



# Grant Thornton

An instinct for growth™

Mr. Steve Beland  
Managing Director - Tax & Property  
Unity Fund Services  
Level 8, 25 Bligh Street,  
Sydney NSW 2000

Level 17, 383 Kent Street  
Sydney NSW 2000

Correspondence to:  
Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

4 November 2019

**PRIVATE AND CONFIDENTIAL**

T +61 2 8297 2400

F +61 2 9299 4445

E [info.nsw@au.gt.com](mailto:info.nsw@au.gt.com)

W [www.grantthornton.com.au](http://www.grantthornton.com.au)

Dear Steve

## 2019 AMIT Member Annual Statement for Lakehouse Small Companies Fund

As requested, we have provided tax guidance on the 2019 AMIT Member Annual Statement for Lakehouse Small Companies Fund ("the AMMA Statement") to complete the capital gains tax (supplementary section) of the 2019 individual tax return.

We understand that you, Unity Fund Services, may provide the attachment to this letter to investors of Lakehouse Small Companies Fund. This letter and the attachment are not intended to provide advice for investors and does not address the circumstances of any particular individual. Consequently investors should not rely on this information but should undertake their own analysis and seek independent tax advice as to the appropriateness of the assumptions and tax treatments adopted within the tax statement (AMMA Statement) and taxable income disclosures on the respective income tax returns as set out in this document. Please refer to our terms and conditions set out in our engagement letter with respect to third party access to our letters of advice addressed to Unity Fund Services.

If you have any questions, please feel free to contact me on (02) 8297 2400.

Yours sincerely

Grant Thornton Australia Limited

Himashini Weeraratne

Partner – Financial Services

Enc.

Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Our Ref: 04112019 UFS - Lakehouse AMMA Statement Addendum (GT Letter) (002).Docx

### **Addendum to 2019 AMIT Member Annual Statement for Lakehouse Small Companies Fund**

This guidance is provided to assist you complete the capital gains tax statement as part of completing your 2018-2019 tax return.

This guidance is not intended to provide advice for investors and does not address the circumstances of any particular individual. Consequently investors should not rely on this information but should undertake their own analysis and seek independent tax advice as to the appropriateness of the assumptions and tax treatments adopted within the tax statement (AMMA Statement) and taxable income disclosures on the respective income tax returns as set out in this document.

This guidance only applies to the Individual taxpayers. Different rules apply to taxpayers who are not preparing the Individual tax return form (e.g. Trust, Company or Complying Superannuation Fund).

#### **How to complete your tax return for individual taxpayers**

To include your capital gains and/or losses in your 2018-2019 tax return, you will need the following documents:

- Tax return for individuals 2019
- Tax return for individuals (supplementary section) 2019
- Individual tax return instructions 2019
- Individual tax return instructions supplement 2019

If you have capital gains or losses from other sources, you may need to use the 'Guide to Capital Gains Tax 2019' or 'Personal Investors Guide to Capital Gains Tax' (NAT 4152).

#### **Calculate total current year capital gains (Item 18H)**

**Step 1** Print X in the 'Yes' box at 18G.

**Step 2** Add together the capital gains tax amounts attributed to you in Part C of the AMMA Statement. These amounts will appear in Attribution Column as follows:

- Capital gains discount: Taxable Australian property
- Capital gains discount: Non-Taxable Australian property
- Capital gains other: Taxable Australian property
- Capital gains other: Non-Taxable Australian property
- AMIT CGT gross up amount

**Step 3** Add to this any capital gain amounts from other sources.

**Step 4** Write the total current year capital gains at 18H.

You should also refer to the ATO instructions when performing these steps.

Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

### Calculate net capital gain (Item 18A)

**Step 1** Apply any current year or prior year net capital losses against your remaining current year capital gains.

**Step 2** If after applying current year and prior year capital losses you have capital gains that are eligible for CGT discount (i.e. assets held for 12 months or more), then these gains can be reduced by the 50%

CGT discount for individuals.

**Step 3** Any capital gain remaining after offsetting capital losses and applying the CGT discount is your net capital gain.

**Step 4** Write this amount at 18A.

**Step 5** If your capital losses have reduced your capital gain to zero, write '0' at item 18A.

### Recently enacted legislation

Under the AMIT regime you are required to adjust the cost base of your units by either an AMIT cost base net amount – excess or an AMIT cost base net amount – shortfall.

Your AMMA Statement will show the required AMIT cost base adjustment required for Lakehouse Small Companies Fund.

You will no longer need to refer separately to tax-free or tax-deferred amounts to determine the cost base adjustments for Lakehouse Small Companies Fund, however these amounts are broadly reflected in the AMIT cost base net amount advised to you in your AMMA statement.

### Definitions

As a result of the recently enacted legislation, new terminology has been introduced in Part C of the AMIT Member Annual Statement. The definition of these terms as at the date of this letter are provided below.

#### AMIT CGT gross up amount

This item represents the additional amount attributed as capital gains of members and is included in the total current year capital gains amount.

#### Other capital gains distribution

This represents any cash that has been distributed that relates to capital gains of the Fund, other than amounts already shown in the cash distribution column referable to capital gains. This is not included in the total current year capital gains amount at 18H.

There should be no capital gains tax to pay on payments made to you from the trust for the year ended 30 June 2019 relating to your investment in the Lakehouse Small Companies Fund. The amounts paid to you in relation to the year ended 30 June 2019 may be treated as a reduction to the cost base of your investment in the trust

Under the AMIT regime, the adjustment to the cost base of your units in the Fund will be determined in accordance with the items disclosed in:

- AMIT cost base net amount – excess
- AMIT cost base net amount – shortfall

Please check with your independent tax advisor in this regard.

Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

**AMIT cost base net amount – excess**

If your AMMA Statement shows an AMMA cost base net amount – excess, you must reduce the cost base and reduced cost base of your investment in Lakehouse Small Companies Fund by this amount.

**AMIT cost base net amount – shortfall**

If your AMMA Statement shows an AMMA cost base net amount – shortfall, you must increase the cost base and reduced cost base of your investment in Lakehouse Small Companies Fund by this amount.

Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.