



# A guide to your Summit tax report

2010/11

Completing your tax return the easy way

# A guide to your Summit tax report

2010/11

## How to read and use your Summit tax report

One of our major objectives at Summit is to help make your investment management as easy as possible, especially at tax time.

We've designed the Summit tax report 2010/11 so that it gives you all the information you need to efficiently and accurately complete the relevant sections of your TaxPack 2011 and TaxPack 2011 supplement.

There are seven sections to your tax report:

1. **TaxPack references – Individual** – all the figures you'll need to complete TaxPack 2011 in relation to your Summit investment.
2. **Income details** – a summary of total income received for the 2010/11 financial year (for your information).
3. **Deductions** – deductible expenses related to your Summit investment.
4. **Income distributions by asset** – details of income received for the 2010/11 financial year, broken down by asset (for your information).
5. **Realised capital gains/(losses)** – details of capital gains/losses, realised in the 2010/11 financial year, broken down by asset.
6. **Capital gains tax (CGT) schedule** – summarised details of capital gains and losses, to be used to complete the CGT schedule 2011, if required.

7. **Components of foreign income** – details of your foreign source income to be used as support for amounts included at Question 20 of the TaxPack 2011 supplement.

The foreign income tax offset information may be used in determining your entitlement to foreign income tax offsets. Please refer to the Australian Taxation Office (ATO) publication 'Guide to foreign income tax offset rules 2010-11' for further information in relation to foreign income tax offsets.

You'll find that the details in Sections 1 and 6 of your tax report correspond with those in the TaxPack 2011, TaxPack 2011 supplement and CGT schedule 2011. Depending on whether you hold investments outside of Summit, you may be able to transfer the amounts across to the corresponding labels in the TaxPack 2011, TaxPack 2011 supplement and CGT schedule 2011. This means there's little possibility of leaving out any details or legitimate deductions.

## Your Summit tax report

Your Summit tax report can be transferred directly to the relevant sections in your *TaxPack 2011* and *TaxPack 2011 supplement* (or added to corresponding amounts relating to other investments that you hold).

### 1. TaxPack references – Individual

This section summarises the references and amounts required to complete your TaxPack 2011 and your TaxPack 2011 supplement\*. Please also refer to the enclosed guide that explains some of the terms in this report and how to complete the TaxPack forms.

Question in Individual <i>TaxPack 2011</i>	TaxPack reference	Amount (\$)
<b>Question 10 – Gross Interest</b>		
Gross interest	Item L	0.00
<b>Question in Individual <i>TaxPack 2011 supplement</i></b>	<b>TaxPack reference</b>	<b>Amount (\$)</b>
<b>Question 13 – Partnerships and trusts</b>		
Assessable trust income (a) (c)	Item U	6,127.87
Deductions (refer to Section 3 of this report)	Item Y	1,949.92
Net non-primary production distribution (Item U less Item Y)		4,177.95
Franking credits (a)	Item Q	1,344.63
TFN/ABN amounts deducted	Item R	0.00
<b>Question 18 – Capital gains/(losses) (refer to Section 6 of this report)</b>		
Net capital gains (b)	Item A	7,182.02
Total current year capital gains (b)	Item H	12,883.32
Net capital losses carried forward to later income years (b)	Item V	0.00
<b>Question 20 – Foreign source income</b>		
Assessable foreign source income (refer to Section 7 of this report)	Item E	825.42
Other net foreign source income (refer to Section 7 of this report)	Item M	825.42
Foreign income tax offsets	Item O	100.59

(a) Includes dividends received via trusts and dividends received directly from your investments. Refer to Important notes in the enclosed guide for details.

(b) Capital gains information shown above includes gains from distributions and from the sale of investments. Refer to Section 5 of this report for details of capital gains/(losses) derived on directly held assets (if applicable).

(c) Any fee or commission rebates paid to your account are included in Other Australian income.

\* The TaxPack has been divided into two parts: the *TaxPack 2011* and *TaxPack 2011 supplement*. You can obtain a TaxPack from newsagencies or by contacting the Australian Taxation Office.

**These figures are used for indicative purposes only.  
Please use amounts from your Summit tax report.**



## Important notes

1. The TaxPack is divided into two parts: the *TaxPack 2011 and TaxPack 2011 supplement*. If you haven't received a TaxPack in the mail, you can obtain one from selected newsagencies or by contacting the ATO. If you have other capital gain amounts to be included in your tax return, we recommend you also obtain a copy of the ATO booklets 'Guide to capital gains tax 2010-11' and 'Personal investors guide to capital gains tax 2010-11' to assist you in completing your income tax return.
2. If you have income or deductions from other sources, you will have to add them to the amounts in your Summit tax report before transferring the figures to your TaxPack.
3. The information in your Summit tax report applies only to ordinary investments, ie funds not invested in superannuation and pension funds.
4. Note that dividend income reported in your Tax report includes both:
  - (a) Dividends from any directly held shares, and
  - (b) Dividends received from managed funds and listed property trusts.If you use the ATO pre-fill service when completing your tax return, you will see these dividends separated into the two categories above. The total income will be the same.
5. Franking credits attached to dividends which may appear on your statement should be checked with your tax agent to confirm if you satisfy the 45 day holding rule and/or other criteria to receive them.
6. Summit's ongoing management fee and adviser review fee are generally fully tax deductible.

## Important notes (continued)

7. Insurance premiums are deductible as follows:
  - Salary Continuance premiums for individual investors
  - Death & TPD premiums for superannuation funds.
8. This document is only intended to act as a guide to help you complete your income tax return. While we have tried to ensure that the information contained in this guide is accurate, we strongly recommend that you consult your financial adviser or accountant with any questions about the information contained in this guide or your tax reports.

## Glossary

*Your quick reference guide to some of the terms used in your Summit tax report.*

**Assessable foreign source income** – your share of income from dividends, interest, rental or other income derived from overseas investments.

**Assessable interest income** – income earned from a 'fixed interest' investment, such as your cash account.

**Assessable trust income** – Question 13 Item U of the TaxPack 2011 supplement, is made up of the following items:

- franked dividends
- unfranked dividends
- other Australian income
- interest income less interest reported in Question 10, Item L of the TaxPack 2011, and
- franking credits.

**Foreign income** – comprises the following:

- modified passive income – foreign
- interest income – foreign, and
- other income – foreign.

The total of 'modified passive income – foreign', 'interest income – foreign' and any foreign capital gain will equal your passive foreign income for foreign income tax offset purposes.

**Foreign tax paid** – tax paid overseas on passive and other income earned overseas.

**Foreign income tax offset** – a foreign income tax offset in relation to foreign tax paid may be claimable. Briefly, the maximum foreign income tax offset available in respect of passive foreign income and other foreign income is the Australian tax payable on that foreign income category. Please refer to Question 20, Item O of the TaxPack 2011 supplement and ATO publication 'Guide to foreign income tax offset rules 2010-11' for more details.

**Franking credits** – these credits accrue from franked dividends generated by your investments. They are generally allowed as an offset against tax payable. Franking credits in excess of tax payable are generally refundable.

**Interest income – foreign** – your share of interest income derived by the Fund from its overseas investments, net of foreign income tax offsets.

**Modified passive income – foreign** – your share of dividend income derived by the Fund from its overseas investments, net of foreign income tax offsets.

**Other income – foreign** – your share of income other than 'modified passive income – foreign' and 'interest income – foreign' derived by the Fund from its overseas investments, net of foreign income tax offsets.

**Other net foreign source income** – Question 20 Item M of the TaxPack 2011 supplement – assessable foreign source income less deductible expenses and any previous year's foreign losses.

**Tax deferred income** – relates to plant and equipment depreciation allowances, and amounts associated with building allowances. These amounts are not assessable but will reduce the cost base or the reduced cost base of your investment, and therefore may affect your future capital gains tax liability.

**Tax free income** – relates to infrastructure borrowing amounts and exempt income arising from shares in a Pooled Development Fund. These amounts are not assessable but will reduce the reduced cost base of your investment where there is a capital loss. No cost base adjustment is required where there is a capital gain.

**TFN/ABN amounts deducted** – if there is an amount in this section, it means you may not have quoted your tax file number (TFN) or Australian business number (ABN) and have had tax withheld on some or all of your income during the period. This tax can generally be claimed back through your tax return – please refer to your tax adviser.

## **Capital gains**

**Capital gain – discounted** – capital gains derived on investments that have been held by the trust for at least 12 months.

The capital gain has been calculated using the applicable discount rate, depending on your investor type for tax purposes (Individual, Trust, Superannuation fund or Company).

**Capital gains – discount method** – this term appears in Section 6 'Capital gains tax (CGT) schedule' on your Summit tax report. The amount at Section 6, Part A, Item B comprises the amount at 'Capital gains – discounted' on Section 4 'Income distributions by asset' plus foreign tax withheld on foreign capital gains multiplied by two, plus any capital gains arising from your own direct investment transactions that will be eligible for CGT discount.

**CGT concession amount** – the CGT concession amount of any distribution received. This amount does not reduce your cost base for CGT purposes.

**Capital gains – indexed** – represents capital gains where the indexed cost base method has been applied.

**Capital gains – other** – represents capital gains when the discount and indexation methods do not apply.

**Capital gains tax (CGT) schedule 2011** – this schedule is to be completed and attached to your tax return where your total current year capital gains or losses are greater than \$10,000. However, if individuals lodge by paper return or via e-tax, this schedule is not required.

**Net capital gain** – total year's capital gains, less current and prior year capital losses, less CGT discount.

*Note: These are only intended as brief definitions of the terms used in your tax report and may not correspond to the definitions or the terms contained in income tax legislation. The taxation information provided is based on the continuance of present laws and their interpretation.*



Correspondence: GPO Box 2754, Melbourne VIC 3001  
Registered office: 750 Collins Street, Docklands VIC 3008  
Telephone: 1800 622 772 Facsimile: 1800 780 081  
Email: [summitenquiry@axa.com.au](mailto:summitenquiry@axa.com.au)  
Operator: NMMT Limited ABN 42 058 835 573  
AFS Licence No. 234653