as an arbitrator and the costs of the determination shall be paid as to one half by the Lessor and as to one half by the Lessee.

The Lessee will not

- (a) grant a sublease, licence or concession in respect of the whole or any part of the premises; or  
(b) part with possession of the whole or any part of the premises; or  
(c) mortgage or otherwise charge or encumber the Lessee's estate or interest in this lease.

The Lessee will not assign or transfer this lease without the written consent of the Lessor (which is not to be unreasonably withheld).

**The Lessee will**

- (a) keep, and upon vacating the premises yield up, the premises in a clean state and free from rubbish  
(b) keep, and upon vacating the premises yield up, the premises in good repair (having regard to their condition at the commencement of this lease), reasonable wear and tear, damage by fire not attributable to any act or omission on the part of the Lessee, flood, lightning, storm and tempest only excepted  
(c) promptly replace all glass (including exterior window glass) in the premises which becomes damaged or broken and all light globes and fluorescent tubes which become worn out or damaged  
(d) promptly notify the Lessor of any circumstance which arises which might cause any damage or risk to the premises or to any person or property  
(e) keep the premises free of rodents, vermin, insects and pests  
(f) keep all doors and windows securely fastened when the premises are unoccupied.

**8 The Lessee will not**

- (a) without the prior written consent of the Lessor (which may be given subject to reasonable conditions and may not be unreasonably withheld)  
(i) make or allow to be made any alteration or addition (including partitioning) to the premises  
(ii) affix an aerial or antenna to the premises  
(iii) paint, display or affix any sign, advertisement or notice on the exterior of the premises  
(b) do or allow to be done anything which might constrict, block or damage any plumbing facilities in, or used in association with, the premises;  
(c) damage or deface the premises, or  
(d) sleep or allow anyone to sleep on the premises.

The Lessee will keep in force a policy of public risk insurance with respect to the premises and the Lessee's business in the premises for a cover of not less than the amount set out in Item 9, in respect of any one event or claim, and whenever requested by the Lessor so to do will furnish to the Lessor evidence of the currency of that policy. The Lessee will keep in force an insurance policy for replacement of plate glass located in or around the premises.



- 10 The Lessee will not knowingly do or allow to be done anything whereby any insurance policy relating to the premises or to the building (if any) of which they form part may be prejudiced or rendered void or voidable or anything which might increase the premium payable in respect of that policy.
- 11 **Statutory notices**  
The Lessee will comply with all statutes, ordinances and regulations (present and future) relating to the premises and to the Lessee's use or occupation of the premises and will promptly comply with all notices and orders given by any authority the necessity or ground for which relates to the Lessee's use or occupation of the premises.
- 12 **Lessor's Access**  
The Lessor may at all reasonable times enter the premises to view their state of repair or to comply with any requirement of any authority or to carry out repairs or maintenance provided that the Lessor shall not cause any undue inconvenience to the Lessee.
- 13 The Lessor may affix and retain on the exterior of the premises a "For Sale" sign (at any time) and a "To Let" sign (during the last three months of the term of this lease) and may at reasonable times and on reasonable notice show the premises to prospective purchasers and to prospective tenants.
- 14 **Release and Indemnity**  
The Lessee occupies and uses the premises at the risk of the Lessee and completely releases the Lessor from, and agrees to keep the Lessor indemnified against, all claims relating to any death or injury to any person or to damage to or loss of property occurring in or near the premises or related to the Lessee's use or occupation of the premises and not caused by the negligence or wilful act of the Lessor.
- 15 **Removal of Fixtures**  
(a) The Lessee may, and if so required by the Lessor will, before the expiration or termination of this lease or of any extension of or holding over under this lease, remove from the premises all trade or tenant's fixtures installed by the Lessee and will promptly repair any damage caused during the removal.  
(b) Any trade or tenant's fixtures and all chattels brought onto the premises by the Lessee which are not so removed will become the property of the Lessor.
- 16 **Default**  
(a) If any rent or other money payable under this lease remains unpaid for 14 days after becoming due for payment, or if the Lessee fails to observe or perform any covenant or provision on the part of the Lessee in this lease, then the Lessor may re-enter the premises whereupon this lease will terminate.  
(b) The Lessee will pay to the Lessor on demand interest on any money (including rent) due and payable under this lease but unpaid calculated at the rate set out in Item 10, per annum from the day on which it became payable to the date of payment.
- 17 **Costs**  
The Lessee will pay all stamp duty and reasonable costs (including any mortgagee's costs of consent) incurred by the Lessor in connection with the preparation and completion of this lease and in connection with any application for the Lessor's consent and in connection with any default by the Lessee under this lease.
- 18 **Approvals**  
The Lessee acknowledges that no representation or warranty has been made by the Lessor as to the suitability of the premises for the Lessee's use and that the Lessee is aware of the possible need for the lessee to obtain approvals of authorities to that use.
- 19 **Quiet enjoyment**  
For so long as the Lessee fully complies with the Lessee's obligations under this lease the Lessor will not interfere with the Lessee's occupation and use of the premises.
- 20 **Notices**  
(a) Any notice given by the Lessor or the Lessee to the other of them shall be sufficiently given if in writing (signed, if given by a company, by a director or secretary of the company) and served on that other personally or left at or sent by prepaid post to the residential, or to a business, address of that other last known to the party giving the notice, or by email to the email address of the parties to this agreement.  
(b) A notice served by post shall be deemed to be served 2 business days after it has been posted.
- 21 **Usage Charges**  
The Lessee will pay to the Lessor on demand any amount separately charged in respect of the premises for water usage or for sewerage usage (excluding fixed charges) or for the removal of trade waste.
- 22 **Security Deposit**  
Upon the signing of this deed the Lessee will pay to the Lessor a security deposit in the amount (if any) stated in Item 6. At the expiration or sooner determination of this lease the Lessor shall be entitled to deduct from that deposit, or apply that deposit in or towards satisfaction of, any amount that may be or become payable by the Lessee to the Lessor pursuant to the provisions of this lease.
- 23A\* **Rent Review**  
The base rent for each year or part of a year commencing on an anniversary of the commencing date of the term of this lease (appropriately apportioned if necessary to apply to the part of a year) shall be the base rent for the then previous year multiplied by the Consumer Price Index (Sydney - all groups) number for the last quarter before that anniversary divided by that Index number for the same quarter in the previous calendar year.
- OR**
- ~~23B\* The base rent for each year or part of a year commencing on an anniversary of the commencing date of the term of this lease (appropriately apportioned if necessary to apply to the part of a year) shall be the base rent for the then previous year increased by the amount or the percentage stated in Item 8.~~
- 24A\* **Outgoings**  
By way of further rent the Lessee will pay to the Lessor on demand an amount equal to the percentage stated in Item 7 of the outgoing (as defined in clause 25)
- OR**
- ~~24B\* By way of further rent the Lessee will pay to the Lessor on demand an amount equal to the percentage stated in Item 7 of all increases in the outgoing (as defined in clause 25) over the respective amounts assessed, charged or paid for the relevant rating, taxing or insurance period current at the commencement of the term of this lease.~~
- 25 (a) For the purposes of clause 24A or clause 24B, whichever is applicable, "the outgoing" means all local council rates and charges, water sewerage and drainage rates and charges not referred to elsewhere in this lease, land tax as assessed, and all insurance premiums payable, in relation to the premises (or if the premises are only part of a property then in relation to that property).  
(b) For the purposes of this clause 25 land tax shall be taken to be the tax which would have been payable if it had been assessed on the basis that:  
(i) the premises (of if the premises are only part of a property then that property) were the only land owned by the Lessor and were not subject to a special trust (within the meaning of the Land Tax Management Act 1956), and  
(ii) the Lessor was not a company classified under Section 29 of that Act as a non-concessional company.
- 26 (a) If neither of clauses 23A and 23B is deleted or Item 8 is not completed, then clause 23A has effect and clause 23B does not form part of this lease subject first to the method set out in Item 8.  
(b) If neither of clauses 24A and 24B is deleted then neither of them has effect and neither of them forms part of this lease.
- 27 **At end of lease**  
If this lease is not renewed or if its term is not extended and if the Lessee holds over after the expiration of the lease with the consent of the Lessor then the Lessee will become a monthly tenant (the tenancy being terminable by one months written notice given by either party and expiring on any day) at the same rent per month as is then payable and on the same terms and conditions as are contained in this lease so far as they can be applied.
- 28 **Guarantee**  
The guarantor (if any) named in Item 11 guarantees to the Lessor the due performance by the Lessee of the Lessee's obligations (including obligations to pay rent or damages) under this lease both during the term of this lease and after that term has ended.  
The liability of the guarantor will not be affected by:  
(i) the Lessor giving the Lessee extra time to comply with an obligation or waiving, or not insisting on strict compliance with, any term of this lease;  
(ii) the payment by the Lessee of a security deposit or the Lessor receiving any benefit from a security deposit;  
(iii) the rent being increased or the terms of this lease being altered, or  
(iv) the bankruptcy, or if the Lessee is a company the winding up, of the Lessee.  
If the Lessee does not pay any money payable to the Lessor by virtue of this lease (including rent and damages or compensation following default) then the guarantor will pay that money to the Lessor on demand even if the Lessor has not tried to recover payment from the Lessee or out of a security deposit.
- 29 If an amount is set out in Item 6 then before the term of this lease begins the Lessee will give to the Lessor, and maintain, an irrevocable and unconditional bank guarantee of payment on demand to the Lessor of that amount by a bank, on terms acceptable to the Lessor. Acceptance by the Lessor of any payment under such guarantee will not affect the rights of the Lessor nor operate as a waiver of any breach by the Lessee.
- 30 **Payment of rent**  
The Lessee will pay rent as set out in Item 4, punctually on the due dates and will not withhold or be entitled to withhold any part of such payment by way of deduction, set off or counterclaim in respect of any claim for damages or for compensation which the Lessee might at any time have against the Lessor.



If the premises form part of a building the Lessor may from time to time promulgate Rules relating to that building not inconsistent with the rights of the Lessee under this lease relating (inter alia) to

- (a) the use, safety, care and cleanliness of that building
- (b) the closure of that building outside all normal business hours; and
- (c) the external appearance of that building

And upon the Lessor giving to the Lessee written notice thereof such Rules shall bind the Lessee as if they were set out in this lease and were the subject of an express covenant herein by the Lessee to observe them.

**32 Option of Renewal**

- (a) If not more than six months or not less than three months prior to the expiration of the term of this lease (in which respect time shall be of the essence) the Lessee notifies the Lessor in writing that the Lessee wishes to take a renewal of this lease for further period set out in Item 5 of this Lease from that expiration, and if at that expiration the Lessee is not in default under this lease (or is in default but the default has been waived by the Lessor), the Lessor will at the cost of the Lessee grant to the Lessee and the Lessee will take a further lease of the premises for that further period upon the same terms and conditions (except as stated in this clause) as are contained in this lease except this renewal clause.
- (b) The initial base rent (inclusive of any GST) payable under such further lease shall be:
  - (i) the fixed amount or percentage set out in Item 5 of this Lease.

**OR**

- (ii) the base rent payable immediately prior to the expiration of the term of this lease multiplied by the Consumer Price Index (Sydney - all groups) number for the last quarter before that expiration divided by that index number for the same quarter in the previous calendar year.

**OR**

- (iii) the current market rent at that expiration, and if the Lessor and the Lessee do not agree as to that current market rent it is to be determined by a person appointed by agreement between the Lessor and the Lessee or, failing agreement, appointed by the President of the NSW Division of the Australian Property Institute. Such person shall be acting as an expert and not as an arbitrator, and the costs of the determination shall be paid as to one half by the Lessor and as to one half by the Lessee.
- (c) The base rent for the second year at the term of such further lease shall be the base rent for the first year of that term multiplied by the Consumer Price Index (Sydney - all groups) number for the last quarter before the expiration of that first year divided by that index number for the same quarter in the previous calendar year.
- (d) If none of clause 32 (b)(i), clause 32 (b) (ii) or clause 32 (b) (iii) are deleted or a method of renewal selected in Item 5, then clause 32 (b) (ii) has effect and clauses 32 (b) (i) and 32 (b) (iii) do not form part of this lease.

- (a) All monies (including base rent and further rent) payable by the Lessee under or in relation to this lease are inclusive of any Goods and Service Tax.
- (b) In addition to those monies the Lessee will pay to the Lessor (as and when those monies fall due for payment or are paid) the amount to the GST which the Lessor is or will become liable to pay in respect of any taxable supply made by the Lessor under or in relation to this lease.

**34**

It is agreed between the Lessor and the Lessee that should the Lessor during the term of this Lease propose to register a Strata Plan in respect of the whole or any part of the building in which the Premises are situated, the Lessee will consent to such registration if requested by the Lessor and furnish such consent in writing to give effect to such registration with the relevant authority or authorities. Upon registration of the strata plan the Lessor and Lessee will comply with the relevant legislation relating to the registration of the Strata Plan including by-laws except in so far as they are inconsistent with the terms of this Lease.

## SPECIAL CONDITIONS

For special conditions please use attachment "Annexure to Lease"



# ANNEXURE TO THE LEASE

THIS AND THE FOLLOWING PAGES CONSTITUTE THE SPECIAL CONDITIONS NOTWITHSTANDING ANYTHING ELSEWHERE CONTAINED IN THIS LEASE BETWEEN KRENN SUPER FUND (LESSOR) AND ALL TYPE PLASTICS LESSEE).

**Dated the 8<sup>th</sup> day of June 2021.**

**35. OPTION**

There are no option periods granted under this lease.

**36. RENTAL REVIEWS – DATES AND METHOD**

The rental shall be increased annually on its anniversary by the current CPI (Sydney All Groups).

**37. CONTAMINATION OF PROPERTY / LAND**

The Lessee will be responsible at his cost for the rectification of any contamination to the building or land caused by his usage of the subject property.

**38. INSURANCE**

The Lessee agrees to insure for public risk covering liability in respect of bodily injury, property damage, product liability and contractual liability arising from the occupation and use of the premises by the tenant for the minimum as noted on the front page of this lease.

Should there be an increase in the insurance premium for the building due to the type of business carried out at the said premise by the Lessee, the Lessee shall be responsible for the difference in the premium by comparing this amount with what would otherwise be charged on a 'vacant premise'.

**39. REPAIRS AND MAINTENANCE**

Providing that such are in working order at the commencement of the lease, the Lessee shall be responsible for the repair and/or replacement of, any burnt light globes including high bay lights, leaking taps, leaking toilet cisterns and locks.

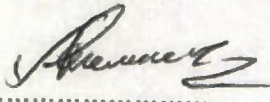
The Lessee shall be responsible for the regular maintenance of the air conditioning unit/s including the cleaning of filters and any repairs occurring due to the breakdown of the air conditioning unit as a result of the tenants use or neglect.

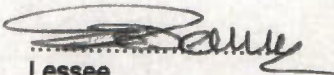
The Lessee shall be responsible for the service and maintenance of all fire equipment including fire extinguishers, hose reels and exit and emergency lighting on a six (6) monthly basis in accordance with Building Regulations and Australian Standards (AS 1851).

The Lessee shall be responsible for the service and maintenance of all roller shutter doors on a twelve (12) monthly basis. The Lessee shall also be responsible for any repairs required due to the breakdown of the roller shutter doors as a result of the Lessee's use or neglect.

The Lessee shall be responsible for the maintenance of the Lawns, edges and gardens on a regular basis.

Page 1 of 2 of annexure to the Lease dated the 8<sup>th</sup> day of May 2021.

  
.....  
Lessor

  
.....  
Lessee



**40. OUTGOINGS**

- a) The Lessee shall be responsible for 100% of the outgoings.

Outgoings shall include, but is not limited to the following;

Telephone, electricity, Commercial Garbage, water usage, water and sewerage rates, municipal or shire rates, land tax, property management fees, building insurance and strata levies.

- b) For the purpose of Clause 25 a) Land Tax is payable as per invoiced regardless of the ownership and no threshold will apply.

**41. INTEREST**

Interest on late rental payments shall be charged at a rate of 12% per annum calculated on a daily basis.

**42. MAKE GOOD**

The Lessee shall 'make good' the property prior to vacating. The premise shall be delivered to the Landlord in the same condition as when originally leased.

**43. CONSENT/S**

Please note that it is the Lessee's responsibility to satisfy themselves regarding any aspect of suitability, usage, hours of operation etc and obtain council approval (or any other appropriate approvals) for usage and occupation of the premise.

Please note that National Industrial Realty Pty Limited and their clients/customers make no representations as to suitability and permissible use and the Lessee is recommended to make their own inquiry in this regard.

**44. EARLY OCCUPATION**

Should the Landlord or its agent allow the Lessee occupation to the premise prior to the commencement date as shown on the front page of this lease, then by having such possession or access, all tenant obligations and responsibilities under this lease shall commence, other than the obligation to pay rent.

Page 2 of 2 of annexure to the Lease dated the 8<sup>th</sup> day of June 2021.

  
.....  
Lessor

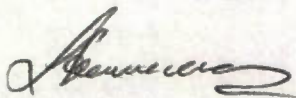
  
Lessee



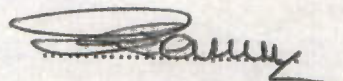
# DEFAULT CLAUSES

1. (a) Each of the covenants by the Lessee which are specified in this paragraph are essential terms of this lease:  
(i) each of the covenants to pay rent throughout the lease term at a date not later than 14 days after the due date for the payment of each monthly instalment of rent as provided on page 1 of this lease.
- (b) In respect of the Lessee's obligation to pay rent, the acceptance by the Lessor of arrears or of any late payment of rent shall not constitute a waiver of the essentiality of the Lessee's obligation to pay rent in respect of those arrears or of the late payments or in respect of the Lessee's continuing obligation to pay rent during the lease term.
- (c) The Lessee covenants to compensate the Lessor in respect of any breach of an essential term of this lease and the Lessor is entitled to recover damages from the Lessee in respect of such breaches. The Lessor's entitlement under this clause is in addition to any other remedy or entitlement to which the lessor is entitled (including to terminate this lease).
2. (a) In the event that the Lessee's conduct (whether acts or omissions constitutes a repudiation of the lease or of the Lessee's obligations under the lease) or constitutes a breach of any lease covenants, the Lessee covenants to compensate the Lessor for the loss or damage suffered by reason of the repudiation or breach.
- (b) The Lessor shall be entitled to recover damages against the Lessee in respect of repudiation or breach of covenant for the damage suffered by the Lessor during the entire term of this lease.
- (c) The Lessor's entitlement to recover damages shall not be affected or limited by any of the following:  
(i) If the Lessee shall abandon or vacate the lease premises;  
(ii) If the Lessor shall elect to re-enter or to terminate the lease;  
(iii) If the Lessor shall accept the Lessee's repudiation;  
(iv) If the parties' conduct shall constitute a surrender by operation of law.
- (d) The Lessor shall be entitled to institute legal proceedings claiming damages against the lessee in respect of the entire lease term, including the periods before and after the Lessee has vacated the lease premises, and before and after the abandonment, termination, repudiation or surrender by operation of law referred to in paragraph (c), whether the proceedings are instituted either before or after such conduct.
- (e) In the event of the Lessee vacating the lease premises, whether with or without the Lessor's consent, the Lessor shall be obliged to take reasonable steps to mitigate his damages and to endeavour to lease the premises at a reasonable rent and on reasonable terms. The Lessor's entitlement to damages shall be assessed on the basis that the Lessor should have observed the obligation to mitigate damages contained in this paragraph. The Lessor's conduct taken in pursuance of the duty to mitigate damages shall not by itself constitute acceptance of the Lessee's breach or repudiation or a surrender by operation of law.

Page 1 of default clauses to the Lease dated the 8<sup>th</sup> day of June 2021.



Lessor



Lessee



**Signed by the Lessor**

in the presence of:	<u>Carolina Capolupo</u> Name of Witness	
	<u>Ali Guly</u> Signature of Witness	<u>[Signature]</u> Signature of Lessor

Executed on behalf of	<u>Krenn Super Fund</u>	
ABN	<u>96 374 801 291</u>	pursuant to Section 127 of the Corporations Act 2001:
	<u>ISABEL KRENN</u> Name of Director	<u></u> Name of Secretary/Director
	<u>[Signature]</u> Signature of Director	<u></u> Signature of Secretary/Director
OR		
The Common Seal of	<u></u>	<u></u>
was hereunto duly affixed	<u></u>	<u></u>
	<u></u> Name of Director	<u></u> Signature of Director

**Signed by the Lessee**

in the presence of:	<u>Carolina Capolupo</u> Name of Witness	
	<u>Ali Guly</u> Signature of Witness	<u>Ali Guly</u> Signature of Lessee

Executed on behalf of	<u>All Type Plastics</u>	
ABN	<u>24 003 264 524</u>	pursuant to Section 127 of the Corporations Act 2001:
	<u>ALFRED KRENN</u> Name of Director	<u></u> Name of Secretary/Director
	<u>[Signature]</u> Signature of Director	<u></u> Signature of Secretary/Director
OR		
The Common Seal of	<u></u>	<u></u>
was hereunto duly affixed	<u></u>	<u></u>
	<u></u> Name of Director	<u></u> Signature of Director

**Signed by the Guarantor**

in the presence of:	<u></u> Name of Witness	
	<u></u> Signature of Witness	<u></u> Signature of Guarantor



## Income tax 551

<b>Date generated</b>	30 August 2023
<b>Overdue</b>	\$0.00
<b>Not yet due</b>	\$0.00
<b>Balance</b>	\$0.00

## Transactions

6 results found - from **30 August 2021** to **30 August 2023** sorted by **processed date** ordered **newest to oldest**

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
23 May 2023	26 May 2023	EFT refund for Income Tax for the period from 01 Jul 21 to 30 Jun 22	\$10.59		\$0.00
23 May 2023	15 May 2023	Interest for early payment of Income Tax		\$10.59	\$10.59 CR
9 Feb 2023	15 May 2023	Tax return Self Man Superfund - Income Tax for the period from 01 Jul 21 to 30 Jun 22	\$1,227.50		\$0.00
9 Feb 2023	8 Feb 2023	Payment received		\$1,227.50	\$1,227.50 CR
2 May 2022	16 May 2022	Tax return Self Man Superfund - Income Tax for the period from 01 Jul 20 to 30 Jun 21	\$8,138.00		\$0.00
2 May 2022	29 Apr 2022	Payment received		\$8,138.00	\$8,138.00 CR

**Krenn Super Fund**  
**Pension Withdrawal Limits**  
**For the Period 1 July 2022 to 30 June 2023**

**Mr Alfred Krenn**  
**YTD Summaries**

	Drawdowns to date	Rqd. for Minimum	Minimum	Rqd for Plan	Plan*	Remaining until Max	Maximum	Tax Free %
ABP - AK 1	73,310.00	OK!	73,310.00	OK!	73,310.00	-	-	0.00%

**Totals**

Gross Drawdowns	73,310.00	0.00	73,310.00	0.00	73,310.00			
PAYG Tax	0.00	0.00	0.00	0.00	0.00			
Net Drawdowns	73,310.00	0.00	73,310.00	0.00	73,310.00			

Footnotes:

\*The plan amount is the annual pension review amount or the minimum amount where no review amount is recorded.

**Pension Payments**

ABP - AK 1

Date	Gross Amount	PAYG	Net Amount	Description
04/08/2022	8,958.00	0.00	8,958.00	Transfer 606547 to 012292540680377
24/08/2022	8,958.00	0.00	8,958.00	Transfer 884555 to 012292476902595
20/10/2022	8,958.00	0.00	8,958.00	Transfer 387968 to 012292476902595
19/01/2023	10,000.00	0.00	10,000.00	Transfer 121398 to 012292540680377
08/02/2023	10,000.00	0.00	10,000.00	Transfer 432709 to 012292476902595
13/03/2023	10,000.00	0.00	10,000.00	Transfer 362483 to 012292476902595
13/04/2023	10,000.00	0.00	10,000.00	Transfer 111156 to 012292540680377
14/06/2023	5,000.00	0.00	5,000.00	part of \$10,000.00 Transfer 398509 to 012292540680377
30/06/2023	1,436.00	0.00	1,436.00	part of \$2,872.00 Remaining 2023 pension - deposited on 29.08.2023
<b>Totals:</b>	<b>73,310.00</b>	<b>0.00</b>	<b>73,310.00</b>	

**Krenn Super Fund**  
**Pension Withdrawal Limits**  
**For the Period 1 July 2022 to 30 June 2023**

**Mrs Blanca Krenn**  
**YTD Summaries**

	Drawdowns to date	Rqd. for Minimum	Minimum	Rqd for Plan	Plan*	Remaining until Max	Maximum	Tax Free %
ABP - BK 1	73,310.00	OK!	73,310.00	OK!	73,310.00	-	-	0.00%

**Totals**

Gross Drawdowns	73,310.00	0.00	73,310.00	0.00	73,310.00
PAYG Tax	0.00	0.00	0.00	0.00	0.00
Net Drawdowns	73,310.00	0.00	73,310.00	0.00	73,310.00

Footnotes:

\*The plan amount is the annual pension review amount or the minimum amount where no review amount is recorded.

**Pension Payments**

ABP - BK 1

Date	Gross Amount	PAYG	Net Amount	Description
23/08/2022	8,958.00	0.00	8,958.00	Transfer 305053 to 102292540680377
21/09/2022	8,958.00	0.00	8,958.00	Transfer 950437 to 012292476902595
21/11/2022	8,958.00	0.00	8,958.00	Transfer 273580 to 012292476902595
19/01/2023	10,000.00	0.00	10,000.00	Transfer 122042 to 012292540680377
08/02/2023	10,000.00	0.00	10,000.00	Transfer 433385 to 012292476902595
15/03/2023	10,000.00	0.00	10,000.00	Transfer 619169 to 012292476902595
15/05/2023	10,000.00	0.00	10,000.00	Transfer 228291 to 012292476902595
14/06/2023	5,000.00	0.00	5,000.00	part of \$10,000.00 Transfer 398509 to 012292540680377
30/06/2023	1,436.00	0.00	1,436.00	part of \$2,872.00 Remaining 2023 pension - deposited on 29.08.2023
<b>Totals:</b>	<b>73,310.00</b>	<b>0.00</b>	<b>73,310.00</b>	



12 January 2023

Mr & Mrs A Krenn  
Krenn Super Fund  
PO Box 2183  
SMITHFIELD NSW 2164

Dear Mr & Mrs Krenn

We enclose herewith your Self Managed Superannuation Fund documents for the year ended 30 June 2022, as follows:

**(a) Income Tax & Regulatory Return**

Please peruse and if satisfactory, sign where indicated and return to us for lodgement.

**(b) Trustee's Declaration  
Engagement Letter  
Representation Letter  
Trustee Minute  
Investment Strategy  
Work Test Declarations**

Please also sign these statements and return them to us.

We also enclose herewith a Bound Set for your records, containing:

**(c) Trustee's Declaration  
Income Tax & Regulatory Return  
Financial Statements  
Members Information Statements  
Engagement Letter  
Representation Letter  
Trustee Minute  
Investment Strategy**

In respect to the Fund's tax obligations, we estimate the following assessment:

Taxable Income	<u>\$ 112 870.00</u>
Income Tax thereon	16 930.50
Add Supervisory Levy Payable	<u>259.00</u>
	17 189.50
Less PAYG Instalments	<u>15 962.00</u>
<b>Payable Balance – Due by 15-05-2023</b>	<u><u>1 227.50</u></u>

A payment advice to discharge this liability is attached herewith.

**Minimum Drawings**

In order for your super fund to retain its very substantial tax concessions you need to meet minimum pension drawings each year.

We calculate these amounts for 2022-23 at:

Alfred	\$73 350
Isabel	\$73 350

It is imperative that you ensure you have drawn above amounts out of your superannuation bank account before 30-06-2023.

Having finalised this matter we also enclose herewith our account, early discharge of which will be appreciated.

Please note abovementioned payment should be drawn from the Superannuation Fund bank account.

Should you have any queries, please do not hesitate to contact us.

Yours faithfully  
**G. FERIZIS & CO**

.....  
Enc.  
GF:mk

**ABN: 73 625 461 412**

*TAX INVOICE*

12 January 2023

Mr & Mrs A Krenn  
Krenn Super Fund  
PO Box 2183  
SMITHFIELD NSW 2164

### **MEMORANDUM OF ACCOUNT**

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Professional fees for the year ended 30 June 2022, including:

- Attendance to Land Tax requirements.
- Attendance to tax planning requirements, pre-year end including contribution limits and minimum pension drawings.
- Preparation and lodgement of quarterly BAS returns for March, June, September and December 2021 and March 2022 quarters.
- Computation and analysis of banking records and extraction of Bank reconciliation thereon.
- Procuration of Actuarial Certificate to ascertain the exempt ordinary income percentages for 2021-22 year as a consequence of both members continuing a transition to retirement pension.
- Split up income and expenses between each member as well as between Accumulation (taxable) and Pension (Tax Free) components.
- Preparation of Superannuation Fund financial statements, Trustees Statement and individual Member Benefits Statements.
- Preparation of Income Tax & Regulatory Return and associated schedules.
- Carrying out statutory audit and payment of auditor fees thereon.
- Preparation of appropriate certificates by auditor and trustees.

- Attendance to minutes of meetings and statutory requirements.
- Computation of minimum pension payment requirements for 2022-23 year.
- Attendance to updated investment strategy as per ATO requirements.

<b>Cost, More Than, But Say</b>	<b>\$ 6 600</b>	
<b>Plus GST</b>	<b><u>660</u></b>	\$460 Claimed
<b>Total Due</b>	<b><u><u>7 260</u></u></b>	

Preparation and Lodgement of SMSF Annual Tax Return = \$160 + GST  
 Arrangements of audit for the fund = \$300 + GST

WITH COMPLIMENTS  
 E&OE  
 GF:mk

*Direct Deposit details:*

*Bank: Macquarie Bank*  
*BSB: 182 512*  
*A/c No: 9694 10604*  
**Reference KRENN**

**Terms:** *Nett 7 Days*

*Administration Charges of 1.5% per month apply to accounts over 30 days*

## Transactions: Establishment Fee - Krenn Super Fund

Date Range: 01/07/2022 to 30/06/2023

## Establishment Fee

	Date	Narrative	Debit	Credit	Balance	Quantity
Establishment Fee						
01/07/2022	01/07/2022	Opening Balance	\$	0.00	\$ 0.00	Cr
01/07/2022	01/07/2022	Clear formation expenses - the property purchased on 2014	\$ 770.00	\$	\$ 770.00	Dr
Total Establishment Fee		\$	770.00	\$ 0.00	\$ 770.00	Dr
Total Establishment Fee		\$	770.00	\$ 0.00	\$ 770.00	Dr

# Rates and Charges Notice

1 July 2022 - 30 June 2023  
WARD - Fairfield

Please call for:  
Customer Service (02) 9725 0222  
Call Centre (02) 9725 1906  
TTY (02) 9725 4249  
Fax No.



Mr A Krenn & Mrs B I Krenn  
PO Box 2183  
SMITHFIELD NSW 2164



009  
1004469  
R1\_8937

If the address is incorrect please advise Council in writing by mail, fax or email.

Posting Date **12/07/2022**

ASSESSMENT NUMBER **446932**

DUE DATE **31/08/2022**

Category **Smithfield**

## PROPERTY Location and Description

41 Victoria Street SMITHFIELD NSW 2164  
Lot 27 DP 80538

**BPAY** Biller Code: 8912  
Assess No. 446932

## PARTICULARS of Rates and Charges

DETAILS	RATEABLE VALUE BASE DATE 01/07/2019	CENTS IN \$/ BASE AMOUNT	AMOUNT
Business Smithfield	1270000	0.00734297	\$9,325.57
Stormwater Levy Business 3	100	200.00	\$200.00
<b>Total</b>			<b>\$9,525.57</b>

**POSTED**

PAID 9.9.22

Interest charges are calculated on overdue rates and charges at a rate of 6.00% per annum

**TOTAL \$9,525.57**  
GST EXEMPT

TOTAL DUE **\$9,525.57**

OR

### Payments by Instalments

FIRST 31/08/22	<b>\$2,382.57</b>
SECOND 30/11/22	<b>\$2,381.00</b>
THIRD 28/02/23	<b>\$2,381.00</b>
FOURTH 31/05/23	<b>\$2,381.00</b>

For payment options please check the back of this form.

**Did you know, you can pay your rates in person at any Commonwealth Bank Branch even if you do not hold an account with them.**

**Commonwealth Bank**  
Commonwealth Bank of Australia  
ABN 48 123 123 124  
FAIRFIELD, NSW

For emailed notices:  
fairfieldcity.enotices.com.au  
Reference No: 5F6ECCBDDZ

TELLER STAMP / /  
INITIALS  
No. OF CHQS  
NAME: Mr A Krenn & Mrs B I Krenn  
LOCATION: 41 Victoria Street SMITHFIELD NSW 2164  
ASSESS NO: 446932  
TOTAL AMOUNT: \$9,525.57  
INSTALMENT AMOUNT: \$2,382.57

Please fill in the following particulars of cheques. Proceeds of cheques, whilst credited to the account, are generally not available until cleared. Please refer to your account terms and conditions for details.

DRAWER BANK BRANCH  
TRAN CODE: 831 USER CODE: 6779 CUSTOMER ASSESS. 5000 4469 32

**POST billpay**



\*233 05000446932

**CREDIT**

Date / /

FREE OF TRANSFER FEE AT ANY CBA BRANCH	CASH		
	AMOUNT OF CHEQUES		

**Total \$**

*G. Ferizis & Co.*

PUBLIC ACCOUNTANTS, TAXATION CONSULTANTS AND FINANCIAL PLANNERS

Suite 15, 2nd Floor,  
432 Chapel Road,  
Bankstown NSW 2200  
Telephone: 9796 8377  
Email: ferizisoffice@ferizisgroup.com.au

Please address all mail to:  
P.O. Box 435  
Bankstown NSW 1885

6 February 2023

Mr & Mrs A Krenn  
Krenn Super Fund  
PO Box 2183  
SMITHFIELD NSW 2164

Dear Mr & Mrs Krenn

We attach herewith your Super Fund's 2023 Land Tax Assessment, calling for payment of **\$11,689.30**.

We have checked the Land Tax Office's calculations found them in accordance with our records. However, if you have bought or sold any properties over the past year, please check the attached schedule to ensure they are reflected in the assessment.

The Land Tax Office is offering a discount of **\$58.45** if the assessment is paid **in full** by **6 March 2023**.

Under this option the amount payable will be **\$11,630.85**.

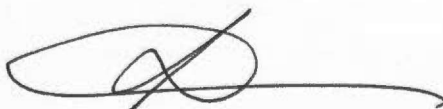
The other option is to pay by instalments (without discount).

Please choose the option that best suits you and discharge your liability by using any of the payment options shown on the back of the payment slip.

Should you have any queries, please do not hesitate to contact us.

We thank you for choosing us to attend to your land tax requirements and look forward to being of assistance to you again in the future.

*Yours faithfully*  
**G. FERIZIS & CO**



.....  
Enc.  
TK:ns

## Supporting information

Name: A & I KRENN ATF KRENN SUPER FUND  
Client ID: 133749616  
Correspondence ID: 1758356214  
Issue date: 25 January 2023

A land tax year is based on land owned between 1 January to 31 December of the preceding year.

Land tax is applied for the full calendar year following the taxing date of 31 December.

### Total balance of this assessment

Tax Year	Description	Debit \$	Credit \$	Balance \$
2023	Assessment	11 689.30		11 689.30
2023 tax year total		11 689.30		11 689.30
Total				\$11 689.30
Total amount payable				\$11 689.30



Supporting information (cont.)

Name: A & I KRENN ATF KRENN SUPER FUND  
Client ID: 133749616  
Correspondence ID: 1758356214  
Issue date: 25 January 2023

A land tax year is based on land owned between 1 January to 31 December of the preceding year.  
Land tax is applied for the full calendar year following the taxing date of 31 December.

The assessment for the 2023 tax year is based on the following land owned as at 31 December 2022

Aggregated land		Average land value - calculated from the land value(s)							
Land item no.	Land item and property ID	Notes	% Owned	Land Tax Taxable Value \$	Surcharge Taxable Value \$	LAND VALUE(S)			Average land value \$
						2021 \$	2022 \$	2023 \$	
1	41 VICTORIA ST SMITHFIELD PID - 2427890		100	1 693 333	Not applicable	1 270 000	1 630 000	2 180 000	1 693 333
Total aggregated land value				\$1 693 333	Nil				

Assessment calculation: Land Tax

Aggregated taxable land value	1 693 333
Less threshold	969 000
Tax \$100 plus balance @ 1.6%	724 333
Subtotal	11 689.33
Total tax payable	\$11 689.30

03 July 2023

Mr. Alfred Krenn & Mrs. Isabelle Krenn  
41 Victoria Street  
**SMITHFIELD NSW 2164**

Dear Mr. & Mrs. Krenn,

**Re: Market Appraisal/Opinion For-Sale**  
**Property: 41 Victoria Street, SMITHFIELD NSW 2164 (LOT27 in DP80538)**

Thank you for our recent meeting and inspection of your property.  
We provide you with this updated market opinion for the potential sale of your property.

We have outlined in the details below what we believe would be achievable sale price should your property be presented to the current market for sale.

**Property Details:**

<b>Total Office</b>	–	270 sqm
<b>Total Warehouse</b>	–	<u>1,481 sqm</u>
<b>Total Building</b>	–	<u>1,751 sqm</u>
<b>Total Site Area</b>	–	2,097 sqm

Note: All sizes shown are approximate only and are to be confirmed prior to marketing.

**Zoning:** E4 General Industrial in Fairfield City Council.  
This zoning, permitted with consent, allows for:

Depots; Freight transport facilities; Funeral homes; Garden centres;  
General industries; Goods repair and reuse premises; Hardware and  
building supplies; Industrial retail outlets; Industrial training facilities;  
Kiosks; Landscaping material supplies; Light industries; Local distribution  
premises; Neighbourhood shops; Oyster aquaculture; Plant nurseries;  
Rural supplies; Take away food and drink premises; Tank-based  
aquaculture; Timber yards; Vehicle sales or hire premises; Warehouse or  
distribution centres.

**Features include:**

- Freestanding Industrial property.
- High clearance warehouse area.
- 5 - Tonne Gantry Crane
- Modern style office area including amenities on both levels.
- 600-amp Power Supply (ie: with further capacity).
- Excellent exposure to Victoria Street.
- Ample on-site parking for cars and trucks.







## Comparable Sales

### **1 Cullen Place SMITHFIELD NSW**



Sale Price: \$7,015,000 Excl. GST  
Building Size: 1,571 sq. metres (\$4,465.00/sqm)  
Site Area: 3,804 sq. metres  
Date: July 2022

### **6 Sammut Street SMITHFIELD NSW**



Sale Price: \$4,293,000 Excl. GST  
Building Size: 810 sq. metres (\$5,3000.00/sqm)  
Site Area: 1,391 sq. metres  
Date: November 2022

### 6 Bond Crescent WETHERILL PARK NSW



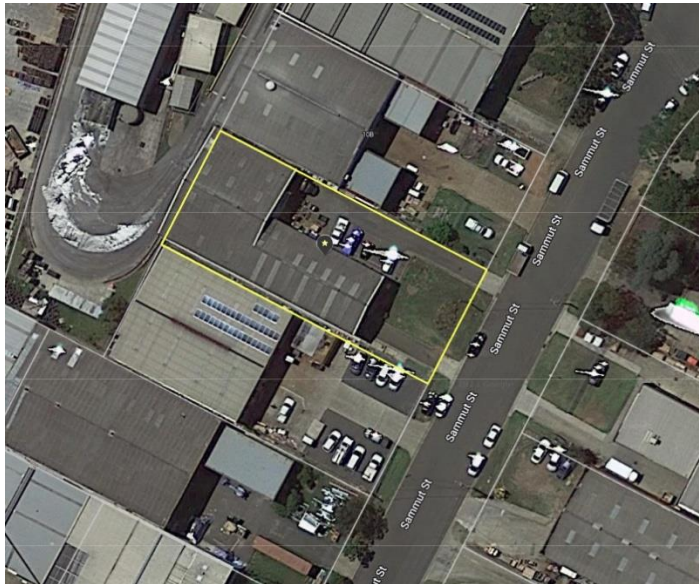
Sale Price: \$4,900,000 Excl. GST  
Building Size: 848 sq. metres (\$5,778.30/sqm)  
Site Area: 1,791 sq. metres  
Date: August 2022

### 19 Hargraves Place WETHERILL PARK NSW



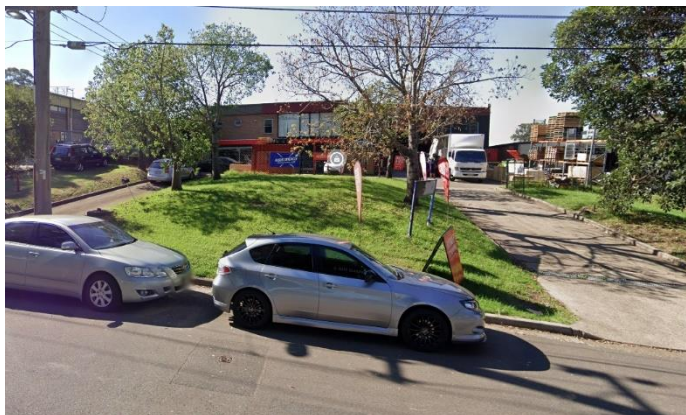
Sale Price: \$3,600,000 Excl. GST  
Building Size: 720 sq. metres (\$5,000/sqm)  
Site Area: 1,634 sq. metres  
Date: April 2023

### 8 Sammut Street SMITHFIELD NSW



Sale Price:	\$3,950 Excl. GST
Building Size:	810 sq. metres (\$4,876/sqm)
Site Area:	1,391 sq. metres
Date:	April 2023

### 99 Percival Road SMITHFIELD NSW



Sale Price:	\$6,525,000 Excl. GST
Building Size:	1,687 sq. metres (\$3,868/sqm)
Site Area:	2,675 sq. metres
Date:	February 2023

### **Proposed Sale Price**

### **Gross Realisation**

Based on the above Comparable Sales along with the current market conditions we feel an achievable sale price would be between:

**\$7,880,000 to \$8,755,000 excl. GST**

**$(\$8,755,000 + \$7,880,000) / 2 = \$8,317,500$**

This represents a rate range of \$4,500 to \$5,000 per sq. metre of building area, with considering the high street exposure, high clearance warehouse, onsite substation, and overhead gantry crane.

Also, based upon an achievable rental of approximately \$200 to \$220 net per sq. metre per annum (ie: \$350,000 to \$385,000 Net PA plus Outgoings plus GST), this represents a capitalisation yield of approximately 4.5%.

### **Method of Sale: Auction or Private Treaty**

Since this type of property is a rare commodity in the current market, we recommend the Auction method as the most appropriate; however, a sale by Private Treaty with a set asking price is also a viable option. The main reason we would recommend Public Auction as the main marketing approach is to ensure maximum realisation is achieved.

### **Agency Agreement**

Solve Commercial Real Estate are happy to act on your behalf based on a 90-day Exclusive Agency for the sale of the property

### **Proposed MARKETING STRATEGY & BUDGET**

Item
<b><u>Signboard</u></b> One 8x6 signboard erected at front of property - \$780.00 (incl. GST)
<b><u>Brochures</u></b> Distribution to entire SOLVE Commercial data bases
<b><u>Photography</u></b> Professional Photos and Drone - \$370 (incl. GST)



<p style="text-align: center;"><b><u>Internet</u></b></p> <p style="text-align: center;">Inclusion on the following sites:</p> <p style="text-align: center;"><a href="http://www.solvecommercial.com.au">www.solvecommercial.com.au</a></p> <p style="text-align: center;"><a href="http://www.realcommercial.com.au">www.realcommercial.com.au</a></p> <p style="text-align: center;"><a href="http://www.commercialrealestate.com.au">www.commercialrealestate.com.au</a></p>
<p style="text-align: center;"><b>Auction</b></p> <p style="text-align: center;">Onsite Auction - \$795.00</p>
<p style="text-align: center;">All subject to any increases provided by the supplier</p>

This opinion is current at the date of letter only and should not be relied upon by any other party.

The value assessed herein may change significantly and unexpectedly over a relatively short period of time. We do not accept responsibility or liability for any losses arising from such subsequent changes in value, due to the degree of valuation uncertainty.

This opinion is not a valuation and should not be relied upon by any third party for any reason whatsoever.

Should you require any further information or clarification on any of the above, please feel free to contact me.

Yours sincerely,

**SOLVE COMMERCIAL REAL ESTATE**

A handwritten signature in black ink, appearing to read "V. Surace".

**Vince Surace**

**Associate Director**

T: +61 2 9687 5588

M: +61 409 316 000

E: [vsurace@solvecommercial.com.au](mailto:vsurace@solvecommercial.com.au)

## Interim Statement of Account

SHOP 9 & 10 STOCKLAND MALL  
561- 583 POLDING ST  
WETHERILL PARK 2164  
TELEPHONE NUMBERS  
STATEMENT AND ACCOUNT ENQUIRIES 13 13 14  
ALL OTHER ENQUIRIES 13 13 14  
FAX NUMBER 02 9733 3899

These entries will also appear  
on your regular statement.

Account  
name(s)

ALFRED KRENN & ISABEL KRENN ATF KRENN  
SUPER FUND

This statement shows entries  
processed by ANZ

From 26 JUN 2023

Account type  
and number

BUSINESS PREMIUM

To  
the close of  
business on 25 AUG 2023

ANZ BUSINESS ESSENTIALS 3842-20992

2023	Transaction description	Withdrawals	Deposits	Balance
26 JUN	BALANCE BROUGHT FORWARD			730,706.47
28 JUN	ANZ INTERNET BANKING FUNDS TFER TRANSFER 909317 FROM 476901736		55,000.00	785,706.47
30 JUN	CREDIT INTEREST PAID		6.01	785,712.48
12 JUL	PERIODIC TRANSFER FROM ALL-TYPE PLASTIC RENTAL		20,500.00	806,212.48
24 JUL	ANZ INTERNET BANKING FUNDS TFER TRANSFER 988173 TO 012292476902595	10,000.00		796,212.48
31 JUL	CREDIT INTEREST PAID		6.76	796,219.24
08 AUG	ANZ INTERNET BANKING BPAY FAIRFIELD COUNCIL {336123}	9,457.82		786,761.42
10 AUG	ANZ INTERNET BANKING FUNDS TFER TRANSFER 620297 TO 012292243412296	14,520.00		772,241.42
11 AUG	ANZ INTERNET BANKING BPAY TAX OFFICE PAYMENT {320602}	9,908.00		762,333.42
14 AUG	PERIODIC TRANSFER FROM ALL-TYPE PLASTIC RENTAL		20,500.00	782,833.42
TOTALS AT END OF PERIOD		43,885.82	96,012.77	782,833.42

Name and mailing address

THE MANAGER  
KRENN SUPER FUND  
PO BOX 2183  
SMITHFIELD NSW 2164

THIS STATEMENT INCLUDES

INTEREST EARNED ON DEPOSITS 12.77



# ANZ BUSINESS ESSENTIALS STATEMENT

STATEMENT NUMBER 40  
24 MARCH 2023 TO 26 JUNE 2023

THE MANAGER  
KRENN SUPER FUND  
PO BOX 2183  
SMITHFIELD NSW 2164

## WELCOME TO YOUR ANZ ACCOUNT AT A GLANCE

### Account Details

ALFRED KRENN & ISABEL KRENN ATF KRENN  
SUPER FUND

Branch Number (BSB)

012-468

Account Number

3842-20992

Account Descriptor

BUSINESS PREMIUM

Opening Balance:

**\$701,658.92**

Total Deposits:

**\$76,048.55**

Total Withdrawals:

**\$47,001.00**

Closing Balance:

**\$730,706.47**

NEED TO GET IN TOUCH?



ANZ Internet Banking

OR



Enquiries: 13 13 14

Lost/Stolen Cards: 1800 033 844

# ANZ BUSINESS ESSENTIALS STATEMENT

Account Number 3842-20992

## Transaction Details

Please retain this statement for taxation purposes

Date	Transaction Details	Withdrawals (\$)	Deposits (\$)	Balance (\$)
<b>2023</b>				<b>701,658.92</b>
<b>24 MAR</b>	<b>OPENING BALANCE</b>			
			5.99	701,664.91
<b>31 MAR</b>	<b>CREDIT INTEREST PAID</b>		20,500.00	722,164.91
<b>12 APR</b>	<b>PERIODIC TRANSFER</b> FROM ALL-TYPE PLASTIC RENTAL		7,260.00	729,424.91
<b>13 APR</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 107754 FROM 243412296		7,260.00	736,684.91
<b>13 APR</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 105565 FROM 243412296	7,260.00		729,424.91
<b>13 APR</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 109101 TO 012292243412296	10,000.00		719,424.91
<b>13 APR</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 111156 TO 012292540680377		5.46	719,430.37
<b>28 APR</b>	<b>CREDIT INTEREST PAID</b>	9,741.00		709,689.37
<b>11 MAY</b>	<b>ANZ INTERNET BANKING BPAY</b> TAX OFFICE PAYMENT {248424}		20,500.00	730,189.37
<b>12 MAY</b>	<b>PERIODIC TRANSFER</b> FROM ALL-TYPE PLASTIC RENTAL	10,000.00		720,189.37
<b>15 MAY</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 228291 TO 012292476902595		10.59	720,199.96
<b>26 MAY</b>	<b>TRANSFER</b> FROM ATO ATO003000018031915		6.51	720,206.47
<b>31 MAY</b>	<b>CREDIT INTEREST PAID</b>		20,500.00	740,706.47
<b>12 JUN</b>	<b>PERIODIC TRANSFER</b> FROM ALL-TYPE PLASTIC RENTAL	10,000.00		730,706.47
<b>14 JUN</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 398509 TO 012292540680377			
	<b>TOTALS AT END OF PAGE</b>	<b>\$47,001.00</b>	<b>\$76,048.55</b>	
	<b>TOTALS AT END OF PERIOD</b>	<b>\$47,001.00</b>	<b>\$76,048.55</b>	<b>\$730,706.47</b>

This Statement Includes

Interest earned on deposits

\$17.96



# ANZ BUSINESS ESSENTIALS STATEMENT

STATEMENT NUMBER 39

23 DECEMBER 2022 TO 24 MARCH 2023

THE MANAGER  
KRENN SUPER FUND  
PO BOX 2183  
SMITHFIELD NSW 2164

## WELCOME TO YOUR ANZ ACCOUNT AT A GLANCE

### Account Details

ALFRED KRENN & ISABEL KRENN ATF KRENN  
SUPER FUND

### Branch Number (BSB)

012-468

### Account Number

3842-20992

### Account Descriptor

BUSINESS PREMIUM

### Opening Balance:

\$722,380.57

### Total Deposits:

\$61,517.70

### Total Withdrawals:

\$82,239.35

### Closing Balance:

\$701,658.92

## NEED TO GET IN TOUCH?



ANZ Internet Banking

OR



Enquiries: 13 13 14

1800 033 844

# ANZ BUSINESS ESSENTIALS STATEMENT

Account Number 3842-20992

## Transaction Details

Please retain this statement for taxation purposes

Date	Transaction Details	Withdrawals (\$)	Deposits (\$)	Balance (\$)
<b>2022</b>				<b>722,380.57</b>
23 DEC	OPENING BALANCE		5.87	722,386.44
30 DEC	CREDIT INTEREST PAID			742,886.44
<b>2023</b>			20,500.00	
12 JAN	PERIODIC TRANSFER FROM ALL-TYPE PLASTIC RENTAL	10,000.00		732,886.44
19 JAN	ANZ INTERNET BANKING FUNDS TFER TRANSFER 122042 TO 012292540680377	10,000.00		722,886.44
19 JAN	ANZ INTERNET BANKING FUNDS TFER TRANSFER 121398 TO 012292540680377		6.37	722,892.81
31 JAN	CREDIT INTEREST PAID	9,381.00		713,511.81
06 FEB	ANZ INTERNET BANKING BPAY TAX OFFICE PAYMENT {244752}	1,227.50		712,284.31
08 FEB	ANZ INTERNET BANKING BPAY TAX OFFICE PAYMENT {374556}	10,000.00		702,284.31
08 FEB	ANZ INTERNET BANKING FUNDS TFER TRANSFER 433385 TO 012292476902595	10,000.00		692,284.31
08 FEB	ANZ INTERNET BANKING FUNDS TFER TRANSFER 432709 TO 012292476902595		20,500.00	712,784.31
13 FEB	PERIODIC TRANSFER FROM ALL-TYPE PLASTIC RENTAL		5.46	712,789.77
28 FEB	CREDIT INTEREST PAID	11,630.85		701,158.92
07 MAR	ANZ INTERNET BANKING BPAY REVENUE NSW {284806}		20,500.00	721,658.92
13 MAR	PERIODIC TRANSFER FROM ALL-TYPE PLASTIC RENTAL	10,000.00		711,658.92
13 MAR	ANZ INTERNET BANKING FUNDS TFER TRANSFER 362483 TO 012292476902595	10,000.00		701,658.92
15 MAR	ANZ INTERNET BANKING FUNDS TFER TRANSFER 619169 TO 012292476902595			
	TOTALS AT END OF PAGE	\$82,239.35	\$61,517.70	
	TOTALS AT END OF PERIOD	\$82,239.35	\$61,517.70	\$701,658.92

This Statement Includes

Interest earned on deposits

\$17.70





# ANZ BUSINESS ESSENTIALS STATEMENT

STATEMENT NUMBER 38

26 SEPTEMBER 2022 TO 23 DECEMBER 2022

THE MANAGER  
KRENN SUPER FUND  
PO BOX 2183  
SMITHFIELD NSW 2164

## WELCOME TO YOUR ANZ ACCOUNT AT A GLANCE

### Account Details

ALFRED KRENN & ISABEL KRENN ATF KRENN  
SUPER FUND

### Branch Number (BSB)

012-468

### Account Number

3842-20992

### Account Descriptor

BUSINESS PREMIUM

### Opening Balance:

\$ **691,596.21**

### Total Deposits:

\$ **67,958.93**

### Total Withdrawals:

\$ **37,174.57**

### Closing Balance:

\$ **722,380.57**

## NEED TO GET IN TOUCH?



ANZ Internet Banking

OR



Enquiries: 13 13 14

Lost/Stolen Cards: 1800 033 844

# ANZ BUSINESS ESSENTIALS STATEMENT

Account Number 3842-20992

## Transaction Details

Please retain this statement for taxation purposes

Date	Transaction Details	Withdrawals (\$)	Deposits (\$)	Balance (\$)
2022				691,596.21
26 SEP	OPENING BALANCE		5.69	691,601.90
30 SEP	CREDIT INTEREST PAID	9,525.57		682,076.33
04 OCT	ANZ INTERNET BANKING BPAY FAIRFIELD COUNCIL {560508}		18,958.00	701,034.33
12 OCT	PERIODIC TRANSFER FROM ALL-TYPE PLASTIC RENTAL	8,958.00		692,076.33
20 OCT	ANZ INTERNET BANKING FUNDS TFER TRANSFER 387968 TO 012292476902595		9,525.57	701,601.90
27 OCT	TRANSFER FROM BPAY FAIRFIELD COUNCIL		5.89	701,607.79
31 OCT	CREDIT INTEREST PAID	9,240.00		692,367.79
10 NOV	ANZ INTERNET BANKING BPAY TAX OFFICE PAYMENT {665257}		18,958.00	711,325.79
14 NOV	PERIODIC TRANSFER FROM ALL-TYPE PLASTIC RENTAL	8,958.00		702,367.79
21 NOV	ANZ INTERNET BANKING FUNDS TFER TRANSFER 273580 TO 012292476902595		5.78	702,373.57
30 NOV	CREDIT INTEREST PAID		20,500.00	722,873.57
12 DEC	PERIODIC TRANSFER FROM ALL-TYPE PLASTIC RENTAL	493.00		722,380.57
15 DEC	ANZ INTERNET BANKING BPAY TAX OFFICE PAYMENT {856235}			
	TOTALS AT END OF PAGE	\$37,174.57	\$67,958.93	
	TOTALS AT END OF PERIOD	\$37,174.57	\$67,958.93	\$722,380.57

This Statement Includes

Interest earned on deposits

\$17.36

## Fee Summary

Fees Charged for period: 01 SEP 2022 to 30 SEP 2022

### Summary of ANZ Transaction Fees

	Transactions		Fee Per	Total
	Total	Free	Additional	Charge
			Transaction (\$)	(\$)
Transaction Fees	2.00	2.00	0.60	0.00
INTERNET/ONLINE WDL	1.00	1.00	0.60	0.00
EFTPOS/PHONE BANKING WDL				\$0.00
Total Transaction Fees Charged				

Please note: Overseas transaction fees, overseas ATM fees and non ANZ ATM operator fees not included



# ANZ BUSINESS ESSENTIALS STATEMENT

STATEMENT NUMBER 37  
24 JUNE 2022 TO 26 SEPTEMBER 2022

THE MANAGER  
KRENN SUPER FUND  
PO BOX 2183  
SMITHFIELD NSW 2164

## WELCOME TO YOUR ANZ ACCOUNT AT A GLANCE

### Account Details

ALFRED KRENN & ISABEL KRENN ATF KRENN  
SUPER FUND

### Branch Number (BSB)

012-468

### Account Number

3842-20992

### Account Descriptor

BUSINESS PREMIUM

### Opening Balance:

\$687,966.23

### Total Deposits:

\$56,891.55

### Total Withdrawals:

\$53,261.57

### Closing Balance:

\$691,596.21

## NEED TO GET IN TOUCH?



ANZ Internet Banking

OR



Enquiries: 13 13 14

Lost/Stolen Cards: 1800 033 844

# ANZ BUSINESS ESSENTIALS STATEMENT

Account Number 3842-20992

## Transaction Details

Please retain this statement for taxation purposes

Date	Transaction Details	Withdrawals (\$)	Deposits (\$)	Balance (\$)
<b>2022</b>				<b>687,966.23</b>
<b>24 JUN</b>	<b>OPENING BALANCE</b>		5.62	687,971.85
<b>30 JUN</b>	<b>CREDIT INTEREST PAID</b>		18,958.00	706,929.85
<b>12 JUL</b>	<b>PERIODIC TRANSFER</b> FROM ALL-TYPE PLASTIC RENTAL		5.55	706,935.40
<b>29 JUL</b>	<b>CREDIT INTEREST PAID</b>	8,958.00		697,977.40
<b>04 AUG</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 606547 TO 012292540680377		18,958.00	716,935.40
<b>12 AUG</b>	<b>PERIODIC TRANSFER</b> FROM ALL-TYPE PLASTIC RENTAL	8,958.00		707,977.40
<b>23 AUG</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 305053 TO 012292540680377	4,457.00		703,520.40
<b>24 AUG</b>	<b>ANZ INTERNET BANKING BPAY</b> TAX OFFICE PAYMENT {876047}	8,958.00		694,562.40
<b>24 AUG</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 884555 TO 012292476902595	3,447.00		691,115.40
<b>30 AUG</b>	<b>ANZ INTERNET BANKING BPAY</b> TAX OFFICE PAYMENT {968657}		6.38	691,121.78
<b>31 AUG</b>	<b>CREDIT INTEREST PAID</b>	9,525.57		681,596.21
<b>09 SEP</b>	<b>ANZ INTERNET BANKING BPAY</b> FAIRFIELD COUNCIL {991831}		18,958.00	700,554.21
<b>12 SEP</b>	<b>PERIODIC TRANSFER</b> FROM ALL-TYPE PLASTIC RENTAL	8,958.00		691,596.21
<b>21 SEP</b>	<b>ANZ INTERNET BANKING FUNDS TFER</b> TRANSFER 950437 TO 012292476902595			
	<b>TOTALS AT END OF PAGE</b>	<b>\$53,261.57</b>	<b>\$56,891.55</b>	
	<b>TOTALS AT END OF PERIOD</b>	<b>\$53,261.57</b>	<b>\$56,891.55</b>	<b>\$691,596.21</b>

This Statement Includes

Interest earned on deposits

\$17.55

Yearly Summary

Previous Year to 30/06/2022 (\$)

Interest earned on deposits

128.57

## Transactions: Sundry Creditors - Krenn Super Fund

Date Range: 01/07/2022 to 30/06/2023

## Sundry Creditors

	Date	Narrative	Debit	Credit	Balance	Quantity
Sundry Creditors						
	01/07/2022	Opening Balance	\$	0.00	\$ 0.00 Cr	
	13/04/2023	Transfer 105565 from 243412296	\$	7,260.00	\$ 7,260.00 Cr	\$14,520 - paid on 10.08.2023 \$2,872 - paid on 29.08.2023
	13/04/2023	Transfer 107754 from 243412296	\$	7,260.00	\$ 14,520.00 Cr	
	30/06/2023	Remaining 2023 pension - paid on 29.08.2023	\$	2,872.00	\$ 17,392.00 Cr	
Total Sundry Creditors		\$	0.00	\$ 17,392.00	\$ 17,392.00 Cr	
Total Sundry Creditors		\$	0.00	\$ 17,392.00	\$ 17,392.00 Cr	



## Lodgement Receipt - Transfer Between My Accounts

Date: 10/08/2023

**Account details:**

From: Super Cash Managemen  
To: All Type Plastics  
Amount: \$14,520.00

**Transfer details:**

Pay no earlier than: 10/08/2023  
Lodgement number: 2095377995  
(FOR ENQUIRIES)  
Receipt number: 620297

### IMPORTANT INFORMATION

This is your lodgement receipt confirming that your payment has been lodged for processing by us. When the payee's account will be credited will depend on the policy and systems of their bank.

If you made a future-dated payment, please log onto ANZ Internet Banking after the nominated payment date to confirm that your payment was processed and to obtain your receipt number.



**Date:** 29/08/2023

**From:** Super Cash Managemen  
**To:** Alf & Isa Krenn  
**Amount:** \$2,872.00

**Pay no earlier than:** 29/08/2023  
**Lodgement number:** 2100779503  
**(FOR ENQUIRIES)**  
**Receipt number:** 315543

This is your lodgement receipt confirming that your payment has been lodged for processing by us. When the payee's account will be credited will depend on the policy and systems of their bank.

If you made a future-dated payment, please log onto ANZ Internet Banking after the nominated payment date to confirm that your payment was processed and to obtain your receipt number.

**Krenn Super Fund****ABN: 96 374 801 291****Activity Statement Preparation Report - Detail****For the period 1 July 2022 to 30 June 2023****GST Detail**

Description	Return Item	Gross (Inc GST)	GST
<b><i>Income (GST Collected)</i></b>			
<b><u>Sales Detail</u></b>			
Credit Interest Paid		5.55	0.00
Credit Interest Paid		6.38	0.00
Credit Interest Paid		6.51	0.00
Credit Interest Paid		5.69	0.00
Credit Interest Paid		5.89	0.00
Credit Interest Paid		5.78	0.00
Credit Interest Paid		5.87	0.00
Credit Interest Paid		6.37	0.00
Credit Interest Paid		5.46	0.00
Credit Interest Paid		5.99	0.00
Credit Interest Paid		5.46	0.00
From ATO		10.59	0.00
From All-Type Plastic Rental		18,958.00	1,723.45
From All-Type Plastic Rental		18,958.00	1,723.45
From All-Type Plastic Rental		18,958.00	1,723.45
From All-Type Plastic Rental		18,958.00	1,723.45
From All-Type Plastic Rental		18,958.00	1,723.45
From All-Type Plastic Rental		20,500.00	1,863.64
From All-Type Plastic Rental		20,500.00	1,863.64
From All-Type Plastic Rental		20,500.00	1,863.64
From All-Type Plastic Rental		20,500.00	1,863.64
From All-Type Plastic Rental		20,500.00	1,863.64
From All-Type Plastic Rental		20,500.00	1,863.64
From All-Type Plastic Rental		20,500.00	1,864.02
Credit Interest Paid		6.01	0.00
<b>Total Sales</b>	<b>G1</b>	<b>238,371.55</b>	<b>21,663.11</b>
<b><u>Export Sales Detail</u></b>			
Nil			
<b>Export Sales</b>	<b>G2</b>		
<b><u>Other GST-Free Sales Detail</u></b>			
<b>Other GST-Free Sales</b>	<b>G3</b>		
<b>Total GST Collect on Sales</b>	<b>1A</b>		<b>21,663.11</b>

***Outgoings (GST Paid)*****Capital Purchases Detail**

Nil	
<b>Capital Purchases</b>	<b>G10</b>

**Non-Capital Purchases Detail**

Revenue NSW - 284806		11,630.85	0.00
Fairfield Council - 991831		9,525.57	0.00
Clear formation expenses - the property purchased on 2014		770.00	0.00
Transfer 109101 to 012292243412296		330.00	0.00
Transfer 109101 to 012292243412296		6,930.00	460.00
<b>Non-Capital Purchases</b>	<b>G11</b>	<b>29,186.42</b>	<b>460.00</b>

---

**Krenn Super Fund**

**ABN: 96 374 801 291**

**Activity Statement Preparation Report - Detail**

**For the period 1 July 2022 to 30 June 2023**

---

**Total GST Paid on Purchases**

**1B**

---

**460.00**

---

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**Krenn Super Fund****ABN: 96 374 801 291****Activity Statement Preparation Report - Detail****For the period 1 July 2022 to 30 June 2023**

---

**PAYG Withholding Tax Detail**

Description	Return Item	Gross	Tax Withheld
-------------	-------------	-------	--------------

---

**Benefit Payment Detail**Alfred KrennBlanca Krenn

Total Benefit Payments	W1		
Amounts withheld from benefit payments (W1)	W2		0.00
Total Amounts Withheld	W5		0.00



**Krenn Super Fund****2023 GST Reconciliation**

	Lodged	Actual		
22-Sep	\$ 5,170.00	\$ 5,170.35	\$ 0.35	Underpaid
22-Dec	\$ 5,311.00	\$ 5,310.54	-\$ 0.46	Overpaid
23-Mar	\$ 4,931.00	\$ 5,590.92	\$ 659.92	Underpaid
23-Jun	\$ 5,797.00	\$ 5,131.30	-\$ 665.70	Overpaid
	\$ 21,209.00	\$ 21,203.11	-\$ 5.89	Overpaid
2022 GST Adjustment required				\$ 5.89
2023 GST Overpaid amount				-\$ 5.89
<b>2023 GST Adjustment required</b>				<b>\$ -</b>

## Transactions: GST Payable/Refundable - Krenn Super Fund

Date Range: 01/07/2022 to 30/06/2023

## GST Payable/Refundable

	Date	Narrative	Debit	Credit	Balance	Quantity
GST Payable/Refundable						
	01/07/2022	Opening Balance	\$	0.00	\$ 0.00	Cr
	01/07/2022	GST Opening Balance	\$	5.89	\$ 5.89	Cr
	12/07/2022	From All-Type Plastic Rental	\$	1,723.45	\$ 1,729.34	Cr
	12/08/2022	From All-Type Plastic Rental	\$	1,723.45	\$ 3,452.79	Cr
	12/09/2022	From All-Type Plastic Rental	\$	1,723.45	\$ 5,176.24	Cr
	30/09/2022	Tax Office Payment - 665257	\$ 5,170.00	\$	\$ 6.24	Cr
	12/10/2022	From All-Type Plastic Rental	\$	1,723.45	\$ 1,729.69	Cr
	14/11/2022	From All-Type Plastic Rental	\$	1,723.45	\$ 3,453.14	Cr
	12/12/2022	From All-Type Plastic Rental	\$	1,863.64	\$ 5,316.78	Cr
	31/12/2022	Tax Office Payment - 244752	\$ 5,311.00	\$	\$ 5.78	Cr
	12/01/2023	From All-Type Plastic Rental	\$	1,863.64	\$ 1,869.42	Cr
	13/02/2023	From All-Type Plastic Rental	\$	1,863.64	\$ 3,733.06	Cr
	13/03/2023	From All-Type Plastic Rental	\$	1,863.64	\$ 5,596.70	Cr
	31/03/2023	Tax Office Payment - 248424	\$ 4,931.00	\$	\$ 665.70	Cr
	12/04/2023	From All-Type Plastic Rental	\$	1,863.64	\$ 2,529.34	Cr
	13/04/2023	Transfer 109101 to 012292243412296	\$ 460.00	\$	\$ 2,069.34	Cr
	12/05/2023	From All-Type Plastic Rental	\$	1,863.64	\$ 3,932.98	Cr
	12/06/2023	From All-Type Plastic Rental	\$	1,864.02	\$ 5,797.00	Cr
	30/06/2023	2023 Jun BAS	\$ 5,797.00	\$	\$ 0.00	Cr
	Total GST Payable/Refundable		\$ 21,669.00	\$ 21,669.00	\$ 0.00	Cr
	Total GST Payable/Refundable		\$ 21,669.00	\$ 21,669.00	\$ 0.00	Cr



## Income tax 551

<b>Date generated</b>	30 August 2023
<b>Overdue</b>	\$0.00
<b>Not yet due</b>	\$0.00
<b>Balance</b>	\$0.00

## Transactions

6 results found - from **30 August 2021** to **30 August 2023** sorted by **processed date** ordered **newest to oldest**

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
23 May 2023	26 May 2023	EFT refund for Income Tax for the period from 01 Jul 21 to 30 Jun 22	\$10.59		\$0.00
23 May 2023	15 May 2023	Interest for early payment of Income Tax		\$10.59	\$10.59 CR
9 Feb 2023	15 May 2023	Tax return Self Man Superfund - Income Tax for the period from 01 Jul 21 to 30 Jun 22	\$1,227.50		\$0.00
9 Feb 2023	8 Feb 2023	Payment received		\$1,227.50	\$1,227.50 CR
2 May 2022	16 May 2022	Tax return Self Man Superfund - Income Tax for the period from 01 Jul 20 to 30 Jun 21	\$8,138.00		\$0.00
2 May 2022	29 Apr 2022	Payment received		\$8,138.00	\$8,138.00 CR



## Activity statement 001

<b>Date generated</b>	05 September 2023
<b>Overdue</b>	\$206.00 DR
<b>Not yet due</b>	\$0.00
<b>Balance</b>	\$206.00 DR

## Transactions

**26** results found - from **05 September 2021** to **05 September 2023** sorted by **processed date** ordered **newest to oldest**

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
5 Sep 2023	25 Aug 2023	Client initiated amended Activity Statement for the period ending 30 Jun 23 - GST	\$206.00		\$206.00 DR
14 Aug 2023	11 Aug 2023	Payment received		\$9,908.00	\$0.00
9 Aug 2023	25 Aug 2023	Original Activity Statement for the period ending 30 Jun 23	\$9,908.00		\$9,908.00 DR
9 Aug 2023	25 Aug 2023	- GST	\$5,591.00		
9 Aug 2023	25 Aug 2023	- PAYG Instalments	\$4,317.00		
12 May 2023	11 May 2023	Payment received		\$9,741.00	\$0.00
4 May 2023	26 May 2023	Original Activity Statement for the period ending 31 Mar 23	\$9,741.00		\$9,741.00 DR
4 May 2023	26 May 2023	- GST	\$4,931.00		
4 May 2023	26 May 2023	- PAYG Instalments	\$4,810.00		
7 Feb 2023	6 Feb 2023	Payment received		\$9,381.00	\$0.00
2 Feb 2023	28 Feb 2023	Original Activity Statement for the period ending 31 Dec 22	\$9,381.00		\$9,381.00 DR
2 Feb 2023	28 Feb 2023	- GST	\$5,311.00		



Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
2 Feb 2023	28 Feb 2023	- PAYG Instalments	\$4,070.00		
16 Dec 2022	16 Dec 2022	General interest charge			\$0.00
16 Dec 2022	15 Dec 2022	Payment received		\$493.00	\$0.00
1 Dec 2022	31 Aug 2022	General interest charge			\$493.00 DR
21 Nov 2022	25 Aug 2022	Client initiated amended Activity Statement for the period ending 30 Jun 22 - GST	\$493.00		\$493.00 DR
11 Nov 2022	10 Nov 2022	Payment received		\$9,240.00	\$0.00
1 Nov 2022	25 Nov 2022	Original Activity Statement for the period ending 30 Sep 22	\$9,240.00		\$9,240.00 DR
1 Nov 2022	25 Nov 2022	- GST	\$5,170.00		
1 Nov 2022	25 Nov 2022	- PAYG Instalments	\$4,070.00		
31 Aug 2022	31 Aug 2022	General interest charge			\$0.00
31 Aug 2022	30 Aug 2022	Payment received		\$3,447.00	\$0.00
25 Aug 2022	24 Aug 2022	Payment received		\$4,457.00	\$3,447.00 DR
23 Aug 2022	25 Aug 2022	Original Activity Statement for the period ending 30 Jun 22	\$7,904.00		\$7,904.00 DR
23 Aug 2022	25 Aug 2022	- GST	\$3,447.00		
23 Aug 2022	25 Aug 2022	- PAYG Instalments	\$4,457.00		
15 Jun 2022	15 Jun 2022	General interest charge			\$0.00
15 Jun 2022	14 Jun 2022	Payment received		\$8,025.00	\$0.00
1 Jun 2022	1 Jun 2022	General interest charge			\$8,025.00 DR
26 Apr 2022	26 May 2022	Original Activity Statement for the period ending 31 Mar 22	\$9,005.00		\$8,025.00 DR
26 Apr 2022	26 May 2022	- GST	\$5,170.00		
26 Apr 2022	26 May 2022	- PAYG Instalments	\$3,835.00		
24 Mar 2022	23 Mar 2022	Payment received		\$980.00	\$980.00 CR
17 Feb 2022	16 Feb 2022	Payment received		\$9,005.00	\$0.00

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
16 Feb 2022	28 Feb 2022	Original Activity Statement for the period ending 31 Dec 21	\$9,005.00		\$9,005.00 DR
16 Feb 2022	28 Feb 2022	- GST	\$5,170.00		
16 Feb 2022	28 Feb 2022	- PAYG Instalments	\$3,835.00		
9 Nov 2021	8 Nov 2021	Payment received		\$8,918.00	\$0.00
8 Nov 2021	25 Nov 2021	Original Activity Statement for the period ending 30 Sep 21	\$8,918.00		\$8,918.00 DR
8 Nov 2021	25 Nov 2021	- GST	\$5,083.00		
8 Nov 2021	25 Nov 2021	- PAYG Instalments	\$3,835.00		

# **PERMANENT DOCUMENTS**

- Deed of Establishment
- Acknowledgement of Trust
- Application for membership
- 2022 Investment Strategy
- Pension Establishment
- 2022 Financial Statement
  - 2022 Annual Return
  - 2022 Audit Report
  - 2022 Signing Pages

# Krenn Super Fund

SMSF Trust Deed

Prepared for

G Ferizis and Co





# Krenn Super Fund

SMSF Trust Deed

Prepared by:

**hunt&hunt**

Gateway  
1 Macquarie Place  
Sydney NSW 2000

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# Trust Deed

---

**THIS DEED** is made on the date specified in the Schedule by the person or persons named in the Schedule to this Deed.

## RECITALS

The Trustees wish to establish a self-managed superannuation fund for the benefit of those people who become Members of the Fund on the terms and conditions set out in this Deed.

## Agreed terms

### A. Establishment

The Trustee by this Deed establishes the Fund as a Self Managed Superannuation Fund. The Fund will be vested in the Trustees and will at all times be held, controlled and managed by the Trustees subject to the trusts, powers and provisions of this Deed and the Rules.

The Fund was established on the date specified in the Schedule.

### B. Trustee

The Trustees consent to act as trustees of the Fund with effect from the date specified in the Schedule and acknowledge by execution of this Deed that they have read and agree to be bound by this Deed and the Rules.

### C. Fund Details

The Fund will be in existence from the date specified in the Schedule and will be known by the name in the Schedule or such other name as the Trustees might in writing determine.

### D. Fund Deed and Rules

This Deed includes the Rules. The Rules are those attached to this Deed as amended from time to time.

### E. Purpose of the Fund

The Fund is to be maintained for the sole purpose of providing superannuation benefits for its Members and their Dependants.

### F. Compliance

The Trustee must ensure that the Fund, from the date of creation, continues its status as a Complying Self Managed Superannuation Fund as defined by and for the purposes of the *Superannuation Industry (Supervision) Act 1993*.



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# Schedule

---

**Creation Date:** 06 / 06 / 13

**Fund Name:** Krenn Super Fund

**Meeting Address:** 41 Victoria Street Smithfield NSW 2164

**Trustee:**  
Alfred Krenn  
Blanca Isabel Krenn

**Members:**  
Alfred Krenn  
Blanca Isabel Krenn

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**SIGNED SEALED and DELIVERED** by the  
said **Alfred Krenn** as Trustee

in the presence of:

✓ KENNETH GEORGE PARRY

Please Print Name of Witness


**SIGNED SEALED and DELIVERED** by the  
said **Isabel Blanca Krenn** as Trustee

in the presence of:


✓ KENNETH GEORGE PARRY

Please Print Name of Witness

✓   
Alfred Krenn

✓   
Signature of Witness

✓   
Isabel Blanca Krenn

✓   
Signature of Witness

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# Rules of the Fund

---

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## 1. DEFINITIONS

In this Deed the following words or expressions have the meaning thereafter ascribed to them:

<b>Act</b>	The <i>SIS Act 1993</i> , the <i>Tax Act</i> , the <i>Corporations Act 2001</i> (Cth), the <i>Family Law Act 1975</i> (Part VIII B), the <i>Social Security Act 1991</i> , the <i>Veterans' Entitlements Act 1986</i> , any successor acts and all regulations made pursuant to the foregoing acts.
<b>Ancillary Purposes</b>	Those purposes as defined in section 62 of the <i>SIS Act</i> including the purpose of providing such benefits as the Regulator approves in writing.
<b>Application Form</b>	An application form provided by the Trustees for prospective members to complete and submit to the Trustees.
<b>Associate</b>	Has the meaning given by the <i>Act</i> .
<b>Auditor</b>	An auditor who is an Approved Auditor as defined in section 10(1) of the <i>SIS Act</i> or any successor <i>Act</i> or otherwise determined by the Regulator.
<b>Asset</b>	Means any asset that the Trustees hold for the purposes of the Fund.
<b>Benefit</b>	An entitlement payable or distributable by the Fund which may include a Pension or lump sum payment or transfer of an Asset.
<b>Benefit Arrangement</b>	Means any fund or arrangement established to receive superannuation contributions or amounts arising from such contributions. For example, it includes a superannuation fund, approved deposit fund, retirement savings account and the Superannuation Holding Accounts Special Account established under the <i>Small Superannuation Accounts Act 1995</i> (Cth).
<b>Beneficiary</b>	Includes Members and any person entitled at the relevant time to receive a payment from the Fund in respect of a Member and any other person who is a Beneficiary for the purposes of the <i>Act</i> .
<b>Binding Death Benefit Nomination</b>	A direction given to the Trustees by a Member in accordance with and subject to Rule 19 in such form and manner as the Trustees may from time to time specify which is a binding direction for the purposes of the <i>Act</i> as to payment of the Member's Death Benefit in the event of the Member's death.
<b>Child</b>	Includes an adopted child, a step child, an ex-nuptial child, a child of the Spouse of the Member and a child of the Member within the meaning of the <i>Family Law Act 1975</i> (Cth).
<b>Complying Superannuation Fund</b>	A Self Managed Superannuation Fund which is compliant with Section 42A of the <i>SIS Act</i> .
<b>Constitutional Corporation</b>	A body corporate which is a trading or non-trading entity or financial corporation which is formed within the meaning of paragraph 51(xx) of the <i>Constitution of the Commonwealth of Australia</i> and to include a company incorporated under the provisions of the <i>Corporations Act 2001</i> .

<b>Contributions</b>	Amounts paid or property transferred to the Trustees for the benefit of a Member or Members.
<b>Core Purposes</b>	Those purposes as defined in section 62 of the <i>SIS Act</i> .
<b>Death Benefit</b>	Means a benefit payable on a Member's death.
<b>Deed</b>	The deed establishing the Fund as amended from time to time.
<b>Dependant</b>	Includes a person who is the Spouse or Child of the Member or any other person with whom the Member has an Interdependency Relationship.
<b>Earnings</b>	Includes any income received and accrued, realised and unrealised gains and any other amount the Trustees believe should form part of the earnings.
<b>Eligible Rollover Fund</b>	A fund defined by regulation 10.01 of the SIS Regulations as an eligible rollover fund.
<b>Employer</b>	A person who engages an "employee" or "employees" for the purposes of section 17A of the <i>SIS Act</i> .
<b>Excess Contributions Tax</b>	Any tax imposed by reason of the Superannuation ( <i>Excess Concessional Contributions Tax</i> ) Act 2007 or the Superannuation ( <i>Excess Non- Concessional Contributions Tax</i> ) Act 2006 or successor legislation.
<b>Financial Year</b>	A year ended 30 June or that period of twelve months adopted by the Trustees as the Fund's financial year.
<b>Fund</b>	Means the fund referred to in the Schedule and established by this Deed.
<b>Gainful Employment</b>	That activity in which a person is engaged for gain or reward in any business, trade, profession, vocation, calling or occupation or if the Act prescribes a different meaning.
<b>Interdependency Relationship</b>	Has the meaning given in the Act.
<b>Legal Personal Representative (LPR)</b>	The executor of the will or administrator of the estate of a deceased Member, the Trustee of the estate of a Member under a legal disability or a person who holds an enduring power of attorney granted by a Member.
<b>lump sum</b>	Includes an Asset, in the context of payment of benefits but not in circumstances of severe financial hardship or on compassionate grounds or to a former temporary resident under <i>SIS Regulations</i> 6.20A or 6.20B.
<b>Manager</b>	The person or entity appointed by the Trustees to manage the Fund.
<b>Market Value</b>	<p>The amount 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:</p> <p>(a) that the buyer and the seller dealt with each other at arm's length in relation to the sale;</p>

(b) the sale occurred after proper marketing of the asset; and  
the buyer and seller acted knowledgeably and prudently in relation to the sale.

<b>Member</b>	Any person accepted by the Trustees as a member of the Fund and who has not ceased to be a Member and includes a person in receipt of a pension from the Fund.
<b>Member's Account</b>	An account established and maintained by the Trustees on behalf of a Member in accordance with Rule 17.
<b>Member's Accumulation Account</b>	A Member's Account established by the Trustees, to accumulate the investments and earnings of the Member.
<b>Member's Pension Account</b>	A Member's Account established by the Trustees from which the payment of a Pension will be debited.
<b>Non-Binding Death Benefit Nomination</b>	A nomination given to the Trustees by a Member in such form and manner as the Trustees may from time to time specify the direction of which the Trustees can but are not bound to follow in the event of the Member's death.
<b>Old age pensions</b>	Has the meaning given by the Act.
<b>Payment Split</b>	Has the meaning given to that term in Part VIIIB of the <i>Family Law Act</i> 1975 (Cth).
<b>Pension</b>	Means a benefit taken to be a pension payable by the Fund in accordance with the <i>SIS Act</i> .
<b>Pension Dependants</b>	Those entitled recipients specified in reg 6.21 (2A) and (2B) of the SIS Regulations.
<b>Permanent Incapacity</b>	In relation to a Member means ill health (whether physical or mental) where the Trustees are reasonably satisfied that the Member is unlikely, because of the ill health, to engage in Gainful Employment for which the Member is reasonably qualified by education, training or experience.
<b>Policy</b>	Means an insurance policy arranged by the Trustees in accordance with Rule 24.
<b>Product Disclosure Statement (PDS)</b>	A statement which provides a description of the features and benefits of the Fund.
<b>Preserved Benefits</b>	Means any part of an amount held in the Fund in respect of the Member that the Act requires to be retained in the Fund or another complying Benefit Arrangement until the Member has retired from the work force and attained the age specified by the Act, or until such other circumstances as the Act permits.
<b>Regulated Superannuation Fund</b>	A superannuation fund that is regulated as defined within section 19 of the <i>SIS Act</i> .
<b>Regulator</b>	The Commissioner of Taxation or any person or entity appointed to regulate the Fund as defined in section 10(1) of the <i>SIS Act</i> .



<b>Relative</b>	Has the meaning given by s17A(9) of the <i>SIS Act</i> .
<b>Reserve Account</b>	Means the Account referred to in Rule 23.
<b>Rules</b>	Means such one or more rules of the Fund.
<b>Self Managed Superannuation Fund</b>	A fund as defined in section 17A of the <i>SIS Act</i> .
<b>SIS Act</b>	The <i>Superannuation Industry (Supervision) Act 1993</i> (Cth).
<b>SIS Regulations</b>	The <i>Superannuation Industry (Supervision) Regulations 1994</i>
<b>Splittable Contributions</b>	An amount that has the meaning for the purposes of Part 6 of the SIS Regulations.
<b>Spouse</b>	In relation to a person includes: <ul style="list-style-type: none"> <li>(a) a person, who whether or not legally married to the Member or who lives with the Member on a genuine domestic basis as the husband or wife of the Member;</li> <li>(b) any other person who is accepted by the Trustees as being the Member's Spouse for the purposes of the Act; and</li> <li>(c) another person (whether of the same sex or a different sex) with whom the person is or was in a relationship that was registered under a law of a State or a Territory prescribed for the purposes of Section 22B of the <i>Acts Interpretation Act 1901</i> (Cth) as a kind of relationship prescribed for the purposes of that section.</li> </ul>
<b>Superannuation Entity</b>	<ul style="list-style-type: none"> <li>(a) a Regulated Superannuation Fund, or</li> <li>(b) an approved deposit fund, or</li> <li>(c) retirement savings account; or</li> <li>(d) eligible rollover fund</li> </ul> <p>or any other arrangement which the Trustees determined should be treated for the purposes of the Fund as a Superannuation Entity.</p>
<b>Superannuation Interest</b>	In relation to a Member means an interest in the Fund or such other interest as defined in section 995-1(1) of the Tax Act as determined by the Trustees with reference to section 307-200 of the Tax Act and relevant Regulations.
<b>Superannuation Law</b>	<ul style="list-style-type: none"> <li>(a) the SIS Act</li> <li>(b) the Tax Act;</li> <li>(c) the Family Law Legislation;</li> <li>(d) the <i>Corporations Act 2001</i> (Cth);</li> <li>(e) the <i>Bankruptcy Act 1966</i> (Cth);</li> </ul>

- (f) the *Anti-Money Laundering and Counter-Terrorist Financing Act 2006* (Cth);
- (g) any replacement or additional Commonwealth or State law; and
- (h) any other present, future or proposed legal requirements with which the Trustees:
  - (1) are legally obliged to comply; or
  - (2) must comply to obtain the maximum Tax concessions available to the Fund.

<b>Tax</b>	Includes all actual or anticipated tax, Surcharge, levy or impost on income, capital gains and superannuation contributions, stamp, financial institutions, registration and other duties, bank accounts debits tax, goods and services tax and other taxes, levies, imposts, deductions and charges together with interest, fines and penalties (if any) and charges, fees or other amounts made or payable in respect of them
<b>Tax Act</b>	Either or both of the <i>Income Tax Assessment Act 1936</i> and the <i>Income Tax Assessment Act 1997</i> (as the case may be including any replacement, modification or supplement to those Acts).
<b>Taxable Component</b>	Has the meaning given by section 995-1(1) of the <i>Tax Act</i> .
<b>Temporary Incapacity</b>	In relation to a Member, who has ceased to be gainfully employed (including a Member who has ceased temporarily to receive any gain or reward under a continuing arrangement for the Member to be gainfully employed) means ill-health (whether physical or mental) that caused the Member to cease to be gainfully employed but does not constitute Permanent Incapacity)
<b>Termination Date</b>	The date on which the Fund terminates.
<b>Trustee</b>	A person or company that has been appointed a trustee of the Fund. Where there is more than one trustee it refers to each trustee for the time being of the Fund. The expression also includes replacement or additional trustees.

## 2. PURPOSE OF THE FUND

- 2.1. The Trustees must ensure that the Fund is maintained for one or more of the Core Purposes or for one or more of the Core Purposes and for one or more of the Ancillary Purposes permitted under the *SIS Act* and for no other purpose.
- 2.2. If the Trustee is not a company the sole or primary purpose of the Fund is the provision of old age pensions.
- 2.3. The Trustees must cause the Fund at all times to be a Regulated Superannuation Fund.

### **3. TRUSTEES**

#### **Who may be a Trustee?**

- 3.1. A Trustee may be a natural person or a company.
- 3.2. An individual may only be a Trustee if the individual is a Member or a LPR of a Member or a parent or guardian of a Member who is under a legal disability because of age and does not have a LPR.
- 3.3. A company may only be a Trustee if all the directors of the company are Members.
- 3.4. Notwithstanding the above rules the LPR of a Member may be:
  - (a) a director of the Trustee in place of the Member during any period when:
    - (1) the Member is under a legal disability; or
    - (2) the LPR has an enduring power of attorney in respect of that Member; or
  - (b) an alternate director of the Trustee where that Member is also a director of the Trustee but the alternate director may only act as director when the Member is not performing his/her duties and powers as a director.
- 3.5. Notwithstanding the above rules if there is only one person who is a Member then:
  - (a) that Member or a LPR of that Member or a parent or guardian of that Member who is under a legal disability because of age and does not have a LPR and one other natural person who is a Relative of the Member or is a person who is not an Employer of the Member may be the Trustee; and
  - (b) a company may be the Trustee the sole director of which is the Member or a LPR of the Member or the company may have two directors one of which is the Member or the LPR of the Member and another person who is a Relative of the Member or is a person who is not an Employer of the Member.
- 3.6. A member cannot be appointed as Trustee:
  - (a) if they have a legal disability but a LPR of that Member can be appointed as a Trustee on their behalf;
  - (b) if they are under a legal disability because of age but a parent or guardian of that Member can be appointed as a Trustee on their behalf provided the Member does not have a LPR.
- 3.7. A Regulator may appoint a person or company as Trustee.
- 3.8. A Trustee will comply with all requirements under the Act in relation to their appointment.

#### **Who may not be a Trustee?**

- 3.9. A person cannot be a Trustee if that person is a disqualified person under the S/S Act.

**3.10.** A body corporate cannot be a Trustee if that body corporate is a disqualified person under the *S/S Act*:

- (a) the company knows, or has reasonable grounds to suspect, that a director is a disqualified person under the *S/S Act* and the disqualification has not been waived or revoked;
- (b) an administrator or provisional liquidator has been appointed;
- (c) a receiver, or a receiver and manager has been appointed over the property beneficially owned by the company; and
- (d) the company has begun to be wound up.

**3.11.** If a Member of the Fund is a person who is under a legal disability because of age and does not have a LPR and a parent or guardian of that Member is a Trustee in place of the Member, then the Trustee of the Fund cannot be a body corporate.

#### **4. COMPLIANCE WITH SUPERANNUATION LAW**

**4.1.** The provisions of this clause 4 override any other provisions of this Deed

The Trustees must comply with the requirements of the Superannuation Law and are fully empowered (without being obliged) to comply with any provision or standard of the Superannuation Law which is not a requirement.

**4.2.** Power to comply with the Superannuation Law

- (a) The Trustees may:
  - (1) do anything that the Trustees are required to do or that the Trustees consider necessary, expedient or desirable to comply with any requirement of the Superannuation Law (including expending monies of the Fund); and
  - (2) refrain from doing anything (including, without limitation, delaying or refusing any request or transaction in connection with a Beneficiary's interest in the Fund) that would result in a breach of, or the Trustees breaching, a requirement of the Superannuation Law.
- (b) The Trustees may rely on anything (including any statutory presumptions available to it) in the Superannuation Law, to the extent that the Trustees are entitled to do so in their capacity as trustee of the Fund.
- (c) The Trustees are entitled to be indemnified out of the assets of the Fund for any Liabilities that the Trustees properly incur pursuant to this clause.

**4.3.** Deemed compliance

The Trustees are deemed to comply with the Superannuation Law and this Deed if the Regulator:

- (a) is satisfied that the Trustees have complied with the Superannuation Law;
- (b) determines that the Fund will be treated as if it had complied with the Superannuation Law; or
- (c) has advised the Trustees that it will not take action against the Trustees or the Fund in respect of a failure to comply with the Superannuation Law.

#### **4.4. Conflict with the Superannuation Law**

- (a) To the extent that any provision, or part of a provision, of this Deed conflicts with the Superannuation Law or is invalid for any other reason whatsoever:
  - (1) that provision, or part, must be read down, changed, construed or severed to avoid such conflict or invalidity; and
  - (2) to the extent that such conflict or invalidity cannot be avoided, the provision or part of the Superannuation Law shall prevail to the extent of the conflict or invalidity only and the provision, or part, will be of no effect and will not affect the remainder of this Deed.
- (b) If a provision of this Deed would otherwise be void under the Superannuation Law because it:
  - (1) subjects the Trustees to direction by another person; or
  - (2) permits a person to exercise a discretion without the consent of the Trustees;

other than in the circumstances permitted by the Superannuation Law, the Trustee's consent is required for the giving of the direction or the exercise of the discretion.

#### **5. TRUSTEE APPOINTMENT**

**5.1.** Upon establishment of the Fund a person is appointed as Trustee provided that the person:

- (a) has agreed to their appointment as Trustee by execution of the Deed;
  - (1) has consented in writing to become a Member or is a LPR on behalf of a person and has consented in writing to that person becoming a Member or is a parent or guardian of a Member who is under a legal disability because of age and does not have a LPR and has consented in writing to that person becoming a Member; and
  - (2) if the Fund has only one Member, is a Relative of the Member or is a person who is not an Employer of the Member;
- (b) has read and understood the PDS and agrees to be bound by the Deed and the Rules of the Fund; and
- (c) is not a disqualified person under the *SIS Act*.

**5.2.** Upon establishment of the Fund a company is appointed as Trustee provided that the:

- (a) the company and its directors have agreed to its appointment as Trustee by execution of the Deed;
- (b) all directors have consented to become Members or they are the LPR of a person and have agreed in writing to that person becoming a Member;
- (c) if the Fund has only one Member and two directors, the director that is not a Member is a Relative of the Member or is a person who is not an Employer of the Member;

- (d) the company and its directors have read and understood the PDS and agree to be bound by the Rules of the Fund; and
  - (e) the company or its directors are not a disqualified company or person under the *SIS Act*.
- 5.3.** Subject to the provisions of these Rules and in particular Rule 3.11, where the Trustees accept a person as a Member that person or a parent or guardian of that person who is under a legal disability because of age and does not have a LPR or a LPR of that person is appointed as a Trustee unless that person or a LPR of that person becomes a director of a company which is the Trustee.
- 5.4.** On retirement of a Trustee one of the following is appointed Trustee in place of the Trustee who has retired (provided the person or company is not already a Trustee):
- (a) if the retiring Trustee is a person, another person who is a Member or a LPR of that Member or a parent or guardian of that Member who is under a legal disability because of age and does not have a LPR or a company of which that Member or LPR of that member is a director; and
  - (b) if the retiring Trustee is a company, a company all the directors of which are Members or are the LPR's of Members, or all the persons who are Members or in place of a Member the LPR of that Member or a parent or guardian of that Member who is under a legal disability because of age and does not have a LPR.

## **6. TRUSTEE REMOVAL**

- 6.1.** A Trustee will hold office until:
- (a) the Trustee retires in accordance with this Rule
  - (b) being a Constitutional Corporation, it goes into liquidation or has a receiver appointed or enters into administration;
  - (c) the Trustee is removed, or ceases to be eligible to act as Trustee under the *Act*; or
  - (d) being a natural person, the Trustee dies
- 6.2.** A Trustee may retire at any time.
- 6.3.** If the Fund has only one Member, a person who is not a Member and who is a Trustee may retire as a Trustee provided that another person who is a Relative of the Member or is a person who is not an employer of the Member is appointed as a Trustee.
- 6.4.** A company may retire as a Trustee provided:
- (a) all the directors of that company are appointed as Trustees; or
  - (b) another company is appointed as a Trustee where all directors of the resigning company are also directors of the company being appointed as Trustee.
- 6.5.** A Trustee may retire as Trustee of the Fund so long as a new Trustee has first been appointed as a Trustee of the Fund.
- 6.6.** A person or company is removed as Trustee:
- (a) if a Member is the Trustee, when that person ceases to be a Member;



- (b) if a Member is the Trustee, when that person is incapable of acting as Trustee unless a LPR of the Member is appointed as Trustee in place of the Member;
- (c) if the Trustee is a company, on the date four months from the time one or all directors of the company cease to be Members or the LPRs of the Members;
- (d) on the date the Trustee is prohibited from being a Trustee under the Rules or the *Act*;
- (e) if the continued appointment of the Trustee will result in the Fund losing its status as a Complying Superannuation Fund; and
- (f) when the Member is no longer under a legal disability because of age where the person is Trustee as parent or guardian of and in place of that Member.

## **7. TRUSTEE REMUNERATION AND INDEMNIFICATION**

- 7.1.** No Trustee of the Fund will receive any salary or remuneration from the Fund for acting as Trustee.
- 7.2.** The Trustees and, where the Trustee is a corporation, its directors and officers are entitled, to the maximum extent permitted by the *Act*, and by law, to be indemnified from the Fund against all liabilities incurred by each of them in connection with execution, attempted execution, or in respect of non-execution of the Trustee's powers and discretions under this Deed.
- 7.3.** Subject to the *Act*, the Trustee and its directors and officers may recover from the Fund amounts necessary:
  - (a) to meet the indemnities referred to in Rule 7.2; and
  - (b) to meet all liabilities whatsoever in connection with the Fund and the exercise of their powers and duties under or in connection with this Deed.

To this end, to the maximum extent permitted by the *Act*, the Trustee and its directors and officers have, and may exercise, a lien over the Fund.

- 7.4.** If liabilities are incurred by a Trustee or former Trustee in the management, administration, maintenance, or operation of the Fund, then the Trustee may apply the assets of the Fund in indemnification of itself or a former Trustee provided all actions performed by the Trustee or the former Trustee in respect of which indemnification is sought were honest or the required degree of care and diligence was exercised.

## **8. TRUSTEE MEETINGS**

- 8.1.**
  - (a) The Trustees may meet as and when required to make decisions in performance of their obligations as Trustees of the Fund under the provisions of this Deed, the Rules or the *Act*. Reasonable notice of such meetings is required in the manner set out in clause 8.2.
  - (b) The Trustees may adjourn and regulate their meetings as they see fit.
  - (c) If there is more than one Trustee, the Trustee must meet if Members, whose account balances combined equal or exceed fifty percent of the Fund's cumulative account balance, serve notice of meeting on the Trustee requiring the Trustee to make a decision regarding an issue relating to the Fund, its administration or management. 14 days notice of such meetings is required in the manner set out in clause 8.2.

8.2. Written notice of meetings must be given to each Trustee at their last nominated mail, facsimile or email address stating the:

- (a) place, date and time for the meeting; and
- (b) the general reason for the meeting.

8.3. If a Trustee is able to attend the meeting through a communication link established by telephone, audio or audio-visual communication or other approved device, all proceedings will be valid and effective as if that person were physically present.

8.4. At any meeting of Trustees a quorum will be formed with the presence of those Trustees who represent Members, the balance of whose Member's Accounts in aggregation exceeds one half of the aggregated amount of all Member's Account balances.

8.5.

(a) The Trustees will determine by majority approval at the first meeting of Trustees one of the following as the method by which Trustees will be entitled to cast votes at all meetings of Trustees:

(1) each Trustee being entitled to cast the number of votes nearest to the number of whole dollars of that Member's Account the Trustee represents and any amounts in Reserve that an actuary has determined might be transferred to the Member's Account to pay a Pension, but no less than one vote each; or

(2) each Trustee being entitled to cast one vote each.

(b) If the Trustees fail to make a determination in accordance with clause 8.5(a), clause 8.5(a)(2) will apply.

(c) If clause 8.5(a)(2) applies and there is a deadlock in making any Trustee decision, the deadlock shall be resolved by weighting each Trustee's votes nearest to the number of whole dollars of that Member's Account the Trustee represents and any amounts in Reserve that an actuary has determined might be transferred to the Member's Account to pay a Pension, but no less than one vote each

8.6. A resolution will be passed by a majority of votes of those who are present at the meeting and who are entitled to vote.

8.7. A person may appoint, in writing, another person to act as that person's proxy at any Trustee meeting.

8.8. If a written resolution has been signed by all persons entitled to attend a Trustee meeting, the resolution in the terms stated will be deemed as passed at the time and date which the document was last signed by any such person. More than one identical written resolution, each of which has been signed by one or more persons, will constitute one document.

## **9. TRUSTEE RECORDS AND REGISTERS**

The Trustee must create and keep such records and registers of the Fund and decisions made as are required by this Deed and the Act.

## 10. TRUSTEE POWERS

- 10.1. In addition to those powers, authorities and discretions conferred on the Trustees by this Deed, the Rules, the Superannuation Law or the Act, the Trustee will have the following additional powers:

**Act notwithstanding personal interest:** generally to exercise or concur in exercising all the foregoing powers and discretions contained in this Deed or otherwise by law conferred notwithstanding that any person being a Trustee or any person being a director or shareholder of a Trustee or any person being a relative of a Trustee or any person being a relative of a director or shareholder of a Trustee hereof (being a company) has or may have a direct or personal interest (whether as trustee of any other settlement or in his/her personal capacity or a shareholder or director or as a relative of the Trustee or relative of a director or shareholder of a Trustee or member or partner of any company or partnership or as a unit holder in any Unit Trust or beneficiary of any Discretionary Trust or otherwise howsoever) in the mode or result of exercising such power or discretion or may benefit either directly or indirectly as a result of the exercise of any such power or discretion and notwithstanding that the Trustee for the time being is the sole Trustee, but provided that this power may only be exercised in the circumstances permitted by the *SIS Act* and the *SIS Regulations*.

**Assets:** to sell, call in, convert into money, grant options or rights to purchase, mortgage, charge, sub-charge, or otherwise deal with or dispose of or transfer any item or asset comprising the whole or part of the Fund;

**Assurance Policies:** to effect or acquire policies of life assurance of any kind on the life of any Member or in respect of sickness, disability or accident to any Member, to pay premiums, transfer, surrender, change the place of and deal with the policies in any way whatsoever, to purchase or enter into insurance or investment bonds whether or not the bonds are linked to a policy over the life of any person;

**Bank accounts:** to establish and close a bank account with any bank or financial institution in the name of the Trustees as Trustee for the Fund;

**Borrow:** to borrow as permitted by the Act to any percentage of the valuation of the security provided, as approved by the Trustee so long as it is in accordance with the investment strategy;

**Choses in action:** to acquire choses in action including debts and obligations of all kinds for value or by way of gift or at a discount or at a premium and to assign, release, vary relinquish or otherwise deal with the choses in action in any way on terms and conditions as the Trustees see fit;

**Corporate Securities:** in reference to any entity in which the Trustees hold shares, stocks, debentures, options, convertible notes or is otherwise interested or concerned ("securities"), may exercise the following powers in addition to those conferred by law:

- (a) pay calls on securities or to permit securities to be forfeited and sold;
- (b) purchase securities and to take up securities of a new issue;
- (c) attend meetings personally or by proxy, attorney or representative and vote at the discretion of the Trustees;
- (d) sell securities at such price and upon such terms with or without security as the Trustee decides;

- (e) agree to any arrangement relating to the sale, transfer or exchange of any securities, or modifying any rights, privileges or interests in relation to the securities, to agree to any scheme or arrangement for the increase or reduction of the value or amounts of any shares or stock or of the capital of any company in which any securities form the whole or any part of the Fund, or by which any such securities are substituted or given in exchange, either wholly or partly for other securities, whether in the same company or not, for any such purpose to deposit, surrender or exchange any scrip or documents of title relating to the securities and generally to manage and deal with any securities as if the Trustee owned them beneficially; and
- (f) agree in respect of a winding up with the liquidator of a company or any member of such company or any other person, in all things as the Trustee will decide, for the division or partition in kind or specie of the assets or property of whatsoever nature of the company and to accept any of the assets and property in payment or satisfaction of any interest of the Trustee in the company with power to pay any moneys by way of equality of division or partition;

**Custodian:** the appointment of a custodian to hold the legal title of any asset which has been acquired or is to be acquired by the Trustees on such terms as the Trustees think fit;

**Debt:** if the Trustees believe that funds are required to be set aside to cover any liability or debt, to meet that liability or debt from the assets of the Fund, provided the Trustees are permitted by Superannuation Law;

**Delegation:** the Trustees may delegate to any one or more persons, firms or companies on such terms as the Trustees may think fit any of the authorities, powers and discretions conferred upon the Trustees. Without limiting this general power the Trustees may:

- (a) appoint from time to time any one or more persons, firms or companies as the Trustees may think fit to act as Manager, custodian or investment manager subject to such conditions as the Trustees may from time to time determine;
- (b) delegate to and confer upon the Manager, custodian or investment manager such authorities, power or discretions, including the Trustees' power of delegation, as the Trustees may think fit;
- (c) pay out of the Fund to any Manager, custodian, investment manager or other delegate such remuneration for its services as the Trustees consider proper; and
- (d) remove from time to time any Manager, custodian or investment manager.

**Expenses:** to pay expenses from the assets, Reserves or income of the Fund, including:

- (a) Management expenses: including all costs, charges and expenses relating to management of the Fund, which may include acquiring the services of specialists or administrators;
- (b) General expenses: including all costs, charges and expenses in connection with any real or personal property, which may include insurance premiums, rates, taxes, rent, repairs and any other expense the Trustees may consider necessary;

**Franchises:** to acquire, sell or otherwise deal with franchises, franchise agreements, licences and related dealings;

**Futures contracts and options:** provided the Trustees maintain a risk management strategy, to engage brokers or commission agents, vary and determine terms of any such engagement directly or through a broker or agent in any market in any part of the world to:

- (a) buy, sell, open, close-out or otherwise deal in futures contracts of all kinds;
- (b) enter into, vary, exercise, abandon or sell any put or call option or rights;
- (c) place bids, make offers, hedge and effect orders including buy, sell, straddle, switch and stop-loss order;
- (d) tender and take delivery of commodities and currencies which are the subject of any futures contract or option; and
- (e) otherwise do and perform all things to operate on, utilise or deal with facilities of any stock or futures exchange.

**Gifts:** to receive property by gift or by distribution under a will or under the provisions of any other trust or otherwise from any person as an addition to the Fund, whether subject to liabilities or not and to hold these gifts according to the Rules and to administer such additions under these provisions;

**Incidental Powers:** to do all such other things as may be incidental to the exercise of the powers, rights, discretions otherwise provided by the Deed, the Rules or by law;

**Indemnities:** to give indemnities to or on behalf of any person that the Trustees think fit.

**Intellectual property:** to apply for, purchase or otherwise acquire and to sell intellectual property (including patents, patent rights, copyrights, trade marks, designs, formulas, licenses, concessions, know-how and the like), conferring any exclusive or non-exclusive or limited right to use intellectual property rights as well as develop or grant licenses in respect of intellectual property rights or information so acquired;

**To Let:** to lease, rent and let property owned by the Fund or held by the Trustees pursuant to the provisions of these Rules upon terms and conditions as the Trustees may decide, to accept surrenders from and to make arrangements with a lessee or tenant as the Trustees may consider appropriate;

**Lease:** to rent premises, to acquire the interest of any lessee in any lease, purchase, hire, take on lease, grant leases, sub-leases, tenancies or rights of any nature to any real estate, motor vehicles, computer hardware and software, fixtures and fittings, furniture, utensils, plant and equipment and other personal property of any description;

**Legal proceedings:** to institute, join in and defend proceedings at law or by way of mediation or arbitration and to proceed to the final end and determination of, or to compromise the same and to compromise and settle any such dispute or proceedings for such consideration and upon the terms and conditions as the Trustees may decide;

**Lend:** may lend and advance moneys as permitted by the *Act*;

**Licences:** may acquire, sell or transfer any licence or permit which the Trustees sees fit to engage or facilitate any business which the Trustees are permitted to under these Rules or the *Act*;

**Power of attorney:** in the exercise of all or any of the powers herein confirmed upon the Trustees to appoint an attorney and to execute any power of attorney or such other instrument that the Trustees consider necessary for the exercise of those powers;

**Property:** to maintain and preserve in good condition any:

- (a) real property: and to acquire, dispose of, exchange, strata title, subdivide, mortgage, sub-mortgage, lease, sub-lease, grant, release or vary any right or easement or otherwise deal with any interest in real property;
- (b) personal property: and to acquire, dispose of, exchange, hire, lease, mortgage or otherwise deal with any interest in personal property;

**Release of powers:** by irrevocable deed to renounce and release any power conferred on the Trustees under the Rules in respect of the whole or any part of the Fund or the income or any part thereof;

**Specialists:** to employ or engage and pay from the Fund, agents or professionals including such managers, agents, self managed superannuation fund advisers, solicitors, barristers, auditors, accountants, brokers, surveyors or other persons to transact any business or to do any act required to be done in connection with the administration and management of the Fund, to act upon the opinion or advice of these agents or professionals without being responsible for any loss or damage occasioned by so acting;

**Subdivision of Property:** to partition or to subdivide any property or interest in property which may be subject to these trusts and to pay moneys by way of equality or partition;

**Trustee's power to deal with itself:** notwithstanding any rule or law or equity to the contrary, and provided the in-house assets rules are complied with:

- (a) to acquire, as property of the Fund, the legal and beneficial interest in real or personal property which is, at the date of acquisition, the absolute property of the Trustee provided that any property so acquired is acquired for a consideration not greater than the current Market Value of the property and upon such acquisition the beneficial interest in the property will be held by the Trustee according to the Rules;
- (b) to dispose of any beneficial interest in property of the Fund to itself;
- (c) to lease to the Fund any real or personal property the legal and beneficial interest in which is at the date of such acquisition the absolute property of the Trustee; and
- (d) to lease any property of the Fund to itself;

**Unit trust interests:** to acquire units or sub-units of any fixed or flexible unit trust whether by way of application or purchase or by way of settlement by the Trustee in the establishment of such unit trust and to exercise all rights and perform all obligations and receive all distributions as a holder of any units in such a trust.

- 10.2. These powers will be in addition to any other powers, authorities and discretions vested in the Trustee by another provision of the Deed, the Rules, or by Superannuation Law.



- 10.3.** These powers will not be limited by, or be construed so as to be limited by any other powers, authorities and discretions otherwise provided by the Deed, the Rules, or by Superannuation Law.
- 10.4.** In exercising these powers the Trustees must ensure at all times that the Fund remains a Complying Superannuation Fund.
- 10.5.** A Trustee who is a natural person may be a director of any company in which any moneys forming part of the Fund are from time to time invested and may receive remuneration attached to such office without being liable to account for it unless that appointment would compromise or affect the Fund's status as a Complying Superannuation Fund.
- 10.6.** Subject to the terms of these Rules the Trustees may exercise or concur in exercising all powers and discretions given under this Deed or by law, notwithstanding that it or any person who is a director or shareholder of the Trustee has or may have a direct or indirect interest in the result of exercising such powers or discretion or may benefit either directly or indirectly as a result of the exercise of any such power or discretion and notwithstanding that the Trustee at the time is the sole Trustee.

## **11. THE TRUSTEES MAY BORROW AS PERMITTED BY THE ACT**

- 11.1.** In general circumstances and unless permitted by the *Act* and the Rules, the Trustees must not:
- (a) borrow money;
  - (b) maintain an existing borrowing of money;
  - (c) recognise, or in anyway encourage or sanction, a charge over, or in relation to a Member's Benefits; and
  - (d) give a charge over, or in relation to, an asset of the Fund.
- 11.2.** The Trustees may borrow funds if permitted by the *Act* provided:
- (a) the asset is held in trust and the Fund will hold a beneficial interest in the asset;
  - (b) the Fund may acquire legal and beneficial ownership of the asset; and
  - (c) the rights of the lender against the Fund for default on the borrowing are limited to the rights relating only to the asset acquired with the borrowed funds.

## **12. ASSETS**

- 12.1.** The Trustees must not acquire an asset from a Member or an Associate of a Member unless that asset is an allowable acquisition under the *Act* and acquired at Market Value.
- 12.2.** Except if required for the purposes of limited recourse borrowing arrangements permitted under these Rules and the *SIS Act*, the money or assets of the Fund must be held in the Trustees' names and must be held separately from any money or assets held by the Trustees personally, or that are money or assets, as the case may be, of a standard employer, standard employer sponsor, or an associate of a standard employer sponsor, of the Fund or any other person unless otherwise allowed by the *SIS Act*.

### **13. TRUSTEE MAY RECEIVE GIFTS OR DISTRIBUTIONS**

A gift or distribution made to the Fund may be accepted and allocated to Earnings, a Reserve or a Member's Account or applied for any purpose as the Trustees determine including the payment of a Pension to a Member or Pension Dependant in the event of the Member's death, provided the status of the Fund as a Complying Superannuation Fund is not affected or compromised.

### **14. MEMBERS**

**14.1.** The Trustees have absolute discretion as to who is admitted as a Member provided:

- (a) that person or that person's LPR or that person's parent or guardian (where that person is under a legal disability because of age and does not have a LPR) has provided the Trustees with an Application Form and has read and agreed to be bound by the Deed and Rules of the Fund;
- (b) the admittance of that person as a Member would not affect or compromise the Fund's status as a Complying Superannuation Fund; and
- (c) the person or LPR of the person applying will accept the appointment as Trustee or director of a company that is the Trustee and is not a disqualified person; or
- (d) a parent or guardian of that person, where that person is under a legal disability because of age and does not have a LPR, will accept the appointment as Trustee and is not a disqualified person.

**14.2.** The Trustees must admit any person as a Member where that person will be paid a Pension from the Fund.

**14.3.** If the Fund is a sole member Fund, the Member may give written notice to the Trustees stating that no other Member will be admitted to the Fund.

**14.4.** If a Member transfers a property to the Fund, the Member may give written notice to the Trustees stating that the property is to be held specifically for that Member with no other Member to obtain an interest in that property. The Trustees may decline to accept that transfer or may accept that transfer on terms and conditions at the discretion of the Trustees and any expenses of the Fund attributable to that property will be payable from the Member's Account.

**14.5.** A parent or guardian of a Member who is a Trustee of the Fund in place of that Member (because that Member is under a legal disability because of age and does not have a LPR), may exercise on behalf of that Member any rights or functions which that Member could exercise under the Rules (except those referred to in Rule 19.2) provided such exercise is permitted by the Act and will not affect or compromise the Fund's status as a Complying Superannuation Fund.

### **15. MEMBERS APPLICATION**

**15.1.** The Trustees will not admit any person as a Member of the Fund unless that person has submitted an Application Form. The Trustees are not required to admit a person who the Trustees do not believe has read or understood the Rules or the Deed or who has not agreed to be bound by the Deed and Rules of the Fund.

- 15.2.** Upon death of a Member, any person who may be entitled to receive a Pension Benefit and does not wish to become a Member, or if the Trustees decides not to admit that person as a Member, then the Trustees must transfer the amount that would have funded the Pension to another Benefit Arrangement. The transfer of any amount must be in accordance with Rule 29. Once the Trustees have received all relevant documentation, including the Application Form and any other documentation the Trustees may require, the Trustees may in its absolute discretion admit or refuse to admit that person as a Member of the Fund.
- 15.3.** The terms and conditions applicable to a Member's membership of the Fund, including the contributions and benefits payable to or in respect of the Member, may be varied by written agreement between the Trustees and the Member.
- 15.4.** As soon as practicable after the admission of a person as a Member of the Fund the Trustees will give to that Member any information required by the *Act*.

## **16. TERMINATION OF MEMBERSHIP**

- 16.1.** The Trustees have absolute discretion to expel any Member of the Fund. That if a Member ceases to be a Member of the Fund, he or she must retire as a Trustee of the Fund or a director of a corporate trustee of the Fund.
- 16.2.** The Trustees must give notice to the Member of the member's expulsion from the Fund. Where a Member is expelled from or ceases to be a Member of the Fund the balance of the Member's account must be transferred to a Benefit Arrangement in accordance with Rule 29 or as nominated by the Member within 60 days of the date of the Trustee's Member expulsion notice and if a nomination is not made within that period, to an Eligible Rollover Fund at the discretion of the Trustee.
- 16.3.** Unless prohibited by the *Act*, a Member will be deemed to have ceased to be a Member on the first to occur of the following:
- (a) when the Member is no longer entitled to receive Benefits from the Fund;
  - (b) when the Trustees determine that the Member should no longer be a Member;
  - (c) on the death of the Member, or if the Trustees decide otherwise, no later than the time any LPR of the Member ceases to act as Trustee or director the Trustee company;
  - (d) no later than the earliest of either:
    - (1) four months from the date a Member became ineligible to be a Trustee or to be a director of a company which is a Trustee unless a LPR of that Member is appointed a Trustee; or
    - (2) the date just before a Member became ineligible to be a Trustee or to be a director of a company which is a Trustee unless a LPR of that Member is appointed as a Trustee.

## **17. MEMBER'S ACCOUNT**

- 17.1.** A record of all Contributions, Earnings, amounts allocated to or from any Fund reserves, Benefits paid and all other amounts credited or debited to a Member's Account must be kept by the Trustees on behalf of the Members.
- 17.2.** The Trustees may keep more than one account for a Member, which may include more than one Member's Accumulation Account and more than one Pension account.

- 17.3.** A record of the tax free and Taxable Components of a Member's Account must be kept by the Trustees.
- 17.4.** The Trustees will, subject to any restrictions imposed by the *Act*, add to a Member's Account the following received on behalf of the Member or attributable to the Member's Account:
- (a) Contributions received; and
  - (b) Earnings; and
  - (c) Splittable Contributions; and
  - (d) Payment Split; and
  - (e) Reserves; and
  - (f) the proceeds of any Policy; and
  - (g) any other amount which the Trustees with the consent of the Member determine will be credited to the Member's Account.
- 17.5.** The Trustees will subject to any restrictions imposed by the *Act* deduct from a Member's Account the following:
- (a) any costs or fees and any other liabilities attributed to it;
  - (b) Losses of the Fund;
  - (c) Benefit payments paid to that Member or persons entitled to receive them or transferred to another Benefit Arrangement;
  - (d) Tax payable;
  - (e) Excess Contributions Tax liability;
  - (f) Splittable Contributions;
  - (g) Payment Split; and
  - (h) Any other amount including an amount to be transferred to a Reserve Account which the Trustees with the consent of the Member, determine will be debited to the Member's Account.

## **18. CONTRIBUTIONS**

- 18.1.** The Trustees may accept any Contributions made on behalf of a Member or a Spouse of a Member by any person, entity or government body so long as the acceptance by the Fund of that contribution:
- (a) will not compromise or affect the Fund's status as a Complying Superannuation Fund; or
  - (b) is permitted by the *Act*.
- 18.2.** The Trustees are required to comply with the provisions of the *Act* concerning any Excess Contributions Tax imposed on a Member.

- 18.3.** The Trustees, at the request of a Member, will allot, transfer or rollover, within the period required by the *Act*, of all or part of a Member's Account to another Superannuation Entity or another Member's Account, if
- (a) the Trustees are satisfied that any such action will not compromise or affect the Fund's status as a Complying Superannuation Fund, or
  - (b) the Trustees are required by order or agreement under the provisions of the *Family Law Act 1975* to perform such an action.
- 18.4.** The Trustees will not transfer or rollover a Member's Account to a Superannuation Entity or another Member's Account if prohibited by the *Act*, if it will cause a breach of the minimum benefit provisions of Division 5.3 of the SIS Regulations or if it will compromise or affect the Fund's status as a Complying Superannuation Fund.
- 18.5.** The Trustees have absolute discretion as to whether the transfer will be in the form of cash or assets, with or without conditions.
- 18.6.** The Trustees have absolute discretion and may accept transfers or rollovers from another Superannuation Entity, whether conditionally or not, provided it does not breach the *Act* or compromise or affect the Fund's status as a Complying Superannuation Fund.

## **19. ESTATE PLANNING**

### **19.1. Non-binding Death Benefit Nominations**

- (a) A Member may provide a written Non-Binding Death Benefit Nomination to the Trustees, by which the Trustees may, in their discretion, provide benefits to the beneficiaries listed in that nomination. Subject to the *Act*, the Trustees must accept a Non-Binding Death Benefit Nomination, but it is not binding on the Trustees.
- (b) A Member or the LPR of the Member may confirm, amend or revoke the nomination previously given to the Trustees.
- (c) A Member or the LPR of the Member may give direction to the Trustees to act in a particular way upon the Member's death or incapacity, but the Trustees are not obligated to follow such instructions.
- (d) The Trustees must not comply with any nomination or direction that would compromise or affect the Fund's status as a Complying Superannuation Fund.

### **19.2. Binding Death Benefit Nominations**

- (a) Trustees should provide a Member with information that it believes the Member needs for the purposes of submitting a Binding Death Benefit Nomination.
- (b) A Member may provide a written Binding Death Benefit Nomination, by which the Trustees are bound to provide Benefits to the beneficiaries listed in and in accordance with that nomination, provided the nomination is valid and binding at the date of death of the Member.
- (c) Subject to the *Act*, the Trustees must accept a Binding Death Benefit Nomination and will be bound by it, subject to Pension terms and conditions incorporated as a Rule under Rule 20.7.

- (d) A Member may confirm, amend or revoke the nomination by written notice given to the Trustees.
- (e) The Trustees must not comply with any nomination or direction that would compromise or affect the Fund's status as a Complying Superannuation Fund.
- (f) A Binding Death Benefit Nomination and any revocation or amendment to it must:
  - (1) be in writing;
  - (2) require that all Benefits would be payable to one or more of a LPR or a Dependant of the Member; and
  - (3) be signed by the Member in the presence of more than one person:
    - (A) each of whom has turned 18 years of age; and
    - (B) neither of whom is a person mentioned in the Binding Death Benefit Nomination.
- (g) If proceedings, for dissolution of a Member's marriage to a spouse, under the *Family Law Act 1975* or some similar foreign legislation have commenced, then any nomination which states that the Benefit is to be paid to that spouse of the Member will be deemed to be revoked.
- (h) A Binding Death Benefit Nomination will have an indefinite term unless the Member has stipulated otherwise or the nomination is revoked by written notice to the Trustees.

### **19.3. Death Benefit Request**

- (a) A Member or the Legal Personal Representative of the Member may provide the Trustee with a notice in writing requesting the Trustee to establish a Death Benefit Rule that requires the Trustee to pay Benefits in the event of the death of the Member in a manner and form that the Member or the Legal Personal Representative of the Member so chooses; including whether the Benefit is to be a Lump Sum Benefit, a Pension Benefit or combination of both.
- (b) The Trustee may accept or reject any notice referred to at Rule 19.3 (a) and must reject if the Trustee holds a Binding Death Benefit Nomination from that Member. If the Trustee accepts the notice, the Trustee shall be bound to act in accordance with that Death Benefit Rule that would be established as a consequence of accepting the notice.
- (c) A Member, or the Legal Personal Representative of the Member, may provide the Trustee with a notice in writing requesting the Trustee to delete or amend a Death Benefit Rule that was previously established at the request of the Member and, if amended, the Trustee shall act in accordance with that amended Death Benefit Rule.
- (d) The Trustee shall not accept any notice referred to at Rule 19.3 (a) or (c) if that would cause the Fund to become a Non-Complying Self Managed Superannuation Fund.

## **20. BENEFITS**

- 20.1.** A Member or any other person permitted to receive a Member's Benefit by the *Act*, may be entitled to receive one or more of:
- (a) a lump sum Benefit;
  - (b) a Pension Benefit;
  - (c) a Temporary Incapacity Benefit;
  - (d) a Permanent Incapacity Benefit; and
  - (e) such other Benefit including the proceeds of any Policy that may be permitted to be paid to a Member under the *Act*, including in situations of Severe Financial Hardship or on Compassionate Grounds, as the Trustees might determine;

provided that the payment of any such Benefit would not breach the minimum Benefit provisions of Division 5.3 of the SIS Regulations or compromise or affect the Fund's status as a Complying Superannuation Fund or be in breach of the *Act*.

- 20.2.** A Benefit will be payable to a Member, Dependant of a Member, LPR of a Member or to some other person provided it is required to be paid by the Rules or the *Act*.
- 20.3.** A Member or the LPR of a Member may request that a lump sum Benefit be paid, and the Trustees at their discretion may pay the Benefit provided it is permitted by the *Act* and will not compromise or affect the Fund's status as a Complying Superannuation Fund.
- 20.4.** A Trustee may pay a lump sum Benefit to a Member that will not exceed the balance of that Member's Accumulation Account although, in addition, the Trustee at its discretion may pay the whole or part of any Reserves to the Member.

### **Pension Benefit**

- 20.5.** Where a Member or a Member's LPR requests that the Trustees pay a Pension to a Member or after the Member's death, to their Pension Dependant, the Trustees may do so provided it is permitted by the *Act*, and provided the payment will not compromise or affect the Fund's status as a Complying Superannuation Fund.
- 20.6.** Any Pension must be paid in accordance with these Rules and comply with the standards for the provision of Pensions of the SIS Regulations (which are deemed incorporated in these Rules).
- 20.7.** A Trustee must notify a Member in writing of any Pension it will pay to the Member and the notification will outline the terms or conditions of the Pension which will be deemed to be a Rule unless payment of the Pension would affect or compromise the Fund's status as a Complying Superannuation Fund.
- 20.8.** Subject to the Rules and the *Act*, the Trustees in their sole discretion may utilise any amount standing in the Member's Account, a Member's Pension Account or a reserve to provide a Pension to a Member, or if permitted by the *Act*, their Dependents, a LPR of a Member, or any other person.



### **Incapacity**

**20.9.** The Member is to advise the Trustees of incapacity:

- (a) if a Member becomes incapacitated that Member or their LPR will advise the Trustees as soon as practicable. The Trustees may request the Member submit to any reasonable medical examinations, as it sees fit;
- (b) upon receipt of any documentation required by the Trustees regarding a Member's incapacity, the Trustees at their sole discretion will determine whether or not the Member suffers Temporarily Incapacity or Permanent Incapacity.

### **Temporary Incapacity**

**20.10.** If the Trustees are reasonably satisfied that a Member suffers Temporary Incapacity, it may choose to pay a Benefit in the manner and for no more than the amount permitted by the *Act* to the Member from the time of that Temporary Incapacity to the earlier of:

- (a) the date the Member is re-instated in similar employment the Member was previously engaged in prior to suffering the Temporary Incapacity;
- (b) the date on which the Trustees believe the Member commenced to suffer Permanent Incapacity;
- (c) the date of death of the Member; or
- (d) such other time permitted under the *Act*.

**20.11.** The Trustees, in their sole discretion, may deduct an amount from a Reserve Account or any of the Member's accounts to pay the Temporary Incapacity Benefit.

### **Permanent Incapacity**

**20.12.** If the Trustees are reasonably satisfied that a Member suffers Permanent Incapacity the Trustees may pay all or part of any of a Member's Accounts to the Member, or if permitted by the *Act*, to a Dependant or Pension Dependant or LPR of the Member whether as a lump sum or a Pension or a combination of both, in its absolute discretion.

**20.13.** The Trustees in their sole discretion may allocate any amount from any Reserve Account held in the Fund to pay the Benefit on the Member's Permanent Incapacity.

### **Death of a Member**

**20.14.** On the death of a Member:

- (a) if the member was a Trustee or a director of the corporate Trustee, the Member's LPR will be appointed as a replacement Trustee or a director of the corporate Trustee until the date Benefits payable on the death of the Member commence to be payable provided that the LPR is eligible to act as Trustee and has consented to act as Trustee; and
- (b) the Trustees may transfer or continue to pay any Pension previously payable to a Member to such Pension Dependents of the Member as are permitted by the *Act* to receive the Pension.

### **Payment of a Death Benefit**

- 20.15.** In the event of a Member's death, the Trustees at their sole discretion, but subject to Rule 20.17, will pay a Death Benefit to any one or more of the Member's Dependants or the Member's LPR or another person as permitted by the *Act*.
- 20.16.** If the Trustees hold a Non-Binding Death Benefit Nomination by the deceased Member, the Trustees in their sole discretion may choose but is not obliged to pay such Benefits to persons nominated in that Non-Binding Death Benefit Nomination, provided the payment is permitted by the *Act*.
- 20.17.** If the Trustees hold a Binding Death Benefit Nomination by the deceased Member the Trustees must pay such Benefits in the manner and form as requested in that Binding Death Benefit Nomination provided the payment is permitted by the *Act*.
- 20.18.** Provided it is permitted by the *Act*, the Trustees may pay additional amounts to the deceased Member's Dependants or LPR including from a Reserve Account but these amounts would not form part of the deceased Member's Benefit.

### **Conversion of a Lump Sum Benefit into a Pension**

- 20.19.** Should a Member, or a deceased Member's LPR or a deceased Member's Dependants so request, the Trustees in their sole discretion may convert any lump sum Benefit payable to or in respect of a Member either in whole or in part to a Pension payable to the Member, or the deceased Member's Pension Dependants as permitted by the *Act*.
- 20.20.** A Member or a deceased Member's LPR or a deceased Member's Dependants must notify the Trustees of the Pension required and the Trustees are to use the Member's lump sum Benefit to fund any Pension.

### **Commutation of a Pension**

- 20.21.** By written request of a Member or in the event of a Member's death, the Member's Pension Dependants and provided it is permitted by the *Act*, the Trustees, in their absolute discretion, may commute the whole or any part of any Pension payable to the Member in accordance with the Rules below.
- 20.22.** Any amount resulting from the commutation may be applied by the Trustees:
- (a) to pay a lump sum Benefit to a Member, or in the event of the death of the Member, to any one or more of the Member's Pension Dependants; or
  - (b) to be allocated into the Member's Accumulation Account.
- 20.23.** The Trustees will determine any possible Tax consequences or commutation limits prior to commuting a Pension. The Trustees must also notify the Member, Dependants or LPR of the Member of this information.

## **21. INVESTMENTS**

### **Investment strategy**

- 21.1.** The Trustees must formulate, review regularly and give effect to an investment strategy that has regard to the whole of the Fund, including but not limited to the following:
- (a) the risk and liquidity involved in making, holding and realising and likely return from the Fund's investments having regard to the Funds objectives and expected cash flow requirements;

- (b) the composition of the Fund's investments as a whole including the extent to which they are diverse or involve exposure of the Fund to risk from inadequate diversification;
  - (c) the liquidity of the Fund's investments in view of its expected cash flow requirements;
  - (d) the ability of the Fund to discharge its existing and prospective liabilities;
  - (e) the needs of Members considering their age, income level and retirement needs; and
  - (f) whether the Trustees of the Fund should hold a contract of insurance that provides insurance cover for one or more Members of the Fund.
- 21.2.** The investment strategy could consist of one or more strategy for the whole of the Fund or separate strategies for various parts of the Fund.
- 21.3.** The investment strategy should identify the investment objectives and provide detail of the investment methods the Fund may adopt to implement the strategy.
- 21.4.** The Trustees will review this strategy annually and can amend the strategy at any time deemed appropriate. The Trustees must advise all Members affected by written notice of all details outlined in any amendment.
- 21.5.** Should a Member request to view the Fund's investment strategy the Trustees will comply with this request by the Member.
- 21.6.** The Trustees must also set an investment strategy for one or more reserves of the Fund. Any such investment strategy must be based upon the prudential management of assets of the reserve or such other requirements as laid down in the Act.
- 21.7.** The Trustees in their sole discretion may act on the advice of an adviser or a specialist in documenting the Fund's investment strategy so long as the Trustee believes the adviser has adequate credentials to provide such advice.

**The Trustee must invest the assets of the Fund**

- 21.8.** The Trustees must invest the assets of the Fund in accordance with the Fund's investment strategy.

**A Member can request the Trustee to invest their account separately or jointly**

- 21.9.** A Member or the LPR of the Member may request the Trustees to invest all or part of the amount standing to the credit in the Member's Account separately from other investments held in the Fund however it is in the Trustees sole discretion to accept, subject to conditions, or reject the request from the Member.

**Authorised investments**

- 21.10.** The Trustees may invest the assets of the Fund as if it were the absolute and beneficial owner of those assets and will exercise such diligence and prudence that an ordinary person would exercise in conducting their own affairs.
- 21.11.** The Trustees may invest in investments both within and outside Australia. The Trustees have the power to apply or invest any moneys required to be invested either alone or in partnership or co-ownership with any other person or persons.

**21.12.** The Trustees may invest in:

- (a) **Authorised investments:** in any one or more investments as sanctioned by law in any State or Territory of Australia relating to the investment of trust moneys;
- (b) **Real and Personal property:** in the acquisition of real or personal property or any interest in it including intellectual property rights or privileges in Australia or any other country;
- (c) **Shares:** in the acquisition of fully or partly paid shares including redeemable, preference or redeemable preference shares, stock debentures, debenture stock bonds, units, securities or obligations or any interest, with or without deferred, restricted, qualified or special rights relating thereto and whether or not there is or is not a liability in respect of any such shares, units, securities or interests, of or in any public proprietary or no liability company, association, firm, mutual fund or unit trust wherever incorporated or formed, whether carrying on business in Australia or in any other country, or in giving any guarantee or otherwise becoming a proprietor of a company limited by guarantee;
- (d) **Option and rights:** in the acquisition of options, entitlements or rights to any of the securities mentioned in paragraph (c) of this sub-clause;
- (e) **Deposit:** on fixed deposit or at-call with any bank, savings bank, building society, company, corporation or firm wherever incorporated or situated and wherever carrying on business;
- (f) **Insurance:** in the acquisition of any policy of assurance or insurance of any kind whatsoever and wherever made;
- (g) **Loans:** in making loans to any person or company, except to Members or a relative of a Member;
- (h) **Precious objects:** in the purchase of gold, silver, works of art, coins, stamps, furniture, ornaments, precious objects, jewellery and antiques, or any other similar objects;
- (i) **Commodity contracts:** in the acquisition of foreign currencies, hedging contracts, commodity contracts and also options or futures contracts of any other kind quoted on a recognised stock exchange;
- (j) **Permanent building society:** in the lodgement of moneys with a permanent building society wherever situated, by taking up shares in or depositing funds with;
- (k) **Deferred property:** in the acquisition of any reversionary or deferred property or rights of any description;

**Investment manager**

- 21.13.** The Trustees may in writing appoint a person (not disqualified from acting as such) as investment manager of the Fund assets for such periods and subject to such conditions as the Trustees may from time to time determine, except the investment manager may not be exempted from or have limited liability for negligence.

**21.14. The Trustees:**

- (a) may delegate to and confer upon that investment manager such powers, discretions and authorities relating to the investments, sale, getting in and disposal of the Fund assets as the Trustee may think fit;
- (b) will have power, as an expense of the Fund, to pay out of the Fund assets to that investment manager such remuneration for its services as the Trustees considers proper; and
- (c) will have power to remove that investment manager.

**21.15.** No investment manager appointed by the Trustees will be entitled to take any part in the proceedings or deliberations of the Trustees.

**21.16.** No delegation of powers and discretions and authorities under this clause, however, will be made in the breach of any of the provisions of the *Act* and in particular must be in accordance with s102 of the *S/S Act*.

**Trustee not bound to act personally**

**21.17.** The Trustees are not bound in any case to act personally but are at liberty to employ any person to act as manager, lawyer, accountant, clerk, contractor, workman, or employee or any agent to transact any business. The Trustees may determine the remuneration to be paid and allowed for those services.

**Trustee to appoint Auditor**

**21.18.** On establishment of the Fund and in every year of income of the Fund, the Trustees must appoint an Auditor to audit the Fund who must give the Trustees a report in the form required by the *Act*.

**22. OPERATION AND ADMINISTRATION**

**Fund Compliance**

**22.1.** If Trustees are aware or notified by the Auditor, an adviser to the Fund or the Regulator of the Fund that it may lose its status as a Complying Superannuation Fund the Trustees must:

- (a) liaise with the Auditor, adviser or Regulator to implement a compliance plan to ensure the Fund's status as a Complying Superannuation Fund will be maintained;
- (b) notify all Members of any action required under the compliance plan; and
- (c) take any such action as required under the compliance plan within a reasonable time frame and before the lodgement of the Fund's next regulatory return.

**Fund Insolvency**

**22.2.** If the Trustees are notified by the Auditor or the Fund's actuary or become aware the Fund is or may become insolvent, the Trustees must:

- (a) liaise with the actuary or Auditor to determine a solvency plan to ensure the Fund's solvency, including but not limited to reducing any Members' Accounts or Members' Benefits;

- (b) notify Members of any action required under the solvency plan; and
- (c) take such action as is required under the solvency plan prior to the lodgement of the Fund's next regulatory return.

### **Earnings**

- 22.3.** The Trustees will determine the amount of the Fund's Earnings for all or part of a Financial Year.
- 22.4.** The Trustees have sole discretion as to where to allocate Earnings including allocating Earnings to a Member's Accumulation Account, a Member's Pension Account, or a reserve and using Earnings to pay a Benefit or expense of the Fund or any tax imposed upon the Fund.

### **Taxation**

- 22.5.** The Trustees must pay all Tax properly assessed to the Trustees.
- 22.6.** The Trustees may in their sole discretion deduct from a Member's Account Tax paid or payable by the Trustees:
  - (a) as a consequence of the receipt by the Trustees of a Contribution for the Benefit of a Member,
  - (b) payable on any income which may be added to a Member's Account, and
  - (c) any Tax which the Trustees believe may be payable as a consequence of a payment given to a Member.
- 22.7.** The Trustees may in their discretion deduct from any account, including a Reserve Account, Tax paid or payable by the Trustees provided that any such deduction will not affect or compromise the Fund's status as a Complying Superannuation Fund.
- 22.8.** If the Trustees receive a refund of Tax the Trustees may allocate the refund to any Member's Account or a Reserve Account as the Trustees sees fit provided that this would not affect or compromise the Fund's status as a Complying Superannuation Fund.

### **Annual Accounts**

- 22.9.** The Trustees must keep annual accounting records as required by the *Act*.
- 22.10.** Accounting records are to be kept in such form and supported by any documentation as to enable them to be properly audited.
- 22.11.** The Trustees must in a reasonable time frame after the end of each Financial Year:
  - (a) organize a statement of the Fund's financial position recording all assets and liabilities at the end of that preceding Financial Year;
  - (b) organize an operating statement recording any profit derived or loss incurred by the Fund for that preceding Financial Year (or part year if the Fund was not in existence for a full year); coordinate for these statements and all accounting records of the Fund to be audited by an approved Auditor;
  - (c) arrange for all tax returns and other statements required to be lodged pursuant to the *Act* by the Fund to be lodged as required; and

- (d) prepare any Member and other statements and reports as required by the *Act*.
- 22.12. When preparing accounts and statements, an asset of the Fund must be valued at its market value.
- 22.13. The Trustees must keep accounts and statements for a minimum period of 5 years after the end of the Financial Year to which they relate.

## **23. RESERVES**

- 23.1. The Trustees may maintain reserves for specific purposes and applications and may add, deduct and allocate amounts to those Reserve Accounts as it considers appropriate.
- 23.2. The Trustees must formulate and implement a separate investment strategy for any reserve that is consistent with the Fund's investment strategy. Investments must be in accordance with the Fund's investment strategy and with the Trustee's ability to discharge liabilities, either actual or contingent, as and when they fall due.
- 23.3. No Member or any other person will have any entitlement to any amount in a Reserve Accounts.

## **24. INSURANCE**

### **The Trustees may establish an insurance plan**

- 24.1. The Trustees may establish and implement an insurance plan for the Benefit of the Fund to enable the Fund to make payments (including the payment of Benefits on a Member's death or disability) to a Member, a Member's Dependant or the LPR of a Member in the event of a Member's death, disablement, illness or otherwise as permitted by the *Act*.

### **Self insurance**

- 24.2. The Trustees can elect to self insure and may establish a Reserve:
  - (a) to which such amounts as the Trustees might require will be added for the purpose of self insurance;
  - (b) from which the Trustees may pay amounts required to paid as a consequence of the Trustees self insuring against an event; and
  - (c) from which amounts no longer required for the purpose of self insurance may be transferred to such other Reserve or to such Member's Account as the Trustees may determine.

### **The Trustees have discretion as to the application of any insurance proceeds**

- 24.3. The Trustees have absolute discretion as to the application of any insurance proceeds received by the Fund and may allocate the insurance proceeds to any Member's Account or to Reserves held in the Fund.
- 24.4. No Member nor their LPR nor any other person has any interest in any insurance proceeds that might be received by the Fund.
- 24.5. If a Benefit would ordinarily include an insured component under a Policy (for example a benefit payable on the Member's death or disablement) but:
  - (a) no amount is paid under that Policy; or



- (b) the amount paid under the Policy is less than the amount that would ordinarily be payable;

the amount payable to the Member may be adjusted accordingly.

**24.6.** This clause is:

- (a) for the protection of the Trustees and the Fund; and
- (b) not to be taken as conferring any rights on Beneficiaries in respect of benefits additional to those conferred under other provisions of this Deed.

## **25. CHANGES**

### **Amendment of the Deed or the Rules**

**25.1.** The Trustees may in their absolute discretion amend vary or alter any provision of this Deed or the Rules (in whole or in part) by way of written resolution provided:

- (a) any change to the Deed will not affect or compromise the Fund's status as a Complying Superannuation Fund and is not in breach of the Act;
- (b) the amendment does not reduce the amount of any Benefit accrued or accruing to a Member as at the date of amendment unless the Member or the LPR of the Member has in writing consented to any such amendment;
- (c) the amendment does not amend the term of a Pension unless the Member or the LPR of the Member who accepted the term of the Pension has in writing consented to any such amendment;
- (d) the amendment does not allow a person other than a Constitutional Corporation to be eligible for appointment as a Trustee unless the Rules provide and will continue to provide after the amendment is made that the Fund has as its sole or primary purpose the provision of old age pensions, and
- (e) the amendment does not allow the sole or primary purpose of the Fund to be a purpose other than the provision of old age pensions unless the Rules provide and will continue to provide after the amendment is made that the Trustee must be a Constitutional Corporation.

## **26. GOVERNING LAW**

The law applicable to the Fund is the law of the State or Territory of the Commonwealth of Australia where the Trustee resides.

## **27. STATUS OF THE ACT**

In every respect, these Rules are subject to the provisions of the Act. Any Rule, to the extent that it affects or compromises the Fund's status as a Complying Superannuation Fund, will not apply and will have no force or effect. If there is any inconsistency between the provisions of the Act and these Rules, the provisions of the Act will prevail. Provided there is no inconsistency between the provisions of these Rules and the Act, any authority or discretion given to the Trustee by the Act will be incorporated into these Rules as if it were a Rule.

## **28. TERMINATION OF THE FUND**

**28.1.** The Fund will be terminated on the first to occur of the following:

- (a) the Trustees resolve that the Fund should be wound up and terminated;
- (b) the Fund must be wound up for any purposes under the *Act*;
- (c) the Fund ceases to have Members;
- (d) the Regulator requires that the Fund be wound up; or
- (e) the Trustees' office becomes vacant and no new Trustee is appointed within ninety (90) days.

**28.2.** The Trustees will on the Termination Date deal with the Fund in the following order:

- (a) dispose of any assets in the Fund in order to have sufficient cash with which to meet any debts and liabilities the Fund may have incurred. The Trustees have discretion to determine which of the Fund's assets are to be disposed;
- (b) pay out any outstanding debts and liabilities of the Fund;
- (c) pay out any Benefits due by the Fund to the Members. The Trustees retain sole discretion as to how these amounts will be paid;
- (d) transfer or rollover amounts standing to the credit of remaining Member's Accounts as if the Members had been expelled under rule 16.2; and
- (e) determine to whom any Benefits are to be paid including former Members, trusts that former Members were beneficiaries of, the LPR of former Members or any other person. The Trustees will retain sole discretion as to where and how those Benefits are to be paid and must ensure that the payment complies with the *Act*.

## **29. TRANSFERS TO AND FROM OTHER FUNDS**

**29.1. Transfers from other Funds**

Subject to the *Act*, the Trustees may accept into the Fund an amount or asset in respect of a Member or prospective Member that is transferred from another Benefit Arrangement.

**29.2. Transfers to Other Funds**

- (a) The Trustees may transfer the whole or part of any amount held in the Fund in respect of a Member to another Benefit Arrangement.
- (b) The Trustees may make such a transfer without the Member's consent where the *Act* permits (including to a Successor Fund or an Eligible Rollover Fund).
- (c) The Trustees may make such enquiries as it considers appropriate to satisfy itself that the Benefit Arrangement complies with the requirements of the *Act* (or in the case of a retirement savings account, the *Retirement Savings Account Act 1997* (Cth)) and that any Preserved Benefits must continue to be preserved in accordance with the requirements of the *Act*.

A transfer of an amount under this clause 29 is a complete discharge to the Trustees in relation to any liability to the Member or any person claiming through the Member in relation to the amount transferred

### **30. INTERPRETATION**

**30.1.** In the Deed and the Rules unless the contrary intention appears or can be reasonably implied from the context:

- (a) The singular includes the plural and vice versa.
- (b) A reference to one gender includes a reference to all other genders.
- (c) Headings of clauses are included for the sake of convenience only and will not affect the interpretation of the clauses to which they relate.
- (d) References to any statute or statutory provision include that statute or statutory provision as amended, extended, consolidated or replaced by subsequent legislation and any orders, regulations, instruments or other subordinate legislation made under the relevant statute.
- (e) The words "including", "includes", "such as" and "for example" should be read as if followed by the words "without limitation".
- (f) The word person means and includes a natural person, a company, a firm or any other legal entity whether acting as a trustee or not.
- (g) A reference to 'interest', 'earnings' or 'investment returns' or such other similar term can refer to either positive or negative 'interest', 'earnings' or 'investment returns'.
- (h) If an expression is defined in the *Act*, but is not defined in this Deed, then that expression will have the meaning given to it in the *Act*.
- (i) The Deed will bind each party's legal personal representatives, successors and assigns.
- (j) When a party comprises two or more person the rights and obligations of such persons pursuant to this Deed will enure for the benefit of and bind all of them jointly and each of them severally.

## Acknowledgement of Trust

Fund Name:

Krenn Superannuation Fund

### Declaration

I/We...

Name of Corporate  
Trustee

*If fund has a Corporate Trustee: insert Company Name else if individual Trustees: leave blank*

Director / Trustee

Alfred Krenn

Director / Trustee

Blanca Isabel Krenn


being the registered holders of the following:

41 Victoria Street, SMITHFIELD NSW 2164 (Lot 27 in DP80538)

*(The property/investment)*

hereby acknowledge that I/we acquired this property with resources provided by the above mentioned fund and that I/we therefore hold this property/investment on trust for the said fund.

x

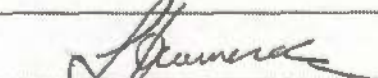


Director / Trustee

8/02/2023

Date

x



Director / Trustee

8/02/2023

Date

# Application for membership

## Krenn Super Fund

I, **Alfred Krenn** of **41 Victoria Street, Smithfield NSW 2164** am a trustee of the Fund. I hereby apply for membership of **Krenn Super Fund** and consent to becoming a Member of it. I confirm that I am not aware of any impediments to this application and acknowledge that I have read the Product Disclosure Statement including any other information provided to me.

I agree that upon acceptance of my membership to:

1. be bound by the terms of the Deed and the Rules of the Fund;
2. be bound by all decisions of the Trustee that were made in accordance with the Rules of the Fund, the superannuation laws and the trustee laws;
3. provide information to the Trustee where required, e.g. medical conditions;
4. provide my Tax File Number to the Trustee provided the Trustee abides by the laws relating to the collection and dissemination of my Tax File Number;
5. consent to the Trustee to hold that information despite anything to the contrary in the privacy legislation;
6. provide the Trustee, within a reasonable period of time a detailed death benefit plan that may include a Binding Death Benefit Nomination;
7. ensure that any Superannuation contributions, transfers or rollovers are made in accordance with the superannuation laws at that time;
8. notify the Trustee where I have become disabled, retired, attained preservation age or met some other condition of release; and
9. notify the Trustee where I have become separated from my Spouse that is deemed irreconcilable, if I have one.

Date of Birth: 04 / 03 / 1949

Tax File Number: 258 327 036

Executed by:

  
Alfred Krenn

06 / 06 / 13  
Date

# Application for membership

## Krenn Super Fund

I, **Isabel Blanch Krenn** of **41 Victoria Street, Smithfield NSW 2164** am a trustee of the Fund. I hereby apply for membership of **Krenn Super Fund** and consent to becoming a Member of it. I confirm that I am not aware of any impediments to this application and acknowledge that I have read the Product Disclosure Statement including any other information provided to me.

I agree that upon acceptance of my membership to:

1. be bound by the terms of the Deed and the Rules of the Fund;
2. be bound by all decisions of the Trustee that were made in accordance with the Rules of the Fund, the superannuation laws and the trustee laws;
3. provide information to the Trustee where required, e.g. medical conditions;
4. provide my Tax File Number to the Trustee provided the Trustee abides by the laws relating to the collection and dissemination of my Tax File Number;
5. consent to the Trustee to hold that information despite anything to the contrary in the privacy legislation;
6. provide the Trustee, within a reasonable period of time a detailed death benefit plan that may include a Binding Death Benefit Nomination;
7. ensure that any Superannuation contributions, transfers or rollovers are made in accordance with the superannuation laws at that time;
8. notify the Trustee where I have become disabled, retired, attained preservation age or met some other condition of release; and
9. notify the Trustee where I have become separated from my Spouse that is deemed irreconcilable, if I have one.

Date of Birth: 01 / 01 / 1950

Tax File Number: 258 719 930

Executed by:

  
yic  
Isabel Blanch Krenn

06 / 06 / 13  
Date

**KRENN SUPER FUND**  
**INVESTMENT STRATEGY 2022**

---

## **Overview**

The aim of this strategy is to provide the Members with an income on retirement.

## **Investment Objectives**

The Trustee will at all times act prudently to maximise the rate of return, subject to acceptable risk parameters, and maintenance of appropriate diversification across a broad range of assets.

Having considered the risk profile of the fund and the member's needs and circumstances, the trustee has adopted the following objectives for the investment of assets of the fund;

- to achieve an investment return (based on market values and net of tax and charges) that exceeds the CPI by at least 3% per annum when measured over a rolling 5 year period.
- to have a probability of zero or negative returns in any 12 Month period of less than one in four years; and
- to have sufficient liquidity to meet liabilities as and when they fall due.

## **Investment Strategy**

The fund will invest in a portfolio of assets according to market conditions and within the ranges specified below:

### **Asset Allocation**

The targeted asset allocation will be in the following ranges:

<u>Asset Class</u>	<u>Target Range</u>	<u>Benchmark</u>
Australian Shares	0%	0%
International Shares	0%	0%
Cash	3-10%	8%
Australian Fixed Int	0%	0%
International Fixed Int	0%	0%
Mortgages	0%	0%
Direct Property	90-97%	92%
Listed Property	0%	0%
Other	0%	0%

Quality companies and trusts as supported by research and fundamental analysis will be selected. Direct investments in property, artwork and lease equipment may form part of the strategy provided there is sufficient basis for the decision.

## **Insurance**

Whilst death and disability insurance can be held within a self managed superannuation fund, the advantages and disadvantages of them and the specific levels of cover most appropriate to the member's circumstances should be discussed with a Financial Adviser. The Trustee is happy to arrange such insurance cover as requested by the member individually, subject to being able to obtain the level and type of cover requested.

## **Borrowing**

The trustee/s have considered borrowing through a limited recourse borrowing arrangement to fund the acquisition of an investment. The following matters were considered:

- the risks involved in making, holding and realising the investment under a limited recourse borrowing arrangement;
- the likely return from the investment under a limited recourse borrowing arrangement;
- the diversity of investments generally;
- the liquidity and cash flow consequences of holding the investment under a limited recourse borrowing arrangement;
- the time the members have until they retire;
- the funds cash flow requirements;
- the investment tolerance of the members.

The fund trustee/s will borrow to acquire the beneficial interest in the investment. The lenders rights on any default of the borrowings



**KRENN SUPERANNUATION FUND**  
**INVESTMENT STRATEGY**

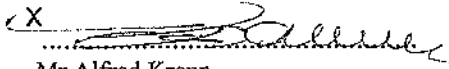
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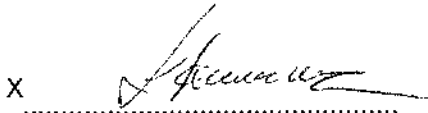
or the sum of the borrowing and charges related to the borrowing are limited to rights relating to the investment or any replacement of the investment.

**Review and Monitoring**

The trustees will monitor and review the fund's investment activities on a regular basis and to communicate with the members should they feel that any change in strategy is necessary in order to achieve the fund's objective.

Date: 12/01/2023

X   
.....  
Mr Alfred Krenn

X   
.....  
Mrs Blanca Isabel Krenn

**KRENN SUPERANNUATION FUND**  
**DOCUMENTS ESTABLISHING AN**  
**ACCOUNT - BASED PENSION**  
**IN ACCORDANCE WITH REGULATION 1.06(9A)(a) &1.07D**  
**OF THE SUPERANNUATION INDUSTRY (SUPERVISION)**  
**ACT 1993**  
**FOR BLANCA ISABEL KRENN**  
**ON 7 FEBRUARY 2014**

7-02-2014

**PRIVATE & CONFIDENTIAL**

The Trustee  
Krenn Super Fund  
PO Box 2183  
SMITHFIELD NSW 2164

Dear Trustee

With effect from 7<sup>th</sup> February 2014, I would like to apply an amount of \$1,508,202 from my balance in the Fund to provide a superannuation pension in accordance with Regulation 1.06(9A)(a) and 1.07D of the Superannuation Industry (Supervision) Act 1993.

As I am over 60 but not yet retired, I understand that this pension must also meet the requirements imposed on transition to retirement income streams (as defined in Regulation 6.01(2)).

Yours faithfully,

X 

Blanca Isabel Krenn

**ALFRED KRENN  
BLANCA ISABEL KRENN  
AS TRUSTEES OF  
KRENN SUPER FUND (THE "FUND")  
ABN 96 374 801 291**

**RESOLUTIONS OF TRUSTEES**

---

We, being the Trustees of Krenn Super Fund resolve:

***Commencement of an  
Account-Based Pension  
for Blanca Isabel Krenn***

A letter received from Blanca Isabel Krenn requesting the commencement of an account-based pension from the Fund on 7 February 2014 was considered.

It was noted that Blanca Isabel Krenn was eligible to commence the pension in accordance with the Superannuation Industry (Supervision) Act 1993 and its associated Regulations. It was noted that Section 20 of the Trust Deed provides general powers to pay pensions of this nature.

It was noted that the member's accumulation account had been most recently valued at \$1,508,202.

It was resolved that a pension meeting the requirements of Regulation 1.06(9A)(a) and 1.07D of the Superannuation Industry (Supervision) Act 1993 would commence for Blanca Isabel Krenn on 7 February 2014 as requested.

## RESOLUTIONS OF TRUSTEES (Continued)

---

It was noted that as the member has not yet retired, this income stream must initially meet the additional requirements associated with transition to retirement income streams. In particular it was noted that until the member meets a 'condition of release' such as retirement, the pension amount is subject to an upper limit each year and no more than the 'unrestricted non-preserved' portion of the pension balance may be withdrawn as a lump sum at any time.

***Treatment of the  
pension on the members  
death***

It was noted that Blanca Isabel Krenn had not requested a reversion of the pension on death.

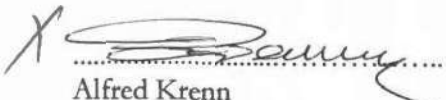
***Segregation of certain  
assets to meet the  
pension***

It was resolved that no assets would be specifically segregated to meet the pension, it would be funded from the general assets of the Fund.

***Completion of Statutory  
Forms***

It was noted that there are no statutory forms required for lodgment as the member is over 60.

Dated, this

X   
.....  
Alfred Krenn

X   
.....  
Blanca Isabel Krenn

7 February 2014

**PRIVATE & CONFIDENTIAL**

Mrs Blanca Isabel Krenn  
PO Box 2183  
SMITHFIELD NSW 2164

Dear Mrs Krenn

**KRENN SUPERANNUATION FUND (the "Fund")**  
**Account-based pension**

We have agreed to set aside \$1,508,202 being the total amount of your superannuation benefit within the Fund, to provide a superannuation pension known as an "account based" pension to you with effect from 7<sup>th</sup> February 2014.

**Payment Amounts**

We are required by legislation to ensure that the pension paid to you from your pension balance is at least equal to a minimum amount of \$25,200 from 7 February 2014 – 30 June 2014.

The minimum payment amount in future years will be determined based on your age and account balance at 1 July each year.

**Tax treatment**

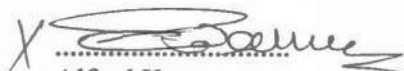
As you are over 60 years old, all payments from your pension - including payments above the minimum amount shown above - are tax free.

The Tax Free Component and tax offset (where applicable) will be taken into account when determining the amount of tax that needs to be withheld from each of your pension payments. If however, we are subsequently advised that a lower offset applies, your net payments will be reduced accordingly.

**Lodging your personal income tax return**

Payments from your pension are not considered to be assessable income and therefore do not need to be reported on your personal income tax return.

Yours sincerely

X 

Alfred Krenn  
For and on behalf of Krenn Super Fund

# KRENN SUPERANNUATION FUND(THE "FUND")

## Account-Based Pension Product Disclosure Statement ("PDS")

A product disclosure document (PDS) is a document that must generally be issued to anyone who acquires a "financial product". The term "financial product" has a specific meaning under the Corporations Act 2001 and includes, among other things, starting a new pension within a superannuation fund.

This PDS has been issued because you have commenced an income stream known as an "account-based pension" from your superannuation. Its purpose is to explain the significant features of the pension including its risks, benefits and costs.

Trustees: Alfred Krenn  
Blanca Isabel Krenn

Contact Details: PO Box 2183  
SMITHFIELD NSW 2164

Received By: Blanca Isabel Krenn

Signature: <sup>IK</sup> 

Date:

### What is covered in this Product Disclosure Statement?

Putting the pension into the context of your superannuation fund .....	page 2
What are superannuation pensions? .....	page 2
Your pension – an account-based pension .....	page 3
When can an account-based pension start? .....	page 3
How much <i>must</i> you draw each year? .....	page 4
Is there any upper limit? .....	page 4
How do these payments tie in with the Fund's investment earnings? .....	page 5
Will starting a pension mean you cannot contribute to superannuation any more? .....	page 6
Can you stop your pension altogether? Or transfer it to another fund? .....	page 6
Do you have to take a fixed amount each month? .....	page 6
What happens to your pension if you go back to work? .....	page 7
How are superannuation payments taxed? .....	page 7
What about tax within the superannuation fund? .....	page 9
What happens when you die? .....	page 10
Special issues for your investments .....	page 12
Do you have to pay pensions in cash? .....	page 13
What fees are associated with your pension? .....	page 13
Other issues & questions? .....	page 14



## **Putting the pension into the context of your superannuation fund**

As you know, you have a particular type of superannuation fund known as a “self managed” fund. This means you are both a member and trustee of this fund. While you fill both roles, it is important to remember that you have quite different rights and responsibilities in each one.

In *your capacity* as a trustee, you are ultimately responsible for every aspect of the operation of your fund. While complying with the relevant legislation is always paramount, the trustee has full discretion over any other rules etc governing your pension. At this stage, the Trustee has decided to provide you with as much flexibility as the law allows. You should bear this in mind when you read this PDS as not all the information here will be relevant for pensions in other superannuation funds – their trustee may well impose additional restrictions that do not apply to you.

Note that even though the Trustee is responsible for the operation of the Fund, it is permitted to outsource some functions (for example, administration/ accounting, compliance management and investment advising). Trustees often do this in many areas of their fund’s operation to help them ensure they comply with the relevant legislation. In this particular instance, the Trustee has chosen to outsource the preparation of documents to formalise the commencement of your account-based pension (enclosed with this PDS).

In *your capacity* as a member, you are entitled to receive your benefit as a pension, a lump sum or some combination. This PDS relates exclusively to your new account-based pension.

## **What are superannuation pensions?**

A superannuation pension (also often called an “income stream”) is simply a way of drawing down the balance you have built up in your fund.

When a pension starts within a self managed superannuation fund, you do not have to sell investments, change funds or “buy” a product from an external provider. In fact, all that is required is the paperwork enclosed with this PDS and then you can start drawing payments.

Taking a pension from your own fund means you can continue to enjoy the benefits of having your own superannuation fund in retirement. These relate primarily to flexibility and control, ie:

- complete discretion over your investments (subject to legislation);
- choice of service providers;
- the ability to take advantage of changes in tax and superannuation legislation immediately (rather than waiting for the systems changes etc inevitably required for larger funds); and
- flexibility to “make your own rules” (as explained above – the trustee has considerable discretion over how and when you receive pension payments).

## **Your pension – an account-based pension**

There are several different types of pension that may be paid by superannuation funds. The particular pension you have started is known as an “account-based” pension.

This type of pension is called an account-based pension because the payment you must withdraw each year depends on the size of your pension account.

They are not guaranteed for life or for a particular number of years like (say) an annuity you might buy from a life insurance company.

Instead, when you start one of these pensions, you are simply committing to drawing a payment each year that meets certain conditions (explained below). The amount you receive over your lifetime will depend primarily on the investments in your fund.

For example, if your fund suffers significant losses, your pension account could run out and you would not be able to take any further payments. If, on the other hand, your fund performs very well you may find that your pension account still has substantial amounts remaining when you die.

## **When can an account-based pension start?**

Account-based pensions can generally start any time after the recipient reaches their “preservation age”. For people born before 1 July 1960 this is 55 and for those born after 30 June 1964 it is 60. The preservation age for anyone born between these two dates is between 55 and 60.

Importantly, you don’t have to be “retired” to start a pension – simply reaching your preservation age is enough. Generally, however, if you start a pension before you retire, it is subject to some additional restrictions. Pensions set up in these circumstances are often referred to as “transition to retirement” pensions and the special rules that apply to them are explained throughout this PDS. Importantly, these restrictions only apply until you retire – at that point, your pension stops being a “transition to retirement” pension and is just a normal account-based pension.

Note that “retirement” has a very specific meaning in a superannuation context. To be retired, you generally need to have either:

- turned 60 and subsequently ceased an employment arrangement; or
- reached your preservation age and decided that you never intend to work in a paid job for more than 10 hours per week again; or
- turned 65 (at that point, your work status ceases to matter for this purpose).

### How much *must* you draw each year?

You must take a minimum amount from your pension each financial year. The amount for a particular year is calculated as a proportion of the balance of your pension account at the start of that financial year (1 July). The proportions change as you get older as follows:

<b>Your age at 1 July</b>	<b>Proportion of your pension account balance that you must draw as a pension</b>
Under 65	4%
65 – 74	5%
75 – 79	6%
80 – 84	7%
85 – 89	9%
90 – 94	11%
95 +	14%

(The payment is pro-rated if you start a pension during a financial year. The minimum amount you must draw in the first year of your pension is shown in the enclosed documents.)

Your minimum pension amount is then rounded to the nearer \$10.

To illustrate, consider a pensioner who turns 80 on 1 August 2013 and has \$650,000 in his pension account. On 1 July 2013, he will still be 79 so the relevant proportion (from the table above) is 6%. During 2013/14, he must therefore withdraw at least \$39,000 ( $6.0\% \times \$650,000$ ).

### **Is there any upper limit on the amount that can be withdrawn from an account-based pension?**

Upper limits only apply if the pension is a “transition to retirement” pension (ie, you have not yet retired).

If you have a transition to retirement pension, your total pension drawings over a financial year cannot be any higher than 10% of your pension account balance at the start of the financial year. (In the first year, the figure is 10% of the amount you set aside to start the pension. If this is relevant to you, the amount is shown in the enclosed documents.)

You can actually choose whether any extra payment over and above the minimum pension is treated as a lump sum or a pension. The distinction is important because lump sums and pensions are taxed differently under some circumstances.

This is another area where special restrictions apply to transition to retirement pensions. These pensions can only pay lump sums up to a maximum amount – this is identified in your enclosed pension documents as your “unrestricted non-preserved” amount. The maximum lump sum amount is a cumulative figure rather than an annual limit – ie, until you retire (at which point the transition to retirement restrictions stop applying to you), the total lump sum payments you can receive from your pension since it started are capped.

### **How do these payments tie in with the Fund’s investment earnings?**

As you can see, the amount of the pension payment is not linked to the amount of income the fund earns.

The pensioner in the above example might, for instance, find that his fund generated \$50,000 in dividends, rent, interest etc. He could therefore choose to take higher payments or he could leave the difference accumulating in his superannuation fund (in which case his pension account balance may well increase).

Alternatively, he may find that his fund generates only \$20,000 in income – ie, too little to pay the minimum pension. If this is the case, the fund would need to sell assets to ensure that the trustee met its obligations to pay at least the minimum pension amount of \$39,000.

As you can probably appreciate, the assets underlying your pension account may well earn more than the amount you draw, particularly if you always take the minimum pension. This is often particularly evident in the early years (when the payment factors are relatively low) and in funds where the value of the assets increases (say due to rising share prices) as well as generating cash income.

If this is the case, your pension account will initially grow. Over the long term, however, pensions are designed to draw down your superannuation capital. While this has some implications for your Fund’s investments (see below) it is important to remember that this does not necessarily mean you are depleting your overall retirement capital. If there comes a time where you are forced to withdraw more in pension payments than you need to live on, there is nothing to stop you from investing this outside superannuation. In fact, under certain circumstances (see below) you can even contribute any surplus cash flow back into your fund.

### **Will starting a pension mean you cannot contribute to superannuation any more? Or will you need to make future contributions to a different fund?**

Absolutely not. One of the many benefits of a self managed superannuation fund is that you can be withdrawing money on one hand (taking a pension) but making contributions at the same time. Depending on your circumstances, it may even make sense to start a pension that provides more income than you need and return the surplus cash flow to your Fund as a contribution.

Any new contributions are recorded in a separate member account. While they do not have to be invested in separately identifiable assets, they are treated as if they are quite separate to your pension account in the fund’s records.

The only restrictions here are the usual rules that apply in relation to superannuation contributions. You can always contribute while you are under 65 but after your 65th birthday you generally need to be working to contribute. Note also that there are limits on the amount you (or another party such as an employer) can contribute.

### **Can you stop your pension altogether? Or transfer it to another fund?**

Yes, you can stop it at any time – either in full or only partially (ie, switch off part of your pension but keep the rest going). This is referred to as “commuting” the pension.

Even transition to retirement pensions can be “commuted” – it’s just that the commuted amount cannot be withdrawn as a lump sum unless it is classified as an “unrestricted non-preserved” amount – this will be indicated in your enclosed pension documentation). Remember that these restrictions stop once you have retired.

Any amount which is commuted can be transferred to another fund or kept in your self managed fund – if it stays in your own fund, it simply goes back to being an “accumulating” balance rather than a pension balance.

The only restriction is that if you are stopping your pension entirely (or a substantial part of it) you need to make sure that your payments are up to date first. In other words, if you stop your pension half way through the year, you need to ensure that you have received at least half of the minimum pension payment beforehand. If you are just stopping part of your pension, this restriction doesn’t apply unless you are commuting so much of the balance that there is not enough left over in your pension account to meet the minimum payment over the full year.

### **Do you have to take a fixed amount each month or can you draw payments whenever you like?**

The law doesn’t impose any restrictions on when you take your pension payments – you can take it in any way you like as long as you have met the minimum pension payment by the end of the financial year. Some people choose to take monthly payments that equate roughly to their regular expenses and then draw extra amounts on an ad hoc basis (always making sure that they have at least paid the minimum by the end of the financial year).

Others may prefer to draw a regular fortnightly or weekly amount or even a single payment for the entire year.

### **What happens to your pension if you started one when you retired but then decided to go back to work?**

Nothing. You are not obliged to switch off your pension and it doesn’t affect how the pension is taxed. Of course, you may choose to switch off your pension because you no longer need the income.

Note that going back to work doesn’t mean your pension becomes a transition to retirement pension. It will only be a transition to retirement pension if it was set up that way at the outset.



## **How are superannuation payments taxed?**

The way in which your superannuation pension is taxed depends primarily on three things - your age, the "tax components" of your superannuation and who is receiving your benefit (ie, is it you or some other beneficiary on your death?).

**You pay no tax on any payment (pension or lump sum) you receive from your own superannuation after your 60<sup>th</sup> birthday.** This applies whether you are working or not (although remember that if you have not retired, you may not be able to take a lump sum) and does not depend on the amount involved.

Tax is potentially paid, however, if you are under 60 or if someone else receives your superannuation on your death. Then, the tax components become important.

### *Tax components of your superannuation*

All your superannuation in your self managed fund is divided into two components for tax purposes:

- **a tax free component.** Generally, this component represents the contributions you have made from your personal income or assets and for which you have not claimed a tax deduction. It also includes certain payments arising from the sale of a small business or a personal injury settlement. If you built up some of your superannuation prior to 1 July 2007 you may have an additional amount in your "tax free" component – your accountant or adviser will be able to tell you.
- **a taxable component.** This is simply the rest of your superannuation.

The trustee periodically works out the size of these two components for your total balance in the fund and any benefit you take must be divided proportionately between them.

For example, consider a member with \$500,000 in superannuation including a tax free component of \$100,000 (ie, 20% of the overall balance). If he started a pension with \$200,000, the tax free component of that pension would be \$40,000 (ie, 20% of the amount set aside for the pension).

### *Tax on pensions*

When a pension starts, the trustee expresses its tax free component as a percentage of the total pension balance. In the example above, for instance, the pension's tax free percentage would be 20% (\$40,000 represents 20% of \$200,000).

That percentage is then "locked in" and used to calculate the tax free component of any future payment from the pension – regardless of whether that payment is a pension to you, a lump sum paid to you or a payment to a beneficiary when you have died. The percentage is fixed even if your balance grows over time (so your tax free component could actually grow even though you are not making any more contributions).

The percentage is not affected by other contributions you are making to the fund. For example, if a pension starts with a 100% tax free percentage, payments from that pension will always be 100% tax free even if new (taxable) contributions are being made on your behalf. The new contributions are kept quite separate. As outlined earlier, any new contributions are recorded in a separate member account (ie, they are not added to your pension account).

As mentioned earlier, you do not pay tax on pension payments received after your 60<sup>th</sup> birthday (regardless of its tax free / taxable components). Payments after that time are not even reported on your personal income tax return and therefore have no impact on the tax you might pay on other (non superannuation) income.

Between preservation age (currently 55) and 60, the treatment is as follows:

Tax free component	No tax is payable, this amount is not reported in your personal income tax return.
Taxable component	This component is taxed at normal marginal rates (like a salary) <i>but</i> you are entitled to a tax rebate equal to 15% x the taxable component

If the member in the earlier example was 55 and drew a pension of \$30,000, his tax free component would be \$6,000 (ie, 20% x \$30,000).

The remaining \$24,000 would be taxed at normal rates (and this would depend on what other income he received that year), less a rebate of up to \$3,600 (15% x \$24,000). Note that the rebate is not refundable. In other words, if the individual does not have other income he would find that the normal tax on his \$24,000 income (around \$2,970 including medicare) would not be sufficient to “use up” the full amount of the rebate.

More tax is payable if you receive a superannuation pension before your preservation age but this is rare and has not been explained here.

Note that the tax treatment is different if the pension is paid to someone else because you have died – see below for a more complete explanation of what happens when you die.

#### *Tax on lump sums*

Again, the tax treatment depends on your age. **Once you reach 60 no tax is payable on any lump sums you receive from your own superannuation – regardless of the tax components.** Again, the payment is not even reported on your personal income tax return.

Between preservation age (currently 55) and 60, the treatment is as follows:

Tax free component	No tax is payable, this amount is not reported in your personal income tax return.
Taxable component	The first \$180,000 <sup>1</sup> you receive over your lifetime is tax free The remainder is taxed at 15% + medicare

<sup>1</sup> This amount is indexed (increased) periodically and is a lifetime limit – ie, if you take several payments (even in different financial years) they are added together to determine whether you have exceeded the \$180,000 limit.

Continuing our earlier example – if the member who started a \$200,000 pension with a 20% tax free percentage withdrew a \$50,000 lump sum, the tax free component of that lump sum would be \$10,000 (ie, 20% x \$50,000) and the remainder (\$40,000) would be taxable. This would be the case even if the pension balance had grown in the meantime. Whether or not any tax would be deducted from that \$40,000 would depend on whether the individual had “used up” his \$180,000 threshold via previous lump sum payments.

Again, more tax is potentially paid if the recipient is under preservation age or if the lump sum is paid to someone else because you have died. See below for a more complete explanation of what happens when you die.

### **What about tax within the superannuation fund?**

One of the major benefits of starting a pension within your superannuation fund is the way in which that event affects the tax paid by the fund itself.

Funds that do not pay pensions are subject to tax at 15% on their investment income (such as interest, rent, dividends and part of their capital gains). However, now that your fund has started paying your pension, the first \$100,000 per member, per annum of its investment income will be completely tax free.

Under current law, these tax exemptions apply to all investment income – even capital gains which have accumulated over many years (including before the pension started). As long as the gain is not realised until after the pension starts, it will be partly or entirely exempt from tax.

The tax exemption can work in one of two ways.

#### *Unsegregated assets*

In most superannuation funds there is no attempt to earmark particular assets for particular members or benefits. Instead, all the assets are “pooled” (or shared) and earnings are distributed to the various members in proportion to their balances in the fund.

If a fund which is paying a pension is run this way, the tax exemption applicable to the fund is worked out by an actuary based on the proportion of the fund’s assets which are backing a pension.

If, for example, 60% of the fund was being used to pay a pension, 60% of its investment income would be exempt from tax.

An actuarial certificate is required annually in order to claim the tax exemption if the assets are not segregated and there are some member balances not yet paying pensions.

#### *Segregated assets*

There is, however, an alternative. Tax law permits the trustee of the fund to identify particular parcels of assets that are used to specifically back individual member accounts or “groups” of liabilities such as the fund’s pension liabilities.

When assets are “segregated” in this way, the tax exemption is worked out quite differently. Essentially all investment income up to \$100,000 per member earned on the *segregated assets* (once the pensions start) is tax exempt and all investment income earned on *other* assets is fully taxable.



Actuarial certificates are not normally required for segregated funds. Generally, the only time these funds are required to obtain an actuarial certificate is if the fund pays a particular type of pension known as “defined benefit” pensions. Your account-based pension is not a defined benefit pension.

### **What happens when you die?**

Death presents some complex issues in a superannuation fund and the comments below only present a very broad overview. Good advice beforehand is almost always essential to make sure your superannuation is paid in the way you want and the tax treatment is optimised.

When you die, the law permits whatever is left in your pension account to either:

- be paid out as a lump sum to a beneficiary; or
- provide a pension for someone else; or
- some combination of the two.

A number of people could potentially receive your superannuation as a lump sum:

- your “dependants” which, for this purpose, includes your spouse / de facto, children (even adult children), people who are financially dependent on you and certain other people who are considered to have an “interdependency relationship” with you; and/or
- your estate.

Generally, your superannuation can’t be paid to anyone else (such as a friend, sibling) unless you have no estate and no dependants (as defined above).

However, not all of your dependants can receive your superannuation as a pension. In particular, adult children are generally precluded and must take any superannuation inheritance they receive as a lump sum.

### *Tax on pensions when you die*

As a general rule, anyone who receives a pension from your superannuation on your death will be taxed as follows:

- the pension will be tax free if either you or the beneficiary were over 60 at the time of your death; or
- the pension will initially be taxed if you are both under 60 at the time of your death. The “tax free” rules will then apply once the recipient turns 60.

If the pension is to be taxed, the rules are as follows:

Tax free component	No tax is payable, this amount is not reported in the recipient’s personal income tax return.
Taxable component	This component is taxed at normal marginal rates (like a salary) <i>but</i> the recipient is entitled to a tax rebate equal to 15% + the taxable component

Consider, for example, a member who died at 59, leaving a pension to a 45 year old spouse. The pension would not be tax free for another 15 years (ie, when the spouse turns 60). If, instead, the pensioner died after his / her 60th birthday, the spouse's pension would be tax free immediately.

#### *Tax on lump sums when you die*

As a general rule, any dependants apart from adult children can receive your superannuation tax free as a lump sum. This is regardless of your age, their age, the size of the benefit and whether they receive the benefit directly or via your estate.

Tax applies if the benefit is paid to anyone else (eg an adult child or, via your estate, a sibling):

Tax free component	No tax is payable, this amount is not reported in the recipient's personal income tax return.
Taxable component	This component is taxed at a rates at least 15% + medicare. Under certain circumstances, a portion of the benefit may be taxed at a rate as high as 30% + medicare.

#### *Who decides what is done with your superannuation pension when you die?*

An important point about superannuation is that it does not automatically form part of your estate when you die and it is therefore not necessarily subject to your will.

This applies whether you are receiving a pension or not. In fact, under normal circumstances, the trustee of the fund has complete discretion (subject to legislation) over how your balance (including the pension account) is dealt with when you die. This could range from deciding who receives the benefit to the form in which it is paid (a pension, a lump sum or some combination).

You can have some influence over this process in several ways:

- you can nominate a "reversionary beneficiary" for your pension. This means you specify someone who is to continue to receive your pension when you die. It also means that they assume "ownership" of your pension balance. For most people, this can only be their spouse. If your pension has a reversionary beneficiary, their details will be noted in the enclosed documentation;
- you can complete a form which tells the trustee how you would like your benefit to be paid when you die. Generally, the trustee will take your wishes into account when making a decision about your benefit but importantly, the trustee is under no obligation to follow them.

The only way you can force the trustee to follow your instructions is to issue a notice that is often referred to as a "binding death benefit nomination". These must meet certain conditions but providing they do, the trustee must follow your instructions. In some ways, they are similar to a will for your superannuation fund.

### **Special issues for your investments**

As mentioned earlier, pensions are designed to draw down your superannuation capital over time. This has some particular ramifications for your investments:

- the performance of your investments is critical in determining how long your capital lasts. As mentioned earlier, if your investments perform poorly and/or you draw very large payments, your pension account will run out and your pension will stop. The Trustee does not guarantee that your pension will last for your entire life – you bear this risk yourself;
- the investments also need to generate cash flow or there is a risk that your fund will not be able to meet your minimum pension payments. This does not necessarily mean that the investments have to provide this cash flow via dividends, interest, rent etc – it could be provided when assets are sold; and
- a related point – the Fund's investments need to be sufficiently liquid to ensure that if the Trustee needs to sell some of them to make payments to you, this can be done. Again, bear in mind that as all pensions are designed to draw down capital it is almost inevitable that some of your Fund's investments will need to be sold at some point unless it is receiving cash flow from other sources (say other fund members will be making contributions for many years). This is particularly relevant in a self managed fund environment because the trustee cannot rely on a large pool of assets (shared between thousands of members) to achieve the liquidity it needs, only the assets in your fund are available.

### **Do you have to pay pensions in cash or could you just transfer ownership of some of your Fund's assets to yourself in lieu of payment?**

Unfortunately pension payments must be made in cash. However, lump sums can be paid "in specie" (ie, by transferring assets). The Trustee must simply ensure that the transaction occurs on a commercial basis.

### **What fees are associated with your pension?**

You have been charged a fixed fee for the establishment of your pension and the amount was set out in the enclosed documentation.

This is the only fee specifically associated with your pension. While your fund may pay a number of other costs (see below) these relate to the fact that you have a self managed fund rather the fact that you have commenced this pension. For example:

- Administration Costs – for the ongoing maintenance of Fund records and production of reports required by legislation.
- Insurance Costs – for salary continuation, death only, death and total and permanent disablement insurance. These costs are specific to the member and may be paid directly from the members' account.

- Adviser Costs – for the provision of advice in relation to, for example, investments, compliance and retirement planning.
- Investment Manager Costs – for the provision of portfolio services.
- Professional, Regulatory & Other Costs – for the provision of specialist professional skills required by the Fund (such as audit and actuarial services), lodgment fees dictated by government and any other general expenses of the Fund.

These costs may vary from year to year depending on the complexity of the Fund, type and extent of investments, age of the members and legislative change. Unless, otherwise indicated, you incur these costs indirectly as they reduce investment earnings before they are credited to member accounts. The Trustee will provide details of the amount of each cost on request.

Commissions may also be payable from the assets of the Fund as negotiated from time to time by the Trustee with service providers.

### **Other issues**

There are some other points which must be stated in a PDS but which are not particularly relevant to pensions provided from self managed funds. We mention them here for completeness:

- The Trustee will provide reports to members at least annually consistent with relevant legislation. Reports may be provided more frequently if the Trustee considers this appropriate.
- There is no legislative requirement for the Trustee to have dispute resolution mechanisms in place. Furthermore the Superannuation Complaints Tribunal does not have jurisdiction to deal with complaints in relation to the operation of your fund.
- There is no legislative requirement for the Trustee to have a cooling off period for your pension (ie, a period during which you can change your mind). As a result, the Trustee does not have a cooling off period.
- Generally labour standards, environmental, social and ethical considerations are **not** taken into account by the Trustee in the selection, retention or realisation of investments.

### **Other questions?**

We trust you have found this document a useful summary of your new pension.

As a member, you are able to obtain information about any aspect of the Fund's operation at any time by contacting the Trustee at the address shown earlier. Alternatively, you can discuss your pension arrangements with us, being your accountant and adviser.

**KRENN SUPERANNUATION FUND**  
**DOCUMENTS ESTABLISHING AN**  
**ACCOUNT - BASED PENSION**  
**IN ACCORDANCE WITH REGULATION 1.06(9A)(a) &1.07D**  
**OF THE SUPERANNUATION INDUSTRY (SUPERVISION)**  
**ACT 1993**  
**FOR ALFRED KRENN**  
**ON 7 FEBRUARY 2014**

7-02-2014

**PRIVATE & CONFIDENTIAL**

The Trustee  
Krenn Super Fund  
PO Box 2183  
SMITHFIELD NSW 2164

Dear Trustee

With effect from 7<sup>th</sup> February 2014, I would like to apply an amount of \$1,580,911 from my balance in the Fund to provide a superannuation pension in accordance with Regulation 1.06(9A)(a) and 1.07D of the Superannuation Industry (Supervision) Act 1993.

As I am over 60 but not yet retired, I understand that this pension must also meet the requirements imposed on transition to retirement income streams (as defined in Regulation 6.01(2)).

Yours faithfully,

X   
Alfred Krenn

**ALFRED KRENN  
BLANCA ISABEL KRENN  
AS TRUSTEES OF  
KRENN SUPER FUND (THE "FUND")  
ABN 96 374 801 291**

**RESOLUTIONS OF TRUSTEES**

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We, being the Trustees of Krenn Super Fund resolve:

***Commencement of an  
Account-Based Pension  
for Alfred Krenn***

A letter received from Alfred Krenn requesting the commencement of an account-based pension from the Fund on 7 February 2014 was considered.

It was noted that Alfred Krenn was eligible to commence the pension in accordance with the Superannuation Industry (Supervision) Act 1993 and its associated Regulations. It was noted that Section 20 of the Trust Deed provides general powers to pay pensions of this nature.

It was noted that the member's accumulation account had been most recently valued at \$1,580,911.

It was resolved that a pension meeting the requirements of Regulation 1.06(9A)(a) and 1.07D of the Superannuation Industry (Supervision) Act 1993 would commence for Alfred Krenn on 7 February 2014 as requested.



## RESOLUTIONS OF TRUSTEES (Continued)

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It was noted that as the member has not yet retired, this income stream must initially meet the additional requirements associated with transition to retirement income streams. In particular it was noted that until the member meets a 'condition of release' such as retirement, the pension amount is subject to an upper limit each year and no more than the 'unrestricted non-preserved' portion of the pension balance may be withdrawn as a lump sum at any time.

***Treatment of the  
pension on the members  
death***

It was noted that Alfred Krenn had not requested a reversion of the pension on death.

***Segregation of certain  
assets to meet the  
pension***

It was resolved that no assets would be specifically segregated to meet the pension, it would be funded from the general assets of the Fund.

***Completion of Statutory  
Forms***

It was noted that there are no statutory forms required for lodgment as the member is over 60.

Dated, this

  
.....  
Alfred Krenn

X   
.....  
Blanca Isabel Krenn

7 February 2014

**PRIVATE & CONFIDENTIAL**

Mr Alfred Krenn  
PO Box 2183  
SMITHFIELD NSW 2164

Dear Mr Krenn

**KRENN SUPERANNUATION FUND (the "Fund")**  
**Account-based pension**

We have agreed to set aside \$1,580,911 being the total amount of your superannuation benefit within the Fund, to provide a superannuation pension known as an "account based" pension to you with effect from 7<sup>th</sup> February 2014.

**Payment Amounts**

We are required by legislation to ensure that the pension paid to you from your pension balance is at least equal to a minimum amount of \$33,000 from 7 February 2014 – 30 June 2014.

The minimum payment amount in future years will be determined based on your age and account balance at 1 July each year.

**Tax treatment**

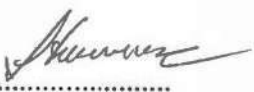
As you are over 60 years old, all payments from your pension - including payments above the minimum amount shown above - are tax free.

The Tax Free Component and tax offset (where applicable) will be taken into account when determining the amount of tax that needs to be withheld from each of your pension payments. If however, we are subsequently advised that a lower offset applies, your net payments will be reduced accordingly.

**Lodging your personal income tax return**

Payments from your pension are not considered to be assessable income and therefore do not need to be reported on your personal income tax return.

Yours sincerely

X 

.....  
Blanca Isabel Krenn  
For and on behalf of Krenn Super Fund

# KRENN SUPERANNUATION FUND(THE "FUND")

## Account-Based Pension Product Disclosure Statement ("PDS")


A product disclosure document (PDS) is a document that must generally be issued to anyone who acquires a "financial product". The term "financial product" has a specific meaning under the Corporations Act 2001 and includes, among other things, starting a new pension within a superannuation fund.

This PDS has been issued because you have commenced an income stream known as an "account-based pension" from your superannuation. Its purpose is to explain the significant features of the pension including its risks, benefits and costs.

Trustees: Alfred Krenn  
Blanca Isabel Krenn

Contact Details: PO Box 2183  
SMITHFIELD NSW 2164

Received By: Alfred Krenn

Signature: 

Date:

### What is covered in this Product Disclosure Statement?

Putting the pension into the context of your superannuation fund .....	page 2
What are superannuation pensions? .....	page 2
Your pension – an account-based pension .....	page 3
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How much <i>must</i> you draw each year? .....	page 4
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## **Putting the pension into the context of your superannuation fund**

As you know, you have a particular type of superannuation fund known as a “self managed” fund. This means you are both a member and trustee of this fund. While you fill both roles, it is important to remember that you have quite different rights and responsibilities in each one.

In *your capacity* as a trustee, you are ultimately responsible for every aspect of the operation of your fund. While complying with the relevant legislation is always paramount, the trustee has full discretion over any other rules etc governing your pension. At this stage, the Trustee has decided to provide you with as much flexibility as the law allows. You should bear this in mind when you read this PDS as not all the information here will be relevant for pensions in other superannuation funds – their trustee may well impose additional restrictions that do not apply to you.

Note that even though the Trustee is responsible for the operation of the Fund, it is permitted to outsource some functions (for example, administration/ accounting, compliance management and investment advising). Trustees often do this in many areas of their fund’s operation to help them ensure they comply with the relevant legislation. In this particular instance, the Trustee has chosen to outsource the preparation of documents to formalise the commencement of your account-based pension (enclosed with this PDS).

In *your capacity* as a member, you are entitled to receive your benefit as a pension, a lump sum or some combination. This PDS relates exclusively to your new account-based pension.

## **What are superannuation pensions?**

A superannuation pension (also often called an “income stream”) is simply a way of drawing down the balance you have built up in your fund.

When a pension starts within a self managed superannuation fund, you do not have to sell investments, change funds or “buy” a product from an external provider. In fact, all that is required is the paperwork enclosed with this PDS and then you can start drawing payments.

Taking a pension from your own fund means you can continue to enjoy the benefits of having your own superannuation fund in retirement. These relate primarily to flexibility and control, ie:

- complete discretion over your investments (subject to legislation);
- choice of service providers;
- the ability to take advantage of changes in tax and superannuation legislation immediately (rather than waiting for the systems changes etc inevitably required for larger funds); and
- flexibility to “make your own rules” (as explained above – the trustee has considerable discretion over how and when you receive pension payments).

## **Your pension – an account-based pension**

There are several different types of pension that may be paid by superannuation funds. The particular pension you have started is known as an “account-based” pension.

This type of pension is called an account-based pension because the payment you must withdraw each year depends on the size of your pension account.

They are not guaranteed for life or for a particular number of years like (say) an annuity you might buy from a life insurance company.

Instead, when you start one of these pensions, you are simply committing to drawing a payment each year that meets certain conditions (explained below). The amount you receive over your lifetime will depend primarily on the investments in your fund.

For example, if your fund suffers significant losses, your pension account could run out and you would not be able to take any further payments. If, on the other hand, your fund performs very well you may find that your pension account still has substantial amounts remaining when you die.

## **When can an account-based pension start?**

Account-based pensions can generally start any time after the recipient reaches their “preservation age”. For people born before 1 July 1960 this is 55 and for those born after 30 June 1964 it is 60. The preservation age for anyone born between these two dates is between 55 and 60.

Importantly, you don’t have to be “retired” to start a pension – simply reaching your preservation age is enough. Generally, however, if you start a pension before you retire, it is subject to some additional restrictions. Pensions set up in these circumstances are often referred to as “transition to retirement” pensions and the special rules that apply to them are explained throughout this PDS. Importantly, these restrictions only apply until you retire – at that point, your pension stops being a “transition to retirement” pension and is just a normal account-based pension.

Note that “retirement” has a very specific meaning in a superannuation context. To be retired, you generally need to have either:

- turned 60 and subsequently ceased an employment arrangement; or
- reached your preservation age and decided that you never intend to work in a paid job for more than 10 hours per week again; or
- turned 65 (at that point, your work status ceases to matter for this purpose).

### How much *must* you draw each year?

You must take a minimum amount from your pension each financial year. The amount for a particular year is calculated as a proportion of the balance of your pension account at the start of that financial year (1 July). The proportions change as you get older as follows:

<b>Your age at 1 July</b>	<b>Proportion of your pension account balance that you must draw as a pension</b>
Under 65	4%
65 – 74	5%
75 – 79	6%
80 – 84	7%
85 – 89	9%
90 – 94	11%
95 +	14%

(The payment is pro-rated if you start a pension during a financial year. The minimum amount you must draw in the first year of your pension is shown in the enclosed documents.)

Your minimum pension amount is then rounded to the nearer \$10.

To illustrate, consider a pensioner who turns 80 on 1 August 2013 and has \$650,000 in his pension account. On 1 July 2013, he will still be 79 so the relevant proportion (from the table above) is 6%. During 2013/14, he must therefore withdraw at least \$39,000 (6.0% x \$650,000).

### **Is there any upper limit on the amount that can be withdrawn from an account-based pension?**

Upper limits only apply if the pension is a “transition to retirement” pension (ie, you have not yet retired).

If you have a transition to retirement pension, your total pension drawings over a financial year cannot be any higher than 10% of your pension account balance at the start of the financial year. (In the first year, the figure is 10% of the amount you set aside to start the pension. If this is relevant to you, the amount is shown in the enclosed documents.)



You can actually choose whether any extra payment over and above the minimum pension is treated as a lump sum or a pension. The distinction is important because lump sums and pensions are taxed differently under some circumstances.

This is another area where special restrictions apply to transition to retirement pensions. These pensions can only pay lump sums up to a maximum amount – this is identified in your enclosed pension documents as your “unrestricted non-preserved” amount. The maximum lump sum amount is a cumulative figure rather than an annual limit – ie, until you retire (at which point the transition to retirement restrictions stop applying to you), the total lump sum payments you can receive from your pension since it started are capped.

### **How do these payments tie in with the Fund’s investment earnings?**

As you can see, the amount of the pension payment is not linked to the amount of income the fund earns.

The pensioner in the above example might, for instance, find that his fund generated \$50,000 in dividends, rent, interest etc. He could therefore choose to take higher payments or he could leave the difference accumulating in his superannuation fund (in which case his pension account balance may well increase).

Alternatively, he may find that his fund generates only \$20,000 in income – ie, too little to pay the minimum pension. If this is the case, the fund would need to sell assets to ensure that the trustee met its obligations to pay at least the minimum pension amount of \$39,000.

As you can probably appreciate, the assets underlying your pension account may well earn more than the amount you draw, particularly if you always take the minimum pension. This is often particularly evident in the early years (when the payment factors are relatively low) and in funds where the value of the assets increases (say due to rising share prices) as well as generating cash income.

If this is the case, your pension account will initially grow. Over the long term, however, pensions are designed to draw down your superannuation capital. While this has some implications for your Fund’s investments (see below) it is important to remember that this does not necessarily mean you are depleting your overall retirement capital. If there comes a time where you are forced to withdraw more in pension payments than you need to live on, there is nothing to stop you from investing this outside superannuation. In fact, under certain circumstances (see below) you can even contribute any surplus cash flow back into your fund.

### **Will starting a pension mean you cannot contribute to superannuation any more? Or will you need to make future contributions to a different fund?**

Absolutely not. One of the many benefits of a self managed superannuation fund is that you can be withdrawing money on one hand (taking a pension) but making contributions at the same time. Depending on your circumstances, it may even make sense to start a pension that provides more income than you need and return the surplus cash flow to your Fund as a contribution.

Any new contributions are recorded in a separate member account. While they do not have to be invested in separately identifiable assets, they are treated as if they are quite separate to your pension account in the fund’s records.



The only restrictions here are the usual rules that apply in relation to superannuation contributions. You can always contribute while you are under 65 but after your 65th birthday you generally need to be working to contribute. Note also that there are limits on the amount you (or another party such as an employer) can contribute.

### **Can you stop your pension altogether? Or transfer it to another fund?**

Yes, you can stop it at any time – either in full or only partially (ie, switch off part of your pension but keep the rest going). This is referred to as “commuting” the pension.

Even transition to retirement pensions can be “commuted” – it’s just that the commuted amount cannot be withdrawn as a lump sum unless it is classified as an “unrestricted non-preserved” amount – this will be indicated in your enclosed pension documentation). Remember that these restrictions stop once you have retired.

Any amount which is commuted can be transferred to another fund or kept in your self managed fund – if it stays in your own fund, it simply goes back to being an “accumulating” balance rather than a pension balance.

The only restriction is that if you are stopping your pension entirely (or a substantial part of it) you need to make sure that your payments are up to date first. In other words, if you stop your pension half way through the year, you need to ensure that you have received at least half of the minimum pension payment beforehand. If you are just stopping part of your pension, this restriction doesn’t apply unless you are commuting so much of the balance that there is not enough left over in your pension account to meet the minimum payment over the full year.

### **Do you have to take a fixed amount each month or can you draw payments whenever you like?**

The law doesn’t impose any restrictions on when you take your pension payments – you can take it in any way you like as long as you have met the minimum pension payment by the end of the financial year. Some people choose to take monthly payments that equate roughly to their regular expenses and then draw extra amounts on an ad hoc basis (always making sure that they have at least paid the minimum by the end of the financial year).

Others may prefer to draw a regular fortnightly or weekly amount or even a single payment for the entire year.

### **What happens to your pension if you started one when you retired but then decided to go back to work?**

Nothing. You are not obliged to switch off your pension and it doesn’t affect how the pension is taxed. Of course, you may choose to switch off your pension because you no longer need the income.

Note that going back to work doesn’t mean your pension becomes a transition to retirement pension. It will only be a transition to retirement pension if it was set up that way at the outset.

## How are superannuation payments taxed?

The way in which your superannuation pension is taxed depends primarily on three things - your age, the "tax components" of your superannuation and who is receiving your benefit (ie, is it you or some other beneficiary on your death?).

**You pay no tax on any payment (pension or lump sum) you receive from your own superannuation after your 60<sup>th</sup> birthday.** This applies whether you are working or not (although remember that if you have not retired, you may not be able to take a lump sum) and does not depend on the amount involved.

Tax is potentially paid, however, if you are under 60 or if someone else receives your superannuation on your death. Then, the tax components become important.

### *Tax components of your superannuation*

All your superannuation in your self managed fund is divided into two components for tax purposes:

- **a tax free component.** Generally, this component represents the contributions you have made from your personal income or assets and for which you have not claimed a tax deduction. It also includes certain payments arising from the sale of a small business or a personal injury settlement. If you built up some of your superannuation prior to 1 July 2007 you may have an additional amount in your "tax free" component – your accountant or adviser will be able to tell you.
- **a taxable component.** This is simply the rest of your superannuation.

The trustee periodically works out the size of these two components for your total balance in the fund and any benefit you take must be divided proportionately between them.

For example, consider a member with \$500,000 in superannuation including a tax free component of \$100,000 (ie, 20% of the overall balance). If he started a pension with \$200,000, the tax free component of that pension would be \$40,000 (ie, 20% of the amount set aside for the pension).

### *Tax on pensions*

When a pension starts, the trustee expresses its tax free component as a percentage of the total pension balance. In the example above, for instance, the pension's tax free percentage would be 20% (\$40,000 represents 20% of \$200,000).

That percentage is then "locked in" and used to calculate the tax free component of any future payment from the pension – regardless of whether that payment is a pension to you, a lump sum paid to you or a payment to a beneficiary when you have died. The percentage is fixed even if your balance grows over time (so your tax free component could actually grow even though you are not making any more contributions).

The percentage is not affected by other contributions you are making to the fund. For example, if a pension starts with a 100% tax free percentage, payments from that pension will always be 100% tax free even if new (taxable) contributions are being made on your behalf. The new contributions are kept quite separate. As outlined earlier, any new contributions are recorded in a separate member account (ie, they are not added to your pension account).

As mentioned earlier, you do not pay tax on pension payments received after your 60<sup>th</sup> birthday (regardless of its tax free / taxable components). Payments after that time are not even reported on your personal income tax return and therefore have no impact on the tax you might pay on other (non superannuation) income.

Between preservation age (currently 55) and 60, the treatment is as follows:

Tax free component	No tax is payable, this amount is not reported in your personal income tax return.
Taxable component	This component is taxed at normal marginal rates (like a salary) <i>but</i> you are entitled to a tax rebate equal to 15% x the taxable component

If the member in the earlier example was 55 and drew a pension of \$30,000, his tax free component would be \$6,000 (ie, 20% x \$30,000).

The remaining \$24,000 would be taxed at normal rates (and this would depend on what other income he received that year), less a rebate of up to \$3,600 (15% x \$24,000). Note that the rebate is not refundable. In other words, if the individual does not have other income he would find that the normal tax on his \$24,000 income (around \$2,970 including medicare) would not be sufficient to “use up” the full amount of the rebate.

More tax is payable if you receive a superannuation pension before your preservation age but this is rare and has not been explained here.

Note that the tax treatment is different if the pension is paid to someone else because you have died – see below for a more complete explanation of what happens when you die.

#### *Tax on lump sums*

Again, the tax treatment depends on your age. **Once you reach 60 no tax is payable on any lump sums you receive from your own superannuation – regardless of the tax components.** Again, the payment is not even reported on your personal income tax return.

Between preservation age (currently 55) and 60, the treatment is as follows:

Tax free component	No tax is payable, this amount is not reported in your personal income tax return.
Taxable component	The first \$180,000 <sup>1</sup> you receive over your lifetime is tax free The remainder is taxed at 15% + medicare

<sup>1</sup> This amount is indexed (increased) periodically and is a lifetime limit – ie, if you take several payments (even in different financial years) they are added together to determine whether you have exceeded the \$180,000 limit.

Continuing our earlier example – if the member who started a \$200,000 pension with a 20% tax free percentage withdrew a \$50,000 lump sum, the tax free component of that lump sum would be \$10,000 (ie, 20% x \$50,000) and the remainder (\$40,000) would be taxable. This would be the case even if the pension balance had grown in the meantime. Whether or not any tax would be deducted from that \$40,000 would depend on whether the individual had “used up” his \$180,000 threshold via previous lump sum payments.

Again, more tax is potentially paid if the recipient is under preservation age or if the lump sum is paid to someone else because you have died. See below for a more complete explanation of what happens when you die.

### **What about tax within the superannuation fund?**

One of the major benefits of starting a pension within your superannuation fund is the way in which that event affects the tax paid by the fund itself.

Funds that do not pay pensions are subject to tax at 15% on their investment income (such as interest, rent, dividends and part of their capital gains). However, now that your fund has started paying your pension, the first \$100,000 per member, per annum of its investment income will be completely tax free.

Under current law, these tax exemptions apply to all investment income – even capital gains which have accumulated over many years (including before the pension started). As long as the gain is not realised until after the pension starts, it will be partly or entirely exempt from tax.

The tax exemption can work in one of two ways.

#### *Unsegregated assets*

In most superannuation funds there is no attempt to earmark particular assets for particular members or benefits. Instead, all the assets are “pooled” (or shared) and earnings are distributed to the various members in proportion to their balances in the fund.

If a fund which is paying a pension is run this way, the tax exemption applicable to the fund is worked out by an actuary based on the proportion of the fund’s assets which are backing a pension.

If, for example, 60% of the fund was being used to pay a pension, 60% of its investment income would be exempt from tax.

An actuarial certificate is required annually in order to claim the tax exemption if the assets are not segregated and there are some member balances not yet paying pensions.

#### *Segregated assets*

There is, however, an alternative. Tax law permits the trustee of the fund to identify particular parcels of assets that are used to specifically back individual member accounts or “groups” of liabilities such as the fund’s pension liabilities.

When assets are “segregated” in this way, the tax exemption is worked out quite differently. Essentially all investment income up to \$100,000 per member earned on the *segregated assets* (once the pensions start) is tax exempt and all investment income earned on *other* assets is fully taxable.

Actuarial certificates are not normally required for segregated funds. Generally, the only time these funds are required to obtain an actuarial certificate is if the fund pays a particular type of pension known as “defined benefit” pensions. Your account-based pension is not a defined benefit pension.

### **What happens when you die?**

Death presents some complex issues in a superannuation fund and the comments below only present a very broad overview. Good advice beforehand is almost always essential to make sure your superannuation is paid in the way you want and the tax treatment is optimised.

When you die, the law permits whatever is left in your pension account to either:

- be paid out as a lump sum to a beneficiary; or
- provide a pension for someone else; or
- some combination of the two.

A number of people could potentially receive your superannuation as a lump sum:

- your “dependants” which, for this purpose, includes your spouse / de facto, children (even adult children), people who are financially dependent on you and certain other people who are considered to have an “interdependency relationship” with you; and/or
- your estate.

Generally, your superannuation can’t be paid to anyone else (such as a friend, sibling) unless you have no estate and no dependants (as defined above).

However, not all of your dependants can receive your superannuation as a pension. In particular, adult children are generally precluded and must take any superannuation inheritance they receive as a lump sum.

### *Tax on pensions when you die*

As a general rule, anyone who receives a pension from your superannuation on your death will be taxed as follows:

- the pension will be tax free if either you or the beneficiary were over 60 at the time of your death; or
- the pension will initially be taxed if you are both under 60 at the time of your death. The “tax free” rules will then apply once the recipient turns 60.

If the pension is to be taxed, the rules are as follows:

Tax free component	No tax is payable, this amount is not reported in the recipient’s personal income tax return.
Taxable component	This component is taxed at normal marginal rates (like a salary) <i>but</i> the recipient is entitled to a tax rebate equal to 15% + the taxable component



Consider, for example, a member who died at 59, leaving a pension to a 45 year old spouse. The pension would not be tax free for another 15 years (ie, when the spouse turns 60). If, instead, the pensioner died after his / her 60th birthday, the spouse's pension would be tax free immediately.

#### *Tax on lump sums when you die*

As a general rule, any dependants apart from adult children can receive your superannuation tax free as a lump sum. This is regardless of your age, their age, the size of the benefit and whether they receive the benefit directly or via your estate.

Tax applies if the benefit is paid to anyone else (eg an adult child or, via your estate, a sibling):

Tax free component	No tax is payable, this amount is not reported in the recipient's personal income tax return.
Taxable component	This component is taxed at a rates at least 15% + medicare. Under certain circumstances, a portion of the benefit may be taxed at a rate as high as 30% + medicare.

#### *Who decides what is done with your superannuation pension when you die?*

An important point about superannuation is that it does not automatically form part of your estate when you die and it is therefore not necessarily subject to your will.

This applies whether you are receiving a pension or not. In fact, under normal circumstances, the trustee of the fund has complete discretion (subject to legislation) over how your balance (including the pension account) is dealt with when you die. This could range from deciding who receives the benefit to the form in which it is paid (a pension, a lump sum or some combination).

You can have some influence over this process in several ways:

- you can nominate a "reversionary beneficiary" for your pension. This means you specify someone who is to continue to receive your pension when you die. It also means that they assume "ownership" of your pension balance. For most people, this can only be their spouse. If your pension has a reversionary beneficiary, their details will be noted in the enclosed documentation;
- you can complete a form which tells the trustee how you would like your benefit to be paid when you die. Generally, the trustee will take your wishes into account when making a decision about your benefit but importantly, the trustee is under no obligation to follow them.

The only way you can force the trustee to follow your instructions is to issue a notice that is often referred to as a "binding death benefit nomination". These must meet certain conditions but providing they do, the trustee must follow your instructions. In some ways, they are similar to a will for your superannuation fund.

### **Special issues for your investments**

As mentioned earlier, pensions are designed to draw down your superannuation capital over time. This has some particular ramifications for your investments:

- the performance of your investments is critical in determining how long your capital lasts. As mentioned earlier, if your investments perform poorly and/or you draw very large payments, your pension account will run out and your pension will stop. The Trustee does not guarantee that your pension will last for your entire life – you bear this risk yourself;
- the investments also need to generate cash flow or there is a risk that your fund will not be able to meet your minimum pension payments. This does not necessarily mean that the investments have to provide this cash flow via dividends, interest, rent etc – it could be provided when assets are sold; and
- a related point – the Fund's investments need to be sufficiently liquid to ensure that if the Trustee needs to sell some of them to make payments to you, this can be done. Again, bear in mind that as all pensions are designed to draw down capital it is almost inevitable that some of your Fund's investments will need to be sold at some point unless it is receiving cash flow from other sources (say other fund members will be making contributions for many years). This is particularly relevant in a self managed fund environment because the trustee cannot rely on a large pool of assets (shared between thousands of members) to achieve the liquidity it needs, only the assets in your fund are available.

### **Do you have to pay pensions in cash or could you just transfer ownership of some of your Fund's assets to yourself in lieu of payment?**

Unfortunately pension payments must be made in cash. However, lump sums can be paid "in specie" (ie, by transferring assets). The Trustee must simply ensure that the transaction occurs on a commercial basis.

### **What fees are associated with your pension?**

You have been charged a fixed fee for the establishment of your pension and the amount was set out in the enclosed documentation.

This is the only fee specifically associated with your pension. While your fund may pay a number of other costs (see below) these relate to the fact that you have a self managed fund rather the fact that you have commenced this pension. For example:

- Administration Costs – for the ongoing maintenance of Fund records and production of reports required by legislation.
- Insurance Costs – for salary continuation, death only, death and total and permanent disablement insurance. These costs are specific to the member and may be paid directly from the members' account.



- Adviser Costs – for the provision of advice in relation to, for example, investments, compliance and retirement planning.
- Investment Manager Costs – for the provision of portfolio services.
- Professional, Regulatory & Other Costs – for the provision of specialist professional skills required by the Fund (such as audit and actuarial services), lodgment fees dictated by government and any other general expenses of the Fund.

These costs may vary from year to year depending on the complexity of the Fund, type and extent of investments, age of the members and legislative change. Unless, otherwise indicated, you incur these costs indirectly as they reduce investment earnings before they are credited to member accounts. The Trustee will provide details of the amount of each cost on request.

Commissions may also be payable from the assets of the Fund as negotiated from time to time by the Trustee with service providers.

#### **Other issues**

There are some other points which must be stated in a PDS but which are not particularly relevant to pensions provided from self managed funds. We mention them here for completeness:

- The Trustee will provide reports to members at least annually consistent with relevant legislation. Reports may be provided more frequently if the Trustee considers this appropriate.
- There is no legislative requirement for the Trustee to have dispute resolution mechanisms in place. Furthermore the Superannuation Complaints Tribunal does not have jurisdiction to deal with complaints in relation to the operation of your fund.
- There is no legislative requirement for the Trustee to have a cooling off period for your pension (ie, a period during which you can change your mind). As a result, the Trustee does not have a cooling off period.
- Generally labour standards, environmental, social and ethical considerations are **not** taken into account by the Trustee in the selection, retention or realisation of investments.

#### **Other questions?**

We trust you have found this document a useful summary of your new pension.

As a member, you are able to obtain information about any aspect of the Fund's operation at any time by contacting the Trustee at the address shown earlier. Alternatively, you can discuss your pension arrangements with us, being your accountant and adviser.

**KRENN SUPERANNUATION FUND**  
**96 374 801 291**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	2022 \$	2021 \$
Represented by:		
<b>Liability for accrued members' benefits</b>		
<b>ALFRED KRENN - PENSION ACCOUNT</b>		
Balance at Beginning of Year	2,246,940.18	2,099,598.51
Allocated Earnings	61,586.64	62,584.55
Movement in Asset Value	680,360.00	136,757.12
Benefits Paid During Year	(56,356.50)	(52,000.00)
	<u>2,932,530.32</u>	<u>2,246,940.18</u>
<b>ALFRED KRENN</b>		
Balance at Beginning of Year	1,038,947.32	932,125.74
Allocated Earnings	28,917.73	28,193.46
Income Tax Expense on Earnings	(4,337.67)	(4,229.05)
Contributions from Employer	27,500.00	25,000.00
Income Tax Expense on Contributions	(4,125.00)	(3,750.00)
Movement in Investment Values	319,460.00	61,607.17
	<u>1,406,362.38</u>	<u>1,038,947.32</u>
<b>ISABEL BLANCA KRENN - PENSION ACCOUNT</b>		
Balance at Beginning of Year	2,246,940.18	2,099,598.51
Allocated Earnings	61,586.64	62,584.55
Movements in Value	680,360.00	136,757.12
Benefits Paid During Year	(56,356.50)	(52,000.00)
	<u>2,932,530.32</u>	<u>2,246,940.18</u>
<b>BLANCA ISABEL KRENN</b>		
Balance at Beginning of Year	1,040,144.96	933,224.18
Allocated Earnings	28,950.31	28,226.14
Income Tax Expense on Earnings	(4,342.83)	(4,233.95)
Contributions from Employer	27,500.00	25,000.00
Income Tax Expense on Contributions	(4,125.00)	(3,750.00)
Movement in Investment Values	319,820.00	61,678.59
	<u>1,407,947.44</u>	<u>1,040,144.96</u>
	<u>8,679,370.46</u>	<u>6,572,972.64</u>
Profit Earned This Year	181,041.32	181,588.70
Distribution to Members	(181,041.32)	(181,588.70)
	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<u><u>8,679,370.46</u></u>	<u><u>6,572,972.64</u></u>
<b>ASSETS</b>		
<b>Investments</b>		

**KRENN SUPERANNUATION FUND**  
**96 374 801 291**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	2022 \$	2021 \$
41 VICTORIA ST, SMITHFIELD	8,000,000.00	6,000,000.00
	<u>8,000,000.00</u>	<u>6,000,000.00</u>
<b>Other Assets</b>		
Cash at Bank	687,971.85	584,351.52
Formation Expenses	770.00	770.00
	<u>688,741.85</u>	<u>585,121.52</u>
<b>TOTAL ASSETS</b>	<u>8,688,741.85</u>	<u>6,585,121.52</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accrued Charges	-	6,000.00
Provision for Income Tax	5,425.50	1,235.35
GST Payable	3,945.89	4,913.53
<b>TOTAL CURRENT LIABILITIES</b>	<u>9,371.39</u>	<u>12,148.88</u>
<b>TOTAL LIABILITIES</b>	<u>9,371.39</u>	<u>12,148.88</u>
<b>NET ASSETS</b>	<u>8,679,370.46</u>	<u>6,572,972.64</u>

**KRENN SUPERANNUATION FUND**  
**96 374 801 291**

**OPERATING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>Investment revenue</b>			
Interest Received		128.57	275.96
<b>Net investment revenue</b>		<u>128.57</u>	<u>275.96</u>
 <b>Contributions revenue</b>			
Employer's contribution		55,000.00	50,000.00
<b>Total contributions revenue</b>		<u>55,000.00</u>	<u>50,000.00</u>
 <b>Other revenue</b>			
Other revenue		205,943.64	196,363.64
Total other revenue		<u>205,943.64</u>	<u>196,363.64</u>
 <b>Total revenue</b>		<u><u>261,072.21</u></u>	<u><u>246,639.60</u></u>
<b>Expenses</b>			
Accountancy Fees		6,300.00	6,000.00
Supervisor Levy		259.00	259.00
Land Tax		9,023.15	8,241.90
Fees & Permit		-	550.00
Rates & Taxes		<u>9,448.74</u>	<u>-</u>
		<u>25,030.89</u>	<u>15,050.90</u>
 <b>Benefits accrued as a result of operations before income tax</b>		236,041.32	231,588.70
Income tax expense		<u>16,930.50</u>	<u>15,963.00</u>
<b>Benefits accrued as a result of operations</b>		<u><u>219,110.82</u></u>	<u><u>215,625.70</u></u>



KRENN SUPERANNUATION FUND

**YEAR ENDED 30 JUNE 2022**

### Income Tax Computation

Interest & Rebates					
Rents Received				129	
Other Income				205944	
Capital Gains				0	
				0	
	Discounted Other		Losses		
Distributions			0		
Sales	0.00		0		
	0.00		0	0	
losses recouped			0	0.00	
loss b/fwd			0	0.00	
loss c/fwd			0	0.00	
	0.00	0.00	0.00		0
Foreign Deductions					
Employer Contributions				55000	
				261073	
Exempt Income	206,073	68.035%	140,202	140,202	
Less: expenses					
Audit & Accountancy	6,300	31.965%	2,013.80		4,286.21
Rates & Taxes	18,472	31.965%	5,904.57		12,567.43
Valuation Fees		31.965%	0.00		0.00
supervisory levy	259	31.965%	82.79	8,001	176.21
	25,031				
Taxable Income				112,870	
				112,870	
Tax Payable -				16,930.50	
Less:					
Imputation Credits					
Foreign Tax Credits					
PAYG Instalments	15962			15,962.00	
				968.50	
Add: Supervisory Levy				259	
Balance Due				1,227.50	
	June PAYG			4457	
	As per Accounts			5,425.50	





From First to Last by Account

Options: Not summarised, Excluding NIL Balances

Client Code: KRENNSUP From 01/07/2021 To 30/06/2022

Last Year	Account	Description	Debit	Credit
(275.96)	199	Interest Received		128.57
(196363.64)	200	Rent Received		205943.64
6000.00	300	Accountancy Fees	6300.00	
259.00	364	Supervisor Levy	259.00	
8241.90	386	Land Tax	9023.15	
550.00	407	Fees & Permit	-	
-	422	Rates & Taxes	9448.74	
	550	SUPERANNUATION FUND		
(181588.70)	55002	Profit Earned This Year	-	
181588.70	55003	Distribution to Members	181041.32	
	551	ALFRED KRENN - PENSION ACCOUNT		
(2099598.51)	55101	Balance at Beginning of Year		2246940.18
(62584.55)	55102	Allocated Earnings		61586.64
(136757.12)	55111	Movement in Asset Value		680360.00
52000.00	55115	Benefits Paid During Year	56356.50	
	552	ALFRED KRENN		
(932125.74)	55201	Balance at Beginning of Year		1038947.32
(28193.46)	55202	Allocated Earnings		28917.73
4229.05	55205	Income Tax Expense on Earnings	4337.67	
(25000.00)	55207	Contributions from Employer		27500.00
3750.00	55210	Income Tax Expense on Contributions	4125.00	
(61607.17)	55211	Movement in Investment Values		319460.00
	553	ISABEL BLANCA KRENN - PENSION ACCOUNT		
(2099598.51)	55301	Balance at Beginning of Year		2246940.18
(62584.55)	55302	Allocated Earnings		61586.64
(136757.12)	55311	Movements in Value		680360.00
52000.00	55315	Benefits Paid During Year	56356.50	
	554	BLANCA ISABEL KRENN		
(933224.18)	55401	Balance at Beginning of Year		1040144.96
(28226.14)	55402	Allocated Earnings		28950.31
4233.95	55405	Income Tax Expense on Earnings	4342.83	
(25000.00)	55407	Contributions from Employer		27500.00
3750.00	55410	Income Tax Expense on Contributions	4125.00	
(61678.59)	55411	Movement in Investment Values		319820.00
584351.52	680	Cash at Bank	687971.85	
	730	41 VICTORIA ST, SMITHFIELD		
4027300.00	73002	Cost	4027300.00	
1972700.00	73099	Movement in Asset Value	3972700.00	
770.00	851	Formation Expenses	770.00	
(4913.53)	892	GST Payable		3945.89
(1235.35)	904	Provision for Income Tax		5425.50
(6000.00)	911	Accrued Charges	-	

13/12/2022  
10:06

KRENN SUPER FUND  
Annual Trial Balance

Page 2

From First to Last by Account

Options: Not summarised, Excluding NIL Balances

Client Code: KRENNSUP From 01/07/2021 To 30/06/2022

Last Year	Account	Description	Debit	Credit
(181588.70)		Total	9024457.56	9024457.56

NET PROFIT THIS YEAR 181041.32  
NET PROFIT LAST YEAR 181588.70

No. of Accounts: 36  
No. of Entries: 84

**KRENN SUPERANNUATION FUND**  
**CASH BOOK - 30TH JUNE 2022**

**Opening Balance**      584351.52

	<b>RECEIPTS</b>	<b>Total</b>	<b>Interest</b>	<b>Contribution</b>	<b>Rents</b>	<b>Other</b>
12/07/2021	Rent Received	18000.00			18000	
30/07/2021	Ato - Tax 2020	8664.65				8664.65
	Interest Received	24.30	24.30			
12/08/2021	Rent Received	18958.00			18958	
31/08/2021	Interest Received	26.46	26.46			
13/09/2021	Rent Received	18958.00			18958	
30/09/2021	Interest Received	24.63	24.63			
12/10/2021	Rent Received	18958.00			18958	
29/10/2021	Interest Received	10.12	10.12			
8/11/2021	Rent Received	18958.00			18958	
30/11/2021	Interest Received	5.38	5.38			
13/12/2021	Rent Received	18958.00			18958	
31/12/2021	Interest Received	5.29	5.29			
12/01/2022	Rent Received	18958.00			18958	
31/01/2022	Interest Received	5.41	5.41			
14/02/2022	Rent Received	18958.00			18958	
28/02/2022	Interest Received	4.90	4.90			
14/03/2022	Rent Received	18958.00			18958	
31/03/2022	Interest Received	5.43	5.43			
12/04/2022	Rent Received	18958.00			18958	
29/04/2022	Interest Received	5.18	5.18			
5/05/2022	Contributions	55000.00		55000.00		
12/05/2022	Rent Received	18958.00			18958	
31/05/2022	Interest Received	5.85	5.85			
13/06/2022	Rent Received	18958.00			18958	
30/06/2022	Interest Received	5.62	5.62			
		290331.22	128.57	55000.00	226538.00	8664.65
			199		200	904
	<b>PAYMENTS</b>	<b>Total</b>	<b>Pension</b>	<b>Fees</b>	<b>Tax</b>	<b>Other</b>
15/07/2021	Pension	8000.00	8000.00			
11/08/2021	ATO - june BAS	6930.00			6930.00	
12/08/2021	Pension	7958.00	7958.00			
23/08/2021	G Ferizis & co	6600.00		6600.00		
1/09/2021	Fairfield C/Rates	9448.74				9448.74
20/09/2021	Pension	7958.00	7958.00			
12/10/2021	Pension	7958.00	7958.00			
8/11/2021	ATO	8918.00			8918.00	
17/11/2021	Pension	7958.00	7958.00			
15/12/2021	Pension	7958.00	7958.00			
10/02/2022	Pension	7958.00	7958.00			
14/02/2022	Land Tax	9023.15				9023.15
16/02/2022	Pension	7959.00	7959.00			
16/02/2022	ATO	9005.00			9005.00	

29/03/2022	Pension	7958.00	7958.00		
28/04/2022	G Ferizis & co	6930.00		6930.00	
	Pension	1028.00	1028.00		
29/04/2022	ATO - Tax 2021	8138.00			8138.00
5/05/2022	Pension	41000.00	41000.00		
14/06/2022	ATO	8025.00			8025.00
		186710.89	113693.00	13530.00	41016.00
			55115	300	892-27490
			55215		904-13526
<b>Closing Balance</b>		687971.85			

June IAS	4909	2021	6930
ATO			0
Sept IAS	5083	3835	8918
Dec IAS	5170	3835	9005
Mar IAS	5170	3835	9005
	20332	13526	33858
	892	904	
Jun-22	3940	4457	8397

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**Section B: Income**  
**11 Income**

Gross rent and other leasing and hiring income		<b>B</b>	205944	
Gross interest		<b>C</b>	129	
Gross trust distributions		<b>M</b>		
<b>Calculation of assessable contributions</b>		<b>R</b>	55000	
Assessable employer contributions	<b>R1</b>	55000		
plus No-TFN-quoted contributions	<b>R3</b>	0		
<b>GROSS INCOME</b>		<b>W</b>	261073	
Exempt current pension income		<b>Y</b>	140202	
<b>TOTAL ASSESSABLE INCOME</b>		<b>V</b>	120871	

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

	<b>Deductions</b>		<b>Non-deductible expenses</b>	
Investment expenses	<b>I1</b>	5905	<b>I2</b>	12567
Management and administration expenses	<b>J1</b>	2096	<b>J2</b>	4462
<b>TOTAL DEDUCTIONS (A1 to M1)</b>	<b>N</b>	8001		
<b>TOTAL NON-DEDUCTIBLE EXPENSES (A2 to L2)</b>			<b>Y</b>	17029
<b>TOTAL SMSF EXPENSES (N + Y)</b>	<b>Z</b>	25030		
<b>TOTAL INCOME OR LOSS</b> (Total assessable income less deductions)	<b>Q</b>	112870		

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**Section D: Income tax calculation statement**  
**13 Income tax calculation statement**

Foreign inc. tax offsets  
Rebates and tax offsets

**C1** 0.00  
**C2**

ESVCLP tax offset  
ESVCLP tax offset c/f  
from previous year  
ESIC tax offset  
ESIC tax offset c/f  
from previous year  
Complying fund's franking  
credits tax offset  
No-TFN tax offset  
NRAS tax offset  
Exploration cr. tax offset  
*Credit:*  
Int. on early payments  
Foreign res. w/holding  
(excl. capital gains)  
ABN/TFN not quoted  
TFN w/held from  
closely held trusts  
Int. on no-TFN tax offset  
Credit for foreign res.  
capital gains w/holding

**D1**  
**D2**

**D3**  
**D4**

**E1**

**E2**  
**E3**  
**E4**

**H1**  
**H2**

**H3**  
**H5**

**H6**  
**H8**

Taxable income  
Tax on taxable income  
Tax on no-TFN-quoted  
contributions

**Gross tax**  
Non-refundable non-c/f  
tax offsets (C1 + C2)

**SUBTOTAL 1**

Non-refundable c/f tax  
offsets (D1+D2+D3+D4)  
**SUBTOTAL 2**

Refundable tax offsets  
(E1 + E2 + E3 + E4)

**TAX PAYABLE**  
Section 102AAM int. charge

Eligible credits  
(H1 + H2 + H3 + H5 + H6 + H8)  
Tax offset refunds

PAYG installments raised  
Supervisory levy  
Supervisory levy adj. for  
wound up funds  
Supervisory levy adj. for  
new funds

**TOTAL AMOUNT DUE**  
(T5 + G - H - I - K + L - M + N)

**A** 112870.00  
**T1** 16930.50  
**J** 0.00

**B** 16930.50  
**C** 0.00

**T2** 16930.50

**D**

**T3** 16930.50

**E**

**T5** 16930.50  
**G**

**H**

**I** 0.00

**K** 15962.00  
**L** 259.00

**M**

**N**

**S** 1227.50

Sensitive (when completed)

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## Section F: Member information

## MEMBER NUMBER: 1

Title	MR	Account status	<input type="radio"/>
First name	ALFRED		
Other names			
Surname	KRENN		
Suffix			
Member's TFN		Date of birth	04/03/1949
See the Privacy note in the Declaration			

## OPENING ACCOUNT BALANCE

3285887.50

## Contributions

Employer contributions

## TOTAL CONTRIBUTIONS

(Sum of labels A to M)

A	27500.00
N	27500.00

## Other transactions

Allocated earnings or losses

Income stream payment

Accumulation phase account balance

Retirement phase account bal. - Non CDBIS

Retirement phase account balance - CDBIS

TRIS Count

## CLOSING ACCOUNT BALANCE

Accumulation phase value

Retirement phase value

O	1081861.70	/	
R2	56356.50	M	
S1	1406362.38		
S2	2932530.32		
S3	0.00		
	0		
S	4338892.70		
X1	1406362.38		
X2	2932530.32		

## MEMBER NUMBER: 2

Title	MRS	Account status	<input type="radio"/>
First name	BLANCA		
Other names	ISABEL		
Surname	KRENN		
Suffix			
Member's TFN		Date of birth	01/01/1950
See the Privacy note in the Declaration			

## OPENING ACCOUNT BALANCE

3287085.14

## Contributions

Employer contributions

## TOTAL CONTRIBUTIONS

(Sum of labels A to M)

A	27500.00
N	27500.00

## Other transactions

Allocated earnings or losses

Income stream payment

Accumulation phase account balance

Retirement phase account bal. - Non CDBIS

Retirement phase account balance - CDBIS

TRIS Count

## CLOSING ACCOUNT BALANCE

Accumulation phase value

Retirement phase value

O	1082249.12	/	
R2	56356.50	M	
S1	1407947.44		
S2	2932530.32		
S3	0.00		
	0		
S	4340477.76		
X1	1407947.44		
X2	2932530.32		

Sensitive (when completed)



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## Section H: Assets and liabilities

## 15 ASSETS

## 15b Australian direct investments

## Limited Recourse Borrowing Arrangements

Australian residential real property	J1		Cash and term deposits	E	687972
Australian non-residential real property	J2		Debt securities	F	
Overseas real property	J3		Loans	G	
Australian shares	J4		Listed shares	H	
Overseas shares	J5		Unlisted shares	I	
Other	J6		Limited recourse borrowing arrangements (J1 to J6)	J	
Property count	J7		Non-residential real property	K	8000000
			Residential real property	L	770
			Collectables and personal use assets	M	
			Other assets	O	

**TOTAL AUSTRALIAN AND OVERSEAS ASSETS**  
(sum of labels A to T)**U** 8688742

## 16 Liabilities

Borrowings for limited recourse borrowing arrangements	V1		Borrowings	V	
Permissible temporary borrowings	V2		Total member closing account balances	W	8679371
Other borrowings	V3		Reserve accounts	X	
			Other liabilities	Y	9371
			<b>TOTAL LIABILITIES</b>	Z	8688742

Sensitive (when completed)

ABN 96 374 801 291

## Section K: Declarations

### Important

Before making this declaration check to ensure all income has been disclosed and the annual return, all attached schedules and any additional documents are true and correct in every detail. If you are in doubt about any aspect of the annual return, place all the facts before the ATO.

### Privacy

The ATO is authorised by the Taxation Administration Act 1953 to request the provision of tax file numbers (TFNs). We will use the TFN to identify the entity in our records. It is not an offence not to provide the TFN. However, if you do not provide the TFN the processing of this form may be delayed. Taxation law authorises the ATO to collect information and disclose it to other government agencies. For more information about your privacy go to [ato.gov.au/privacy](http://ato.gov.au/privacy)

### TRUSTEE'S OR DIRECTOR'S DECLARATION:

I declare that, the current trustees and directors have authorised this annual return and it is documented as such in the SMSF's records. I have received a copy of the audit report and are aware of any matters raised therein. The information on this annual return, including any attached schedules and additional documentation is true and correct.

Authorised trustee's,  
director's or public  
officer's signature

Date

### Preferred trustee, director or public officer's contact details:

Title

MR

Family name and suffix

KRENN

Given and other names

ALFRED

Phone number

02 96091286

Time taken to prepare and complete this tax return (hours)

J

0

### TAX AGENT'S DECLARATION:

We declare that the Self-managed superannuation fund annual return 2022 has been prepared in accordance with information provided by the trustees, that the trustees have given us a declaration stating that the information provided to us is true and correct, and that the trustees have authorised us to lodge this annual return.

Tax agent's signature

Date

### Tax agent's contact details

Title

Family name and suffix

Given and other names

Tax agent's practice

FERIZIS

GEORGE

G. FERIZIS & CO PTY LTD

Tax agent's phone

02 97968377

Reference number

KRENNSUP

Tax agent number

26091790

**NOTE: THIS PRINT-OUT IS NOT TO BE LODGED WITH THE ATO.**

Sensitive (when completed)

## SELF MANAGED SUPERANNUATION FUND INDEPENDENT AUDITOR'S REPORT

### APPROVED SMSF AUDITOR DETAILS

**Name of Auditor:** Chris Toscas  
**Business Name:** SMSF Audit Services  
**Business Postal Address:** PO Box 4063, GEELONG, VIC, 3220  
**SMSF Auditor Number:** 100300892

### SELF MANAGED SUPERANNUATION FUND DETAILS

**Self Managed Superannuation Fund Name:** Krenn Super Fund  
**Australian Business Number:** 96374801291  
**Address:** C/ - Ferizis Group  
Suite 15/ 432 Chapel Road  
BANKSTOWN NSW 2200  
**Year of Income Being Audited:** 2022

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To the SMSF trustees of the Krenn Super Fund

### **Part A: Financial Audit**

#### **Opinion**

I have audited the special purpose financial report of the Krenn Super Fund comprising the statement of financial position as at 30 June 2022, and the operating statement, a summary of significant accounting policies and other explanatory notes.

In my opinion, the financial report presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial report: the financial position of the fund at 30 June 2022 and the results of its operations for the year then ended.

#### **Basis for Opinion**

My audit has been conducted in accordance with Australian Auditing Standards (issued by the auditing and assurance standards board) <sup>1</sup>. My responsibilities under those standards are further described in the Approved SMSF Auditor's Responsibilities for the Audit of the Financial Report section of this report. I am independent of the self-managed superannuation fund in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including independence standards) (the Code) that is relevant to this audit as required by the Superannuation Industry (Supervision) Regulations 1994 (SISR). I have also fulfilled my other ethical responsibilities in accordance with the Code. In particular, neither myself, my firm or my network firm assumed a management responsibility for the fund. My firm or network firm did not prepare the financial statements for the fund. Where my firm or network firm provided any other non-assurance services to the fund, we are satisfied that those services were not prohibited under the Code and any independence threats arising have been eliminated or reduced to an acceptable level by the application of safeguards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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<sup>1</sup> The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

## **Emphasis of Matter - Basis of Accounting**

I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist Krenn Super Fund meet the requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 (SISA) and the SISR. As a result, the financial report may not be suitable for other purposes and should not be distributed to parties other than the trustees. My opinion is not modified in respect of this matter.

## **Responsibility of SMSF trustee for the financial report**

Each SMSF trustee (individual trustee or director of corporate trustee) is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the SMSF's governing rules, the SISA and the SISR. Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustees are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees intend to wind-up the fund or have no realistic alternative but to do so.

Each trustee is responsible for overseeing the fund's financial reporting process.

## **Approved SMSF auditor's responsibilities for the audit of the financial report**

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of trustees taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may

cause the fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I have communicated with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I may identify during the audit.

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## **Part B: Compliance Engagement**

### **Opinion**

I have undertaken a reasonable assurance engagement on the Krenn Super Fund to provide an opinion in relation to its compliance, in all material respects, with the applicable provisions of the SISA and the SISR as listed below ("the listed provisions") for the year ended 30 June 2022.

Sections: 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K  
Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA

In my opinion, each trustee of Krenn Super Fund has complied, in all material respects, with the listed provisions for the year ended 30 June 2022.

### **Basis for Opinion**

I have conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Independence and quality control**

I have complied with the independence and other ethical requirements relating to assurance engagements, and applied Auditing Standards ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement/ ASQM 1 *Quality Management for firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement. In particular, neither myself, my firm or my network firm assumed a management responsibility for the fund. Where my firm or network firm provided any other non-assurance services to the fund, we are satisfied that those services were not prohibited under the Code and any independence threats arising have been eliminated or reduced to an acceptable level by the application of safeguards.

### **SMSF trustees' responsibilities**

Each SMSF trustee is responsible for complying with the listed provisions and for the identification of risks that threaten compliance with the listed provisions, controls which will mitigate those risks and monitoring ongoing compliance.

### **Approved SMSF auditor's responsibilities**

My responsibility is to express an opinion on the trustees' compliance, in all material aspects, with the listed provisions, for the year ended 30 June 2022. ASAE 3100 Compliance Engagements require that I plan and perform my procedures to obtain reasonable assurance about whether the trustee have complied, in all material aspects, with the listed provisions for the year ended 30 June 2022.

An assurance engagement to report on the trustees' compliance with the listed provisions involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgement, including identification and assessment of risks of material non-compliance.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR for the year ended 30 June 2022.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SISA and the SISR apart from those specified.

#### **Inherent limitations**

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the listed provisions may occur and not be detected. A reasonable assurance engagement for the year ended 30 June 2022 does not provide assurance on whether compliance with the listed provisions will continue in the future.

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**Signature:**



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Signature of approved SMSF auditor  
**CHRIS TOSCAS**

**Date: 14 February 2023**

## Appendix 1 – Explanation of listed sections and regulations in compliance report

This appendix is included to assist trustees with the meaning of the legislation and regulations listed above

Section or Regulation	Explanation
S17A	The fund must meet the definition of SMSF.
S35AE	The trustees must keep and maintain accounting records for a minimum of 5 years
S35B	The trustees must prepare sign and retain accounts and statements
S35C(2)	The trustees must provide the auditor with the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor
S62	The fund must be maintained for the sole purpose of providing benefits to any or all of the following: <ul style="list-style-type: none"> <li>• fund members upon their retirement</li> <li>• fund members upon reaching a prescribed age</li> <li>• the dependants of a fund member in the case of the member's death before retirement</li> </ul>
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year
S66	The trustees must not acquire any assets (not listed as an exception) from any member or related party of the fund
S67	The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception)
S67A & 67B	The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules)
S82-85	The trustees must comply with the in-house asset rules
S103	The trustees must keep minutes of all meetings and retain the minutes for a minimum of 10 years
S104	The trustees must keep up to date records of all trustee or director of corporate trustee changes and trustee consents for a minimum of 10 years
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration
S105	The trustees must ensure that copies of all member or beneficiary reports are kept for a minimum of 10 years
S109	All investment transactions must be made and maintained at arms- length – that is, purchase, sale price and income from an asset reflects a true market value/rate of return
S126K	A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund
Sub Reg 1.06 (9A)	Pension payments must be made at least annually, and must be at least the amount calculated under Schedule 7
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund
Reg 4.09A	The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer sponsor

Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed out in a permitted fashion
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed
Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited
Reg 8.02B	When preparing accounts and statements required by subsection 35B(1) of SISA, an asset must be valued at its market value
Reg 13.12	Trustees must not recognise an assignment of a super interest of a member or beneficiary
Reg 13.13	Trustees must not recognise a charge over or in relation to a member's benefits
Reg 13.14	Trustees must not give a charge over, or in relation to, an asset of the fund
Reg 13.18AA	Investments in collectables and personal use assets must be maintained in accordance with prescribed rules



## **Representation Letter from the Trustee of the Krenn Super Fund**

This representation letter is provided in connection with your forthcoming audit of the financial report of the Krenn Super Fund (the Fund) and the Fund's compliance with the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations 1994 (SISR). The purpose of your audit is to express an opinion whether the financial report is, in all material respects, presented fairly in accordance with the accounting policies adopted by the Fund and the Fund complied, in all material respects, with the relevant requirements of SISA and SISR.

We confirm that to the best of our knowledge and belief, the following representations made to you during your audit.

### **Sole purpose test**

The Fund is maintained for the sole purpose of providing benefits for each member on their retirement, death, termination of employment or ill-health.

### **Trustees are not disqualified**

No disqualified person acts as a director of the trustee company or as an individual trustee.

### **Fund's governing rules, trustee's responsibilities and the Fund conduct**

The Fund meets the definition of self managed superannuation fund under SISA, including that no member is an employee of another member, unless they are relatives and no trustee receives any remuneration for any duties or services by the trustee or director in relation to the fund.

The Fund has been conducted in accordance with its constituent trust deed at all times during the year and there were no amendments to the trust deed during the year, except as notified to you.

All contributions accepted and benefits paid have been in accordance with the governing rules of the Fund and relevant provisions of the SISA and SISR.

### **Investment strategy**

The investment strategy has been determined with due regard to risk, return, liquidity, and diversity and the assets of the Fund are in line with this strategy.

### **Accounting policies**

All the significant accounting policies of the Fund are adequately described in the financial report and the notes attached thereto. These policies are consistent with the policies adopted last year.

### **Fund books and records**

All accounting records and financial reports have been kept for five years, minutes and records of trustees meetings and decisions have been kept for 10 years and trustee declarations in the approved form have been signed and kept for each trustee appointed after 30 June 2007.

### **Asset form and valuation**

The assets of the Fund are being held in a form suitable for the benefit of the members of the Fund and are in accordance with our investment strategy

Investments are carried in the books at market value. Such amounts are considered reasonable in the light of present circumstances.

#### **Ownership and pledging of assets**

There are no liens or encumbrances on any assets or benefits and no assets, benefits or interests in the Fund have been pledged or assigned to secure liabilities of others

All assets of the Fund are held separately from the assets of the members, employers and the trustees and assets, where possible are registered in the name of the fund. All assets are acquired, maintained and disposed of on an arm's length basis and appropriate action is taken to protect the assets of the fund.

#### **Related parties**

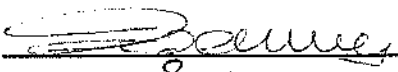
Acquisitions from, loans to, leasing of assets to and investments in related parties have not exceeded the in-house asset restrictions in the SISA at the time of the investment, acquisition or at year end.

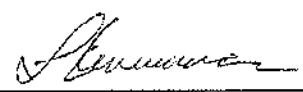
The Fund has not made any loans to, or provided financial assistance to members of the Fund or their relatives.

#### **Borrowings**

The Fund has not borrowed money or maintained any borrowings during the period, with the exception of borrowings which were allowable under SISA.

Yours faithfully,

X   
Alfred Krenn 8 10/21 2023

X   
Blanca Isabel Krenn 8 10/21 2023

X

**KRENN SUPERANNUATION FUND**  
**96 374 801 291**


**TRUSTEES' DECLARATION**

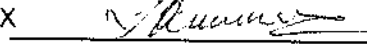
The trustees have determined that the fund is not a reporting entity and that the special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

In the opinion of the trustees:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2022 present fairly the financial position of the Superannuation Fund at 30 June 2022 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements; and
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the Trust Deed; and
- (iii) the operation of the Superannuation 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 2022.

Signed in accordance with a resolution of the trustees by:

Trustee: X   
ALFRED KRENN

Trustee: X   
BLANCA ISABEL KRENN

Dated this 8 day of FEBRUARY 2023



SMSF AUDIT SERVICES

## **Engagement Letter for the audit of the Krenn Super Fund**

To the Trustees of the Krenn Super Fund

### **The objective and scope of the audit**

You have requested that we audit the Krenn Super Fund (the fund):

1. Financial report, which comprises the Balance Sheet, Income Statement and the notes to the accounts and
2. Compliance during the same period with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations 1994 (SISR) specified in the approved form auditor's report as issued by the ATO which are sections 17A, 35AE, 35B, 35C(2), 52B(2)(d)-52B(2)(e), 62, 65, 66, 67, 67A, 67B, 69-71E, 73-75, 80-85, 103, 104A, 109 and 126K of the SISA and Regulations 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14 and 13.18AA of the SISR.

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted pursuant to the SISA with the objective of our expressing an opinion on the financial report and the fund's compliance with the specified requirements of the SISA and SISR.

### **The responsibilities of the auditor**

We will conduct our financial audit in accordance with Australian Auditing Standards (ASAs) and our compliance audit in accordance with applicable Standards on Assurance Engagements, issued by the Auditing and Assurance Standards Board (AUASB). These standards require that we comply with relevant ethical requirements relating to audit and assurance engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that you have complied, in all material respects, with the specified requirements of the SISA and SISR.

The annual audit of the financial reports and records of the Fund must be carried out during and after the end of each year of income. In accordance with section 35C of the SISA we are required to provide the trustees of the Fund an audit report in the approved form within the prescribed time as set out in the SISR, being a day before the latest date stipulated by the Australian Tax Office (ATO) for the lodgement of the fund's Annual Return.

### **Financial audit**

A financial audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. A financial audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial report. Due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control



system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In making our risk assessments, we consider controls relevant to the fund's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's controls. However, we expect to provide you with a separate letter concerning any material weaknesses in the fund's system of accounting and internal controls that come to our attention during the audit of the financial report. This will be in the form of a trustee letter.

### **Compliance audit**

A compliance audit involves performing audit procedures to obtain audit evidence about the fund's compliance with the provisions of the SISA and SISR specified in the ATO's approved form auditor's report.

Our compliance audit with respect to investments is limited to determining whether the investments are made for the sole purpose of funding members' retirement, death or disability benefits and whether you have an investment strategy for the fund, which gives due consideration to risk, return, liquidity and diversification. Our procedures will include testing whether the investments are made for allowable purposes in accordance with the investment strategy, but not for the purpose of assessing the appropriateness those investments to the members.

### **The responsibilities of the trustees**

We take the opportunity to remind you that it is the responsibility of the trustees to ensure that the fund, at all times, complies with SISA and SISR as well as any other legislation relevant to the fund. The trustees are also responsible for the preparation and fair presentation of the financial report.

Our auditor's report will explain that the trustees are responsible for the preparation and the fair presentation of the financial report and for determining that the accounting policies used are consistent with the financial reporting requirements of the SMSF's governing rules, comply with the requirements of SISA and SISR and are appropriate to meet the needs of the members. This responsibility includes:

- Establishing and maintaining controls relevant to the preparation of the financial report that is free from misstatement, whether due to fraud or error
- Selecting and applying appropriate accounting policies
- Making accounting estimates that are reasonable in the circumstances.

As part of our audit process, we will request from the trustees written confirmation concerning representations made to us in connection with the audit.

Our audit report is prepared for the members of the fund and we disclaim any assumption of responsibility for the reliance on our report, or on the financial report to which it relates, to any person other than the members of the fund, or for any other purpose other than that for which it was prepared.

### **Independence**

We confirm that, to the best of our knowledge and belief, the engagement team meets the current independence requirements of the Code of Ethics for Professional Accountants as issued by the Accounting Professional and Ethical Standards Board in relation to the audit of the fund. In conducting our financial and compliance audit, should we become aware that we have contravened the independence requirements, we shall notify you on a timely basis.

## **Reports on matters identified**

Under section 129 of the SISA we are required to report to you in writing, if during the course of, or in connection with, our audit, we become aware of any contravention of the SISA or SISR which we believe has occurred, is occurring, or may occur. Furthermore, you should be aware that we are also required to notify the Australian Tax Office (ATO) of certain contraventions of the SISA and SISR that we become aware of during the audit, which meet tests stipulated by the ATO irrespective of the materiality of the breach or action taken by the trustees to rectify the matter.

Finally, under section 130 we are required to report to you and the ATO if we believe that the financial position of the fund may be, or may be about to become unsatisfactory.

You should not assume that any matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters, or matters that you should be aware of in meeting your responsibilities.

## **Compliance program**

The conduct of our audit in accordance with ASAs and applicable Standard on Assurance Engagements means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed by the law or professional standards, or with your express consent. Our audit files may, however be subject to review as part of the compliance program of a professional accounting body or the ATO. The ATO monitors compliance with ASAs and applicable Standards on Assurance Engagements by auditors of SMSFs. We advise you that by signing this letter you acknowledge that, if required, our audit files relating to this audit will be made available under these programs. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

## **Limitation of liability**

As a practitioner participating in a scheme approved under Professional Services Legislation our liability may be limited under the scheme.

## **Fees**

The annual fee will be billed as work progresses and will be based on the time required to complete the engagement (GST inclusive) plus disbursements for title searches, ASIC searches or Auditor Contravention Report if applicable. We look forward to full cooperation with you and we trust that you will make available to us whatever records, documentation and other information are requested in connection with our audit.

**Other**

This letter will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated. Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our financial and compliance audit of the Krenn Super Fund

Yours faithfully,  
**SMSF Audit Services**



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Chris Toscas - SMSF Auditor 03/02/2023

We, the trustees of the Krenn Super Fund have reviewed this letter and confirm our acceptance of the terms of the engagement as set out above.

X 

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Alfred Krenn 8 10/2023

X 

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Blanca Isabel Krenn 8 10/2023

## **Representation Letter from the Trustee of the Krenn Super Fund**

This representation letter is provided in connection with your forthcoming audit of the financial report of the Krenn Super Fund (the Fund) and the Fund's compliance with the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations 1994 (SISR). The purpose of your audit is to express an opinion whether the financial report is, in all material respects, presented fairly in accordance with the accounting policies adopted by the Fund and the Fund complied, in all material respects, with the relevant requirements of SISA and SISR.

We confirm that to the best of our knowledge and belief, the following representations made to you during your audit.

### **Sole purpose test**

The Fund is maintained for the sole purpose of providing benefits for each member on their retirement, death, termination of employment or ill-health.

### **Trustees are not disqualified**

No disqualified person acts as a director of the trustee company or as an individual trustee.

### **Fund's governing rules, trustee's responsibilities and the Fund conduct**

The Fund meets the definition of self managed superannuation fund under SISA, including that no member is an employee of another member, unless they are relatives and no trustee receives any remuneration for any duties or services by the trustee or director in relation to the fund.

The Fund has been conducted in accordance with its constituent trust deed at all times during the year and there were no amendments to the trust deed during the year, except as notified to you.

All contributions accepted and benefits paid have been in accordance with the governing rules of the Fund and relevant provisions of the SISA and SISR.

### **Investment strategy**

The investment strategy has been determined with due regard to risk, return, liquidity, and diversity and the assets of the Fund are in line with this strategy.

### **Accounting policies**

All the significant accounting policies of the Fund are adequately described in the financial report and the notes attached thereto. These policies are consistent with the policies adopted last year.

### **Fund books and records**

All accounting records and financial reports have been kept for five years, minutes and records of trustees meetings and decisions have been kept for 10 years and trustee declarations in the approved form have been signed and kept for each trustee appointed after 30 June 2007.

### **Asset form and valuation**



The assets of the Fund are being held in a form suitable for the benefit of the members of the Fund and are in accordance with our investment strategy

Investments are carried in the books at market value. Such amounts are considered reasonable in the light of present circumstances.

#### **Ownership and pledging of assets**

There are no liens or encumbrances on any assets or benefits and no assets, benefits or interests in the Fund have been pledged or assigned to secure liabilities of others

All assets of the Fund are held separately from the assets of the members, employers and the trustees and assets, where possible are registered in the name of the fund. All assets are acquired, maintained and disposed of on an arm's length basis and appropriate action is taken to protect the assets of the fund.

#### **Related parties**

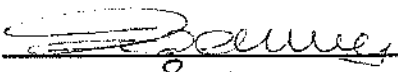
Acquisitions from, loans to, leasing of assets to and investments in related parties have not exceeded the in-house asset restrictions in the SISA at the time of the investment, acquisition or at year end.

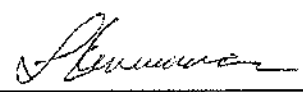
The Fund has not made any loans to, or provided financial assistance to members of the Fund or their relatives.

#### **Borrowings**

The Fund has not borrowed money or maintained any borrowings during the period, with the exception of borrowings which were allowable under SISA.

Yours faithfully,

X   
Alfred Krenn 8 10/21 2023

X   
Blanca Isabel Krenn 8 10/21 2023

X

ALFRED KRENN & BLANCA ISABEL KRENN  
ATF KRENN SUPERANNUATION FUND  
MINUTES OF A MEETING OF THE TRUSTEE(S) HELD ON 12/01/2023  
AT PO BOX 2183, SMITHFIELD NSW 2164

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<b>PRESENT</b>	Mr Alfred Krenn Mrs Blanca Isabel Krenn
<b>ELECTION OF CHAIRPERSON MINUTES</b>	Mr Alfred Krenn was elected chairperson of the meeting.  The Chair reported that the minutes of the previous meeting had been signed as a true record.
<b>FINANCIAL STATEMENTS OF SUPERANNUATION FUND:</b>	It was resolved that the financial statements would be prepared as special purpose financial statements as, in the opinion of the trustee(s), the superannuation fund is a non-reporting entity and therefore is not required to comply with all Australian Accounting Standards.  The Chair tabled the financial statements and notes to the financial statements of the superannuation fund in respect of the year ended 30 June 2022 and it was resolved that such statements be and are hereby adopted as tabled.
<b>TRUSTEE'S DECLARATION:</b>	It was resolved that the trustee's declaration of the superannuation fund be signed.
<b>ANNUAL RETURN:</b>	Being satisfied that the fund had complied with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and Regulations during the year ended 30 June 2022, it was resolved that the annual return be approved, signed and lodged with the Australian Taxation Office.
<b>TRUST DEED:</b>	The Chair noted that the fund's trust deed is consistent with relevant superannuation and trust law.
<b>INVESTMENT STRATEGY:</b>	The allocation of the fund's assets and the fund's investment performance over the financial year were reviewed and found to be within acceptable ranges outlined in the investment strategy. After considering the risk, rate of return and liquidity of the investments and the ability of the fund to discharge its existing liabilities, it was resolved that the investment strategy continues to reflect the purposes and circumstances of the fund and its members. Accordingly, no changes in the investment strategy were required.
<b>INSURANCE COVER:</b>	The trustee(s) reviewed the current life and total and permanent disability insurance coverage on offer to the members and resolved that the current insurance arrangements were appropriate for the fund.
<b>ALLOCATION OF INCOME:</b>	It was resolved that the income of the fund would be allocated to the members based on their average daily balance (an alternative allocation basis may be percentage of opening balance).
<b>INVESTMENT ACQUISITIONS:</b>	It was resolved to ratify the investment acquisitions throughout the financial year ended 30 June 2022.

ALFRED KRENN & BLANCA ISABEL KRENN  
ATF KRENN SUPERANNUATION FUND  
MINUTES OF A MEETING OF THE TRUSTEE(S) HELD ON 12/01/2023  
AT PO BOX 2183, SMITHFIELD NSW 2164

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- INVESTMENT DISPOSALS:** It was resolved to ratify the investment disposals throughout the financial year ended 30 June 2022.
- AUDITORS** It was resolved that  
Chris Toscas  
226 Malop Street  
GEELONG VIC 3220  
act as auditor of the Fund for the next financial year.
- TAX AGENTS** It was resolved that G Ferizis & Co  
act as tax agents of the Fund for the next financial year.
- TRUSTEE STATUS:** Each of the trustee(s) confirmed that they are qualified to act as trustee(s) of the fund and that they are not disqualified persons as defined by s 120 of the SISA.
- CONTRIBUTIONS RECEIVED:** It was resolved that the contributions during the year be allocated to members on the basis of the schedule provided by the principal Fund employer.
- ACCEPTANCE OF ROLLOVERS** The trustee has ensured that any roll-over made to the Fund, meets the requirements of the Fund's deed and does not breach the superannuation laws in relation to:
1. making roll-over between Funds; and,
  2. breaching the Fund or the member investment strategy.
- The trustee has reviewed the roll-over and received advice that the roll-over is in accordance with the Trust Deed and the rules of the Fund and the superannuation laws. As such the trustee has resolved to accept the roll-over on behalf of the member.
- PAYMENT OF BENEFITS** The trustee has ensured that any payment of benefits made from the Fund, meets the requirements of the Fund's deed and does not breach the superannuation laws in relation to:
1. making payments to members; and,
  2. breaching the Fund or the member investment strategy.
- The trustee has reviewed the payment of the benefit and received advice that the transfer is in accordance with the Deed and the superannuation laws. As such the trustee has resolved to allow the payment of the benefits on behalf of the member.
- CLOSURE:** All resolutions for this meeting were made in accordance with the SISA and Regulations.
- There being no further business the meeting then closed.
- Signed as a true record –

  
Chairperson

**KRENN SUPER FUND**  
**INVESTMENT STRATEGY 2022**

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## **Overview**

The aim of this strategy is to provide the Members with an income on retirement.

## **Investment Objectives**

The Trustee will at all times act prudently to maximise the rate of return, subject to acceptable risk parameters, and maintenance of appropriate diversification across a broad range of assets.

Having considered the risk profile of the fund and the member's needs and circumstances, the trustee has adopted the following objectives for the investment of assets of the fund;

- to achieve an investment return (based on market values and net of tax and charges) that exceeds the CPI by at least 3% per annum when measured over a rolling 5 year period.
- to have a probability of zero or negative returns in any 12 Month period of less than one in four years; and
- to have sufficient liquidity to meet liabilities as and when they fall due.

## **Investment Strategy**

The fund will invest in a portfolio of assets according to market conditions and within the ranges specified below:

### **Asset Allocation**

The targeted asset allocation will be in the following ranges:

<u>Asset Class</u>	<u>Target Range</u>	<u>Benchmark</u>
Australian Shares	0%	0%
International Shares	0%	0%
Cash	3-10%	8%
Australian Fixed Int	0%	0%
International Fixed Int	0%	0%
Mortgages	0%	0%
Direct Property	90-97%	92%
Listed Property	0%	0%
Other	0%	0%

Quality companies and trusts as supported by research and fundamental analysis will be selected. Direct investments in property, artwork and lease equipment may form part of the strategy provided there is sufficient basis for the decision.

## **Insurance**

Whilst death and disability insurance can be held within a self managed superannuation fund, the advantages and disadvantages of them and the specific levels of cover most appropriate to the member's circumstances should be discussed with a Financial Adviser. The Trustee is happy to arrange such insurance cover as requested by the member individually, subject to being able to obtain the level and type of cover requested.

## **Borrowing**

The trustee/s have considered borrowing through a limited recourse borrowing arrangement to fund the acquisition of an investment. The following matters were considered:

- the risks involved in making, holding and realising the investment under a limited recourse borrowing arrangement;
- the likely return from the investment under a limited recourse borrowing arrangement;
- the diversity of investments generally;
- the liquidity and cash flow consequences of holding the investment under a limited recourse borrowing arrangement;
- the time the members have until they retire;
- the funds cash flow requirements;
- the investment tolerance of the members.

The fund trustee/s will borrow to acquire the beneficial interest in the investment. The lenders rights on any default of the borrowings

**KRENN SUPERANNUATION FUND**  
**INVESTMENT STRATEGY**

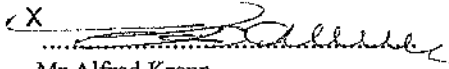
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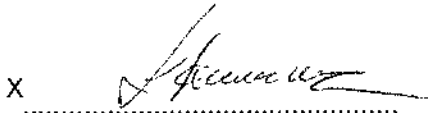
or the sum of the borrowing and charges related to the borrowing are limited to rights relating to the investment or any replacement of the investment.

**Review and Monitoring**

The trustees will monitor and review the fund's investment activities on a regular basis and to communicate with the members should they feel that any change in strategy is necessary in order to achieve the fund's objective.

Date: 12/01/2023

X   
.....  
Mr Alfred Krenn

X   
.....  
Mrs Blanca Isabel Krenn

## Contribution work test declaration

To the Trustee: Krenn Superannuation Fund

2022

Fund Name

Financial  
Year

### Member Declaration

Alfred Krenn

4 March 1949

Member Name

Date of Birth

### Eligibility to Contribute

Please indicate which of the following options applies to your situation with a cross like the following X.

I declare that:

- ☐ I was aged 65 to 69 and I have worked at least 40 hours in a period of 30 consecutive days or less in the financial year in which this contribution was made/applies.
- ☐ I was aged 65 to 69 and all contributions to my superannuation fund in the financial year in which this contribution was made/applies are either superannuation guarantee, employer certified agreement, spouse or award contributions.
- ☒ I was aged 70 to 74 and I have worked at least 40 hours in a period of 30 consecutive days or less in the financial year in which this contribution was made/applies.
- ☐ I was aged 70 to 74 and all contributions to my superannuation fund in the financial year in which this contribution was made/applies are either superannuation guarantee, employer certified agreement or award contributions.
- ☐ I was aged 75 or older and all contributions to my superannuation fund in the financial year in which this contribution was made/applies are either superannuation guarantee, employer certified agreement or award contributions.
- ☐ None of the above apply as I have not worked at least 40 hours in a period of 30 consecutive days or less in the financial year in which this contribution was made/applies and the contribution is not a superannuation guarantee, employer certified or award contribution. If this is the case, we cannot accept the contribution and it will be returned.

X

Member Signature

Date

08-02-2023

## Contribution work test declaration

To the Trustee: Krenn Superannuation Fund

2022

Fund Name

Financial  
Year

### Member Declaration

Blanca Isabel Krenn

1 January 1950

Member Name

Date of Birth

### Eligibility to Contribute

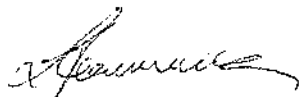
*Please indicate which of the following options applies to your situation with a cross like the following X.*

I declare that:

- ☐ I was aged 65 to 69 and I have worked at least 40 hours in a period of 30 consecutive days or less in the financial year in which this contribution was made/applies.
- ☐ I was aged 65 to 69 and all contributions to my superannuation fund in the financial year in which this contribution was made/applies are either superannuation guarantee, employer certified agreement, spouse or award contributions.
- ☒ I was aged 70 to 74 and I have worked at least 40 hours in a period of 30 consecutive days or less in the financial year in which this contribution was made/applies.
- ☐ I was aged 70 to 74 and all contributions to my superannuation fund in the financial year in which this contribution was made/applies are either superannuation guarantee, employer certified agreement or award contributions.
- ☐ I was aged 75 or older and all contributions to my superannuation fund in the financial year in which this contribution was made/applies are either superannuation guarantee, employer certified agreement or award contributions.
- ☐ None of the above apply as I have not worked at least 40 hours in a period of 30 consecutive days or less in the financial year in which this contribution was made/applies and the contribution is not a superannuation guarantee, employer certified or award contribution. If this is the case, we cannot accept the contribution and it will be returned.

X

Member Signature



Date

08-02-2023