


# Taxpayers Australia Limited

ABN 96 075 950 284

Financial Report

For the Year Ended 30 June 2022

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

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# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## ANNUAL REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors submits the financial report of Taxpayers Australia Ltd (the "Company") and its controlled entities for the financial year ended 30 June 2022.

The Company was registered on 30 July 2014.

**Principal Activities**

The principal activities of the Company consist of:

- providing information on taxation and self-managed superannuation fund matters by providing publications, membership services and educational products to Members and the public.
- acting as the independent voice for every Australian taxpayer and striving for a fairer and a more transparent taxation and superannuation system.

There has been no significant change to the nature of these activities during the financial year.

**Operating Results and Members' Equity**

The consolidated loss of the economic entity for the year ended 30 June 2022 exclusive of unrealised gains on financial assets was $635,134 (2021: Loss $95,378).

The decrease in Members' Equity for the year ended 30 June 2022 inclusive of unrealised loss on financial assets was $1,531,045 (2021: Increase $745,966). A summary of the contributions from operating and investment activities is shown below:

| | Economic Entity | | Parent Entity | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | $ | $ | $ | $ |
| **Operating activities** | | | | |
| Revenue from operating activities and other income | 3,009,325 | 2,723,655 | 2,799,011 | 2,624,077 |
| Income from Government COVID-19 subsidies | 0 | 333,700 | 0 | 333,700 |
| Expenses from ordinary activities | (4,046,653) | (3,214,739) | (3,867,930) | (3,169,277) |
| Profit (Loss) from operating activities (before income tax) | (1,037,328) | (157,384) | (1,068,919) | (211,500) |
| **Gain (Loss) on disposal of property, plant and equipment** | - | (235) | - | (235) |
| **Investment activities** | | | | |
| Investment income | 194,473 | 321,673 | 192,363 | 320,822 |
| Expenses from investment activities | (216,630) | (69,617) | (209,338) | (67,756) |
| Unrealised gains/(loss) on financial assets | (895,911) | 841,344 | (858,438) | 809,301 |
| Net gain/(loss) on realisation of financial assets | 227,927 | 28,725 | 227,927 | 28,725 |
| Gain/(Loss) from investment activities | (690,141) | 1,122,125 | (647,486) | 1,091,093 |
| Income tax (expense) benefit | 196,424 | (218,540) | 196,793 | (218,540) |
| **Increase (Decrease) in Members' equity** | **(1,531,045)** | **745,966** | **(1,519,612)** | **660,817** |

**Review of Operations**

Taxpayers Australia Ltd is a not-for-profit membership-based organisation that educates, informs and represents its Members at various Government and ATO forums. It produces publications for accountants, tax practitioners, SMSF advisers, persons managing their own self-managed superannuation fund, and taxpayers. These publications include our annual ‘Tax Summary’ and our new ‘State Tax Summary’, the ‘SMSF Manual’ and our bi-monthly tax and superannuation magazine 'Outlook'. The organisation also maintains a helpline service to assist Members with taxation and superannuation matters and conducts seminars, webinars, and facilitates tax discussion and superannuation discussion groups.

## ANNUAL REPORT OF THE BOARD OF DIRECTORS (continued)

**Current Organisational Initiatives**

The Board and Management continues to develop the strategic direction of the Company with an ongoing focus on membership acquisition and retention. To this end, significant investment in the organisation has been undertaken and is reflected in the annual accounts.

The Board recognises that to grow and thrive into the future, the Company's membership needs to be expanded to include a broader set of financial service professionals in addition to our current cohort of accountants, tax agents and superannuation specialists. With the convergence of the tax, superannuation and financial services sectors, we see value in having a connected network of practitioners to facilitate referrals and obtain supporting services, all within the same organisation.

To support this evolution of our industry, we have engaged in extensive research and development, which has resulted in a new name and brand identity, to be unveiled in November 2022. We are confident that our new identity will take the Company successfully into the future and continue the momentum in growth of new members. As a result, we have de-recognised the branding costs capitalised in the 2017 financial year in this year's accounts.

Additional resources have also been directed towards the enhancement of member services and products. Members will have noted the increase in events (both face-to-face and online), CPE offerings, and improved and expanded publications. Feedback from Members has been overwhelmingly positive especially in regard to the quality of service and information, as well as the increase of webinars and events provided by the technical team.

As a membership-based organisation, we recognise the imperative to represent our Members' interests. As such, we have increased our advocacy efforts through our technical teams as well as through the establishment of three new committees – the Tax & Technical Policy Committee; the Superannuation Technical & Policy Committee, and the Financial Services Technical & Policy Committee. These Committees will contribute to forming our collective position for submissions regarding legislative and regulatory changes and provide input to other forums where we have representation.

Key areas of focus over the coming year will include:

- Strengthening TAL's brand within the tax and wider financial industry association sector;
- Broadening the membership base, recognising that the number of tax agents in the industry is falling;
- A rebrand of the organisation in 2022;
- Expanding the policy development and advocacy of the Company;
- Development of sponsor and partnership options to drive expanded Company reach in the sector and to offer members access to preferred suppliers;
- Development of an annual Conference to be held in April 2023.

To achieve these objectives the Company has been investing in further internal resources over the past 12 months, with the expectation that resulting revenue benefits will be realised over the following 2 years.

**Recent Developments and Major Events**

***Merger with SISFA***

In June 2022 the Self-Managed Independent Superannuation Funds of Australia ('SISFA') merged with our Company, with the result that our membership of superannuation specialists has increased. We will be increasing our policy and advocacy activity in the superannuation sector, as many of the SISFA members have indicated a desire to participate in our superannuation policy development and advocacy and their support is appreciated. There are no ongoing costs to the Company from this merger as no staff or infrastructure were included in the Agreement.

***Investment Manager***

In the 2020 year the Board undertook a review of the Company's investment portfolio, risk appetite and performance history. This review resulted in the appointment in November 2021 of a new investment manager, Adansonia Capital.

Whilst the new investment manager has taken a proactive approach to portfolio management, unprecedented exogenous factors have negatively impacted the value of our investment portfolio. These include the COVID-19 pandemic; global instability caused by war in Ukraine and other geo-political unrest, increasing weather related disasters, disruption of supply chains, inflation and rising interest rates. Understandably, the international component of our portfolio has been impacted more than our domestic portfolio. We continue to work closely with Adansonia and have adopted a long-term strategy to navigate the current volatility with a view to minimising transaction costs and avoiding any realisation of book losses.

## ANNUAL REPORT OF THE BOARD OF DIRECTORS (continued)

**Significant Changes in State of Affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

**Matters Subsequent to Balance Date**

A global pandemic event continued during the financial year and the Directors have considered if the event could have any impact on the operations and results subsequent to the year end.

The Directors believe the entity is able to respond and adapt to the temporary economic state the pandemic is causing and the entity is updating its risk assessment and business continuity planning as the event progresses. Due to the unique and rapidly evolving nature of the situation it is not possible to estimate outcomes at this point in time, however cash reserves are not expected to decrease materially.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Directors of the Board of Management**

The names of Directors of the Board of Directors who held office during or since the end of the year are set out below:

**Qualifications, experience and special responsibilities of each Director:**

| Name | Position | Committees | State | |
|---|---|---|---|---|
| Stephen Ware | President / Chair | Selection Committee<br>ARC Ex Officio | QLD | B Fin Admin, ICSA Diploma Corporate Management<br>Director of TAI Practitioners & Advisers Ltd (TAL appointed)<br>Director and Secretary of Taxpayers Research Foundation Limited (TRFL) and Member of the Research Committee<br>Executive Director of the Australian Environmental Pest Management Association |
| Mark Dodds | Vice President | | QLD | B.Bus (Acct), CPA, CTA, FTPA (TAX), Registered Tax Agent, Financial Planner & Authorised Representative of Count Financial Limited Director of TAI Practitioners & Advisers Ltd (TAL appointed)<br>Director of World Taxpayers Associations<br>Director of Asia Pacific Taxpayers Union |
| Terry Blenkinsop | Treasurer | ARC | WA | B.Bus, FCA, CTA, CPA, FTPA (TAX)<br>Director of TAI Practitioners & Advisers Ltd (TAL appointed)<br>Director of Tax Australia Pty Ltd<br>Immediate Past Chairman of HLB International – Asia Pacific Region |
| Kurtis Alaeddin | | ARC | NSW | MCOMM, FIPA, FTPA(Tax), MAICD, B. Bus (Acct), Tax Agent, JP<br>Director of TAI Practitioners & Advisers Ltd (elected) Director of The Taxpayers Research Foundation Limited and Member of the Research Committee<br>Director & Managing Partner of Komplete Accounting Group Pty Ltd<br>Director & AFSL Licensee of Komplete Advisory Group Pty Ltd<br>Director of Genie Finance Pty Ltd |
| Caroline Banhidy | | ARMC | VIC | BEc (Hon), MBA (Melb), GAIST, MAICD<br>Director of Club Solutions Australia Pty Ltd (T/A Oxil.io)<br>Non-Executive Director and Chair of Foresters Financial. Member of the Risk Committee, Audit & Compliance Committee and Investment Committee.<br>Chair of the Audit & Risk Committee for Taxpayers Australia Ltd |
| Phil Broderick[1] | External Director | | VIC | Australian Legal Practitioner, LLB, BSc, MTax, CTA, SSA<br>Director of The Lantern Legal Group Pty Ltd |

***Notes***

1. *Phil Broderick was appointed by the Board as an External Director pursuant to Article 33 a) ii. of the Company Constitution.*

## ANNUAL REPORT OF THE BOARD OF DIRECTORS (continued)

**Meetings of Directors**

During the financial year meetings of Directors (including Committees) were held. Attendances were:

| Board Member | Board Meetings | | Committee Meetings | |
|---|---|---|---|---|
| | | | ARC | |
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Stephen Ware | 11 | 11 | - | - |
| Mark Dodds | 11 | 11 | - | - |
| Terry Blenkinsop | 11 | 11 | 3 | 3 |
| Kurtis Alaeddin | 11 | 11 | 3 | 3 |
| Caroline Banhidy | 11 | 11 | 3 | 3 |
| Phil Broderick | - | - | - | - |

**Committees**

- Audit & Risk Committee (ARC)
- Investment Committee – did not meet during the reporting period as the Board acted on behalf of the Committee.
- Nominations & Remuneration Committee – did not meet during the reporting period as the Board acted on behalf of the
- Tax Technical & Policy Committee (established July 2022) – did not meet during the reporting period.
- Superannuation Technical & Policy Committee (established July 2022) – did not meet during the reporting period.
- Financial Services Technical & Policy Committee (established July 2022) – did not meet during the reporting period.

**Contracts with Directors**

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the entity, with a Director, a firm of which a Director is a member or an entity in which a director has a substantial financial interest.

**The Taxpayers Research Foundation Limited**

The Taxpayers Research Foundation Limited ("Foundation"), a controlled entity of Taxpayers Australia Ltd continues to advocate the need to broaden participation in the taxation policy debate. The Tax Policy Journal is an initiative of the Foundation to ensure that the effects of the burden of tax on Australian taxpayers are fully considered.

A summary of the Foundation's financial results and position, extracted from its financial statements, is shown below:

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| **Operating activities** | | |
| Expenses from ordinary activities | (19,669) | (7,734) |
| Loss from operating activities | (19,669) | (7,734) |
| Investment activities | | |
| Investment income | 28,203 | 12,922 |
| Net gain (loss) on revaluation of investments | (37,473) | 32,043 |
| Gain from investment activities | (9,270) | 44,965 |
| **Increase (Decrease) in Members' equity** | (28,939) | 37,231 |
| **Summary of financial position** | | |
| Member's equity | 167,433 | 196,371 |
| Represented by: | | |
| **Assets** | | |
| Cash and cash equivalents | 32,766 | 30,920 |
| Receivables | 16,058 | 9,059 |
| Available-for-sale investments | 121,556 | 159,028 |
| | 170,380 | 199,007 |
| **Less: Liabilities** | | |
| Payables | 2,947 | 2,636 |
| Net assets | 167,433 | 196,371 |

## ANNUAL REPORT OF THE BOARD OF DIRECTORS (continued)

**TAI Practitioners & Advisers Ltd.**

TAI Practitioners & Advisers Ltd. (TAI PAL) is a controlled entity of Taxpayers Australia Limited. It was established in 2012 and became a Recognised Tax Agent Association under the Tax Agent Services Act 2009 ("TASA") in 2013. It subsequently became a Recognised Tax (Financial) Agent Association under the TASA on 18 May 2021. TAI PAL's objectives include providing educational and professional development services via seminars, webinars, podcasts, and workshops in relation to Taxation Law, TASA and Superannuation Industry (Supervision) Act 1993 ("SIS") for Members and ensuring Members undertake an appropriate number of CPE hours.

TAI PAL provides a robust process for complying with the Tax Agent registration requirements including;
1. A strict compliance regime ensuring adherence to the Code of Professional Conduct
2. Fair and equitable handling of complaints
3. An annual CPE audit program

Taxpayers Australia Ltd and TAI PAL have entered into a Management Agreement to provide financial support to TAI PAL in relation to expenditure and obligations to be incurred by TAI PAL.

A summary of the TAIPAL's financial results and position, extracted from its financial statements, is shown below:

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| **Operating activities** | | |
| Income from ordinary activities | 262,208 | 254,337 |
| Expenses from ordinary activities | (213,307) | (207,839) |
| Profit / (Loss) from operating activities | 48,901 | 46,498 |
| **Increase (Decrease) in Members' equity** | 48,901 | 46,498 |
| **Summary of financial position** | | |
| Member's equity | 121,426 | 72,525 |
| Represented by: | | |
| **Assets** | | |
| Cash and cash equivalents | 7,474 | 15,073 |
| Trade and other receivables | 404,658 | 319,691 |
| Intangible assets | 8 | 6,561 |
| | 412,140 | 341,325 |
| **Less: Liabilities** | | |
| Other liabilities | (290,714) | (268,800) |
| Net assets | 121,426 | 72,525 |

**Environmental Issues**

There are no specific environmental regulations or issues under the law of the Commonwealth or States that affect the Company or its activities.

**Indemnification of Officer or Auditor**

The Constitution of the Company provides that every Director and Officer of the Company must be indemnified out of the assets of the Company against all liabilities, losses, damages, costs, charges and expenses incurred by them in acting as aforesaid or by reason or on account of any contract or deed entered into or executed or any act or thing done or permitted by them on behalf of or bona fide in the interests of or with the view of benefiting the Company unless the liabilities arise out of conduct involving a lack of good faith.

During or since the end of the financial year the Company has not given an indemnity or entered into an agreement to indemnify against any liability arising from a claim brought by a third party against any Director, Officer or Auditor of the Company.

The Company's current policy provides composite liability insurance cover applicable to a Company Limited by Guarantee. This policy covers the Company and all its controlled entities.

## ANNUAL REPORT OF THE BOARD OF DIRECTORS (continued)

**Auditor's Independence Declaration**

A Copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 35.

Signed in accordance with a resolution of the Members of the Board.





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**Stephen Ware**
President

**Terry Blenkinsop**
Treasurer

Dated this 6th day of October 2022

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## STATEMENT OF CORPORATE GOVERNANCE

**Board of Directors and its Committees for the year ending 30 June 2022**

**Board**

The Board has the overall responsibility for corporate governance of the Company.
Currently there are five elected Non-Executive Directors. Directors of the Board appoint from within the following office bearers:

- President
- Vice President
- Treasurer

**Board Committees**
The Board has the overall responsibility for corporate governance of the Company. The Board has presently established the following Committees to assist in the execution of its responsibilities:

- Audit and Risk Committee
- Investment Committee
- Nomination & Remuneration Committee
- Selection Committee (Election years only)
- Tax Technical & Policy Committee (established July 2022)
- Superannuation Technical & Policy Committee (established July 2022)
- Financial Services Technical & Policy Committee (established July 2022)

These Committees have a mandate to operate in a review or advisory capacity to the Board. The Board receives regular reports and recommendations, as appropriate, from these Committees and those specific Directors.

**Audit and Risk Committee**
This Committee has been established with responsibility to the Board for the Company's audit matters. It is comprised solely of Non-Executive Directors.

The key responsibilities delegated to the Committee are to:

- Provide an independent and objective review. The Committee's objectives include assessment of:
    - integrity of financial reports;
    - assurances on the effectiveness of internal control and compliance systems including monitoring any control and policy breaches and rectification thereof;
    - significant financial and accounting issues and accounting policies;
    - regulatory requirements and compliance;
    - audit effectiveness, independence, scope and planning;
    - oversight of the company's insurance arrangements;
    - work with management to develop the company's risk appetite for approval by the Board;
    - promote an awareness of a risk based culture at Board and Executive levels within the company.
- Assist the Board in discharging its responsibilities relating to the integrity of the financial reporting, the effectiveness and independence of audit, and evaluation of the management processes relating to compliance, internal control systems and the risk management framework.
- Provide a forum for communication between the Board, senior management and the external auditor.
- Assess the effectiveness of the systems, processes and controls that are in place to maintain the integrity of the financial records and reporting.
- Oversee business initiatives and assess the impact on the internal control environment, strategic risk assessment, including determining (basis on recommendations from management) appropriate mitigants where warranted.

## STATEMENT OF CORPORATE GOVERNANCE (Continued)

**Investment Committee**
This Committee has been established with responsibility to the Board for the Company's investment matters. It is comprised solely of Non-Executive Directors and the function of the Investment Committee will be fulfilled by the Board having regard to the policies set out in its Charter.
The key responsibilities delegated to the Committee are to:

- Assist the Board in discharging its fiduciary responsibilities concerning the appropriate management of the Company's investment funds.
- Fulfilled through a robust investment governance framework, which includes the development of the investment strategy and objectives, relevant policies, structures, processes, systems and people to monitor, report and manage the Fund's investments.

**Nominations and Remuneration Committee**
This Committee has been established with responsibility to the Board for the Company's remuneration matters. It is comprised solely of Non-Executive Directors and the function of the Nominations & Remuneration Committee will be fulfilled by the Board having regard to the policies set out in its Charter.
The key responsibilities delegated to the Committee are to:

- Assist the Board to meet its responsibilities in relation to Corporate Governance practices and legal disclosures.
- Enable Taxpayers Australia Limited ("TAL") to attract and retain capable Member and External Directors and employees who will create value and support TAL philosophy and objectives.
- Ensure TAL has appropriate director and employee remuneration policies and monitoring and implementation procedures which aligns remuneration and risk management.
- Remunerate employees fairly and responsibly, with regard to industry benchmarks, individual performance and general remuneration conditions.

**Selection Committee (Election years only)**
This Committee has been established with responsibility to the Board for the Company's Selection matters. It is comprised of the President and two others; one person, who may or may not be a Member, appointed by the Board based on his or her experience in selecting or screening candidates for Board positions; and one person who may or may not be a Member and who has not been a Director of the Company at any time during the preceding three (3) years.

**Tax Technical & Policy Committee (established July 2022)**
This is a newly established committee which has not yet convened a meeting.

**Superannuation Technical & Policy Committee (established July 2022)**
This is a newly established committee which has not yet convened a meeting.

**Financial Services Technical & Policy Committee (established July 2022)**
This is a newly established committee which has not yet convened a meeting.

**Ethical Standards**
The Company has a policy of corporate ethics that requires the continued maintenance of the highest standards of ethical conduct and behaviour of Directors, office bearers, management and staff.

**Communication to Members**
The Company communicates with Members through bi-monthly tax and superannuation magazine 'Outlook', Daily Update emails, the telephone helpline service, websites, podcasts, educational seminars and other publications.

**Summation**
The Board believes that its corporate governance practices conform to 'fit for purpose' practices for an organisation of its type and as far as possible for corporations generally. It therefore keeps all areas of the Company's governance under on-going review.

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2022

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| Revenue | 2 | 3,431,725 | 3,074,053 | 3,219,301 | 2,973,624 |
| Government subsidies - COVID-19 | 2 | - | 333,700 | - | 333,700 |
| | | **3,431,725** | **3,407,753** | **3,219,301** | **3,307,324** |
| Gain/(Loss) on disposal of property, plant & equipment | | - | (235) | - | (235) |
| Employee benefits expense | | (2,657,022) | (1,993,077) | (2,533,276) | (1,992,400) |
| Depreciation and amortisation expenses | | (48,514) | (41,444) | (47,713) | (40,639) |
| Publication costs | | (271,660) | (332,320) | (259,890) | (332,320) |
| Other expenses | 3 | (1,286,087) | (917,515) | (1,236,389) | (871,674) |
| **Profit / (Loss) before income tax** | | **(831,558)** | **123,162** | **(857,967)** | **70,056** |
| Income tax (expense) / benefit | 4 | 196,424 | (218,540) | 196,793 | (218,540) |
| **Profit / (Loss) for the year** | | **(635,134)** | **(95,378)** | **(661,174)** | **(148,484)** |
| **Other comprehensive income after income tax:** | | | | | |
| Net unrealised gain / (loss) on investments | | (895,911) | 841,344 | (858,438) | 809,301 |
| **Other comprehensive income / (loss) for the year, net of tax** | | (895,911) | 841,344 | (858,438) | 809,301 |
| **Total comprehensive income / (loss) for the year** | | **(1,531,045)** | **745,966** | **(1,519,612)** | **660,817** |
| **Total comprehensive income / (loss) attributable to members of the entity** | | **(1,531,045)** | **745,966** | **(1,519,612)** | **660,817** |

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2022

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **ASSETS** | | | | | |
| **CURRENT ASSETS** | | | | | |
| Cash and cash equivalents | 7 | 2,374,649 | 2,522,126 | 2,297,004 | 2,476,133 |
| Trade and other receivables | 8 | 95,153 | 197,215 | 157,856 | 188,620 |
| Inventories | 9 | 2,368 | 8,764 | 2,368 | 8,764 |
| Financial assets | 11 | 813,276 | 1,349,772 | 813,276 | 1,349,772 |
| Other current assets | 10 | 345,308 | 271,138 | 341,583 | 267,823 |
| **TOTAL CURRENT ASSETS** | | **3,630,754** | **4,349,015** | **3,612,087** | **4,291,112** |
| **NON-CURRENT ASSETS** | | | | | |
| Financial assets | 11 | 6,374,166 | 7,252,048 | 6,252,610 | 7,093,020 |
| Deferred tax assets | 4 | 6,671 | 6,843 | 6,671 | 6,843 |
| Plant and equipment | 12 | 54,280 | 58,487 | 54,280 | 58,487 |
| Right-of-use assets | 13 | 63,979 | 155,743 | 63,979 | 155,743 |
| Intangible assets | 14 | 197 | 166,131 | 189 | 159,570 |
| **TOTAL NON-CURRENT ASSETS** | | **6,499,293** | **7,639,252** | **6,377,729** | **7,473,663** |
| **TOTAL ASSETS** | | **10,130,047** | **11,988,267** | **9,989,816** | **11,764,775** |
| **LIABILITIES** | | | | | |
| **CURRENT LIABILITIES** | | | | | |
| Trade and other payables | 15 | 433,143 | 460,280 | 820,843 | 756,797 |
| Contract liabilities | 16 | 1,757,293 | 1,769,938 | 1,488,245 | 1,520,245 |
| Lease liabilities | 17 | 83,607 | 117,075 | 83,607 | 117,075 |
| Current tax liabilities | 4 | 16,840 | 18,019 | 16,840 | 18,019 |
| Short-term provisions | 18 | 191,573 | 167,420 | 191,573 | 167,420 |
| **TOTAL CURRENT LIABILITIES** | | **2,482,456** | **2,532,732** | **2,601,108** | **2,579,556** |
| **NON-CURRENT LIABILITIES** | | | | | |
| Lease liabilities | 17 | 2,284 | 85,891 | 2,284 | 85,891 |
| Deferred tax liabilities | 4 | 147,036 | 342,823 | 147,036 | 342,823 |
| Long-term provisions | 18 | 53,700 | 51,205 | 53,700 | 51,205 |
| **TOTAL NON-CURRENT LIABILITIES** | | **203,020** | **479,919** | **203,020** | **479,919** |
| **TOTAL LIABILITIES** | | **2,685,476** | **3,012,651** | **2,804,128** | **3,059,475** |
| **NET ASSETS** | | **7,444,571** | **8,975,616** | **7,185,688** | **8,705,300** |
| **EQUITY** | | | | | |
| Reserves | 19 | 516,784 | 1,337,649 | 514,322 | 1,297,714 |
| Retained earnings | | 6,927,787 | 7,637,967 | 6,671,366 | 7,407,586 |
| **TOTAL EQUITY** | | **7,444,571** | **8,975,616** | **7,185,688** | **8,705,300** |

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2022

**CONSOLIDATED ENTITY**

| | Retained Earnings | Financial Asset Revaluation Reserve | Asset Revaluation Reserve | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance at 1 July 2020** | 7,712,508 | 517,142 | - | **8,229,650** |
| Profit attributable to members | (95,378) | - | - | **(95,378)** |
| Total other comprehensive income for the year | - | 841,344 | - | **841,344** |
| Realised gains/(losses) transferred from reserves to retained earnings | 20,837 | (20,837) | - | **-** |
| **Balance at 30 June 2021** | 7,637,967 | 1,337,649 | - | **8,975,616** |
| | | | | |
| **Balance at 1 July 2021** | 7,637,967 | 1,337,649 | - | **8,975,616** |
| Profit attributable to members | (635,134) | - | - | **(635,134)** |
| Total other comprehensive income for the year | - | (895,911) | - | **(895,911)** |
| Realised gains/(losses) transferred from reserves to retained earnings | (75,046) | 75,046 | - | **-** |
| **Balance at 30 June 2022** | 6,927,787 | 516,784 | - | **7,444,571** |

**PARENT ENTITY**

| | Retained Earnings | Financial Asset Revaluation Reserve | Asset Revaluation Reserve | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance at 1 July 2020** | 7,535,233 | 509,250 | - | **8,044,483** |
| Profit attributable to members | (148,484) | - | - | **(148,484)** |
| Total other comprehensive income for the year | - | 809,301 | - | **809,301** |
| Realised gains/(losses) transferred from reserves to retained earnings | 20,837 | (20,837) | - | **-** |
| **Balance at 30 June 2021** | 7,407,586 | 1,297,714 | - | **8,705,300** |
| | | | | |
| **Balance at 1 July 2021** | 7,407,586 | 1,297,714 | - | **8,705,300** |
| Profit attributable to members | (661,174) | - | - | **(661,174)** |
| Total other comprehensive income for the year | - | (858,438) | - | **(858,438)** |
| Realised gains/(losses) transferred from reserves to retained earnings | (75,046) | 75,046 | - | **-** |
| **Balance at 30 June 2022** | 6,671,366 | 514,322 | - | **7,185,688** |

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 30 JUNE 2022

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Receipts from members and customers | | 3,348,929 | 3,635,235 | 3,026,594 | 3,504,743 |
| Payments to suppliers and employees | | (4,174,899) | (3,144,717) | (3,884,587) | (3,002,067) |
| Tax refund (payment) | | (371) | (14,660) | - | (14,659) |
| **Net cash provided by operating activities** | 23 | **(826,341)** | **475,858** | **(857,993)** | **488,017** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Investment income received | | 208,614 | 325,358 | 188,521 | 313,290 |
| Interest received | | 3,869 | 7,451 | 3,842 | 7,421 |
| Proceeds from sale of property, plant and equipment | | - | (235) | - | (235) |
| Purchase of property, plant and equipment | | (24,275) | (44,210) | (24,276) | (44,210) |
| Proceeds from sale of investments | | 1,799,095 | 610,382 | 1,761,623 | 610,382 |
| Payment for investments | | (1,191,364) | (627,304) | (1,133,771) | (615,206) |
| **Net cash used in investing activities** | | **795,939** | **271,442** | **795,939** | **271,442** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Lease repayments | | (117,075) | (94,354) | (117,075) | (94,354) |
| **Net cash used in financing activities** | | **(117,075)** | **(94,354)** | **(117,075)** | **(94,354)** |
| Net increase / (decrease) in cash held | | (147,477) | 652,946 | (179,129) | 665,105 |
| Cash and cash equivalents at beginning of financial year | | 2,522,126 | 1,869,180 | 2,476,133 | 1,811,028 |
| **Cash and cash equivalents at end of financial year** | 7 | **2,374,649** | **2,522,126** | **2,297,004** | **2,476,133** |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Taxpayers Australia Limited as an individual entity and Taxpayers Australia Limited and the controlled entities as a consolidated entity. Taxpayers Australia Limited is a Company Limited by Guarantee and is incorporated in Victoria under the Corporation Act 2001.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not for-profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(t).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**a. Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Taxpayers Australia Limited ('company') as at balance date and the results of all controlled entities for the year then ended. Taxpayers Australia Limited and its controlled entities together are referred to in these financial statements as the 'consolidated entity'.

The controlled entities are:
- The Taxpayers Research Foundation Limited
- Superannuation Australia Pty Ltd
- Tax Australia Pty Ltd
- TAI Practitioners & Advisers Ltd
- Australian Taxpayers Association Pty Ltd

The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Controlled entities are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Where the consolidated entity loses control over a controlled entity, it derecognises the assets including goodwill, liabilities and non-controlling interest in the controlled entity together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**b. Revenue recognition**

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Membership fees received in advance is deferred to the period to which it relates and included as subscriptions in advance on the balance sheet.

Rendering of a service is recognised upon the delivery of the service to the customers.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**Revenue recognition (continued)**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend and distribution revenue is recognised when the right to receive the dividend or distribution has been established.

Other revenue is recognised when it is received or when the right to receive payment is established.

**c. Income tax**

Only Non-Member income of the Company is assessable for tax, as Member income is excluded under the principle of mutuality.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in controlled entities, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**d. Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**e. Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

**f. Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**g. Inventories**

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**h. Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**Investments and other financial assets (continued)**

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

*Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

**i. Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|---|---|
| Furniture & Equipment | 3-20 years |
| Computers & Software | 2.5-6 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**j. Leases**

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**k. Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 6 years.

**l. Impairment of non-financial assets**

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**l. Impairment of non-financial assets (continued)**

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**m. Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**n. Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**o. Contract Liabilities**

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

**p. Provisions**

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**q. Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**r. Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

**s. Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**t. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Revenue from contracts with customers involving sale of goods*

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**Critical accounting judgements, estimates and assumptions (continued)**

*Fair value measurement hierarchy*
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

*Estimation of useful lives of assets*
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Goodwill and other indefinite life intangible assets*
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Income tax*
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Recovery of deferred tax assets*
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**Critical accounting judgements, estimates and assumptions (continued)**

*Employee benefits provision*
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Lease term*
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

*Coronavirus (COVID-19) pandemic*
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

# NOTES TO THE FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 30 JUNE 2022

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **NOTE 2: REVENUE AND OTHER INCOME** | | | | | |
| **Revenue** | | | | | |
| - Member subscriptions | | 1,799,600 | 1,784,208 | 1,711,193 | 1,688,520 |
| - Product sales and subscriptions | | 343,001 | 281,880 | 420,987 | 448,180 |
| - CPD[pro] | | 181,167 | 159,827 | 1,367 | 1,709 |
| - Commission income | | 96,389 | 68,225 | 96,389 | 68,225 |
| - SMSF product sales and subscriptions | | 21,236 | 17,622 | 21,236 | 17,622 |
| - Seminar income | | 164,675 | 158,191 | 164,675 | 158,191 |
| - Webinar income | | 308,795 | 233,225 | 308,795 | 233,225 |
| - Gain / (Loss) on sale of investments | | 227,927 | 28,725 | 227,927 | 28,725 |
| - Unrealised gain / (loss) on foreign exchange | | 73,820 | - | 73,820 | - |
| - Interest and investment income received | | 214,566 | 333,741 | 192,363 | 320,822 |
| - Government grant income | | - | 333,700 | - | 333,700 |
| - Other income | | 549 | 8,409 | 549 | 8,405 |
| **Total revenue** | | **3,431,725** | **3,407,753** | **3,219,301** | **3,307,324** |
| **NOTE 3: OTHER EXPENSES** | | | | | |
| Other expenses include the following significant expenses. Profit from ordinary activities before income tax expense has been determined after allowing for these expenses: | | | | | |
| **Expenses** | | | | | |
| Membership Services, Seminars and Representation Costs | | 454,954 | 223,363 | 443,698 | 212,104 |
| Occupancy Expenses | | 55,913 | 57,389 | 55,913 | 57,389 |
| Office Expenses and Administration Expenses | | 192,625 | 208,908 | 184,882 | 201,004 |
| Corporate Expenses | | 129,713 | 124,134 | 120,565 | 112,566 |
| Legal fees | | 34,945 | 20,834 | 33,695 | 20,834 |
| Write off intangible assets | | 145,903 | - | 140,151 | - |
| Other Expenses | | 272,034 | 282,887 | 257,485 | 267,777 |
| | | **1,286,087** | **917,515** | **1,236,389** | **871,674** |

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2022

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **NOTE 4: INCOME TAX EXPENSE** | | | | | |
| a. The components of tax expense / (benefit) comprise: | | | | | |
| Current tax | | (196,424) | 218,540 | (196,793) | 218,540 |
| b. The prima facie tax on profit before income tax is reconciled to the income tax as follows: | | | | | |
| Prima facie tax payable on profit(loss) before income tax at 25.0% (2021: 26.0%) | | (431,867) | 250,772 | (429,101) | 228,633 |
| Less: | | | | | |
| Tax effect of: | | | | | |
| - exempt (income)/deductions | | 9,796 | 18,062 | 428 | 18,924 |
| - non-assessable items | | - | (19,812) | - | (19,812) |
| - deferred tax assets not recorded on losses | | - | (1,068) | - | - |
| - unrealised (gain)/ loss on revaluation of investments | | 5,103 | (8,331) | - | - |
| - net capital gain | | - | - | - | - |
| - non-taxable net Member (income)/deductions arising from principle of mutuality | | 242,133 | (3,589) | 254,359 | 8,501 |
| Conversion of deferred tax balances on change of tax rates: | | 447 | (7,431) | 447 | (7,431) |
| Imputation Credits | | (15,254) | (10,700) | (15,775) | (10,913) |
| Foreign Tax Credits | | (126) | - | (126) | - |
| Non resident withholding tax credits | | (60) | (135) | (60) | (135) |
| Other Non-Assessable Income | | - | - | - | - |
| **Income tax attributable to Company** | | **(189,828)** | **217,767** | **(189,828)** | **217,766** |
| **Income tax over/ (under) provision** | | (6,596) | 774 | (6,965) | 774 |
| **Income tax attributable to Company** | | **(196,424)** | **218,540** | **(196,793)** | **218,540** |
| CURRENT | | | | | |
| Current tax assets comprise: | | | | | |
| - Income tax refundable | | - | - | - | - |
| Current tax liabilities comprise: | | | | | |
| - Income tax payable | | 16,840 | 18,019 | 16,840 | 18,019 |
| NON-CURRENT | | | | | |
| Deferred tax liabilities comprise: | | | | | |
| - Timing differences | | 147,036 | 342,823 | 147,036 | 342,823 |
| Deferred tax assets comprise: | | | | | |
| - Timing differences | | 6,671 | 6,843 | 6,671 | 6,843 |

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **NOTE 5: KEY MANAGEMENT PERSONNEL DISCLOSURES** | | | | | |
| **a. Board of Directors Remuneration** | | | | | |
| Income paid or payable to Directors by the Company: | | 105,000 | 121,282 | | |
| Key management personnel remuneration | | 549,237 | 365,297 | | |
| Number of Directors whose income from the Company was within the following bands: | | | | | |
| $1 - $9,999 | | - | - | | |
| $10,000 - $19,999 | | 2 | 2 | | |
| $20,000 + | | 3 | 3 | | |
| The names of Directors who held office during the financial year were: | | | | | |
| - Terry Blenkinsop | | | | | |
| - Mark Dodds | | | | | |
| - Stephen Ware | | | | | |
| - Caroline Banhidy | | | | | |
| - Kurtis Alaeddin | | | | | |
| - Phil Broderick | | | | | |
| **b. Superannuation benefits** | | | | | |
| Amounts of a prescribed benefit given during the year by the Company to a Director or prescribed superannuation fund: | | 10,500 | 9,302 | | |
| **c. Additional Remuneration** | | | | | |
| Payments made by the company to an entity in which a director has a substantial financial interest for the provision of management consulting, administration and secretarial services on normal commercial terms. | | - | - | | |
| Payments made by the company to an entity in which a director has a substantial financial interest for the provision of strategic planning on normal commercial terms. | | - | - | | |
| **NOTE 6: AUDITORS' REMUNERATION** | | | | | |
| Remuneration of the auditors: | | | | | |
| - auditing or reviewing the financial report | | 29,556 | 30,024 | 22,000 | 22,600 |
| - Other services | | 18,300 | 21,045 | 12,600 | 15,345 |
| | | **47,856** | **51,069** | **34,600** | **37,945** |

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **NOTE 7: CASH AND CASH EQUIVALENTS** | | | | | |
| **Cash at bank and in hand** | | | | | |
| Cash on hand | | - | 500 | - | 500 |
| Cash at bank | | 2,374,649 | 2,521,626 | 2,297,004 | 2,475,633 |
| | | **2,374,649** | **2,522,126** | **2,297,004** | **2,476,133** |
| **Reconciliation of cash** | | | | | |
| Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows: | | | | | |
| Cash and cash equivalents | | 2,374,649 | 2,522,126 | 2,297,004 | 2,476,133 |
| | | 2,374,649 | 2,522,126 | 2,297,004 | 2,476,133 |
| **NOTE 8: TRADE AND OTHER RECEIVABLES** | | | | | |
| Trade Debtors | | 25,172 | 16,602 | 113,283 | 17,066 |
| Sundry Debtors | | 16,058 | 9,059 | - | - |
| Interest receivable | | - | - | - | - |
| Income receivable | | 53,923 | 171,554 | 44,573 | 171,554 |
| | | **95,153** | **197,215** | **157,856** | **188,620** |
| **NOTE 9: INVENTORIES** | | | | | |
| At cost | | | | | |
| - stock of publications | | 2,368 | 8,764 | 2,368 | 8,764 |
| | | **2,368** | **8,764** | **2,368** | **8,764** |
| **NOTE 10: OTHER ASSETS** | | | | | |
| Prepayments | | 345,308 | 271,138 | 341,583 | 267,823 |
| | | **345,308** | **271,138** | **341,583** | **267,823** |

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **NOTE 11: FINANCIAL ASSETS** | | | | | |
| CURRENT | | | | | |
| Managed At Call Deposits | | 724,031 | 515,682 | 724,031 | 515,682 |
| Managed Term Deposits | | 89,245 | 834,090 | 89,245 | 834,090 |
| | | **813,276** | **1,349,772** | **813,276** | **1,349,772** |
| The effective interest rate on Term bank deposits was 0.88% (2021: 0.78%); these deposits have a maturity of 12 months or less. | | | | | |
| NON CURRENT | | | | | |
| Financial assets at fair value | 11a | 6,374,166 | 7,252,048 | 6,252,610 | 7,093,020 |
| | | **6,374,166** | **7,252,048** | **6,252,610** | **7,093,020** |
| a. Financial assets comprise: | | | | | |
| Listed investments, at fair value | | | | | |
| - Securities in listed corporations at market value | | 4,702,605 | 1,800,688 | 4,702,605 | 1,800,688 |
| - Listed Property Funds | | 302,364 | 410,462 | 302,364 | 410,462 |
| - Australian Income Securities | | - | 25,207 | - | 25,207 |
| - Listed Fixed Interest Hybrids | | 532,615 | 568,879 | 532,615 | 568,879 |
| Unlisted investments, at fair value | | | | | |
| - Unlisted Property Funds | | - | 283,952 | - | 283,952 |
| - Unlisted Fixed Income Funds | | 81,116 | 901,483 | 81,116 | 901,483 |
| Managed Funds | | 755,466 | 3,261,377 | 633,905 | 3,102,344 |
| Shares in wholly owned subsidiaries | | | | | |
| - Australian Taxpayers Association Pty Ltd | | - | - | 2 | 2 |
| - Superannuation Australia Pty Ltd | | - | - | 1 | 1 |
| - Tax Australia Pty Ltd | | - | - | 1 | 1 |
| **Total financial assets** | | **6,374,166** | **7,252,048** | **6,252,610** | **7,093,020** |

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **NOTE 12: PLANT AND EQUIPMENT** | | | | | |
| **Fixtures & Fittings** | | | | | |
| At cost | | 2,745 | 2,745 | 2,745 | 2,745 |
| Accumulated depreciation | | (2,289) | (1,740) | (2,289) | (1,740) |
| | | 456 | 1,005 | 456 | 1,005 |
| **Furniture & Office Equipment** | | | | | |
| At cost | | 71,329 | 71,007 | 71,329 | 71,007 |
| Accumulated depreciation | | (66,031) | (63,324) | (66,031) | (63,324) |
| | | 5,298 | 7,683 | 5,298 | 7,683 |
| **Computer Equipment & Software** | | | | | |
| At cost | | 137,803 | 114,209 | 136,843 | 113,249 |
| Accumulated depreciation | | (89,277) | (64,410) | (88,317) | (63,450) |
| | | 48,526 | 49,799 | 48,526 | 49,799 |
| **Total Property, Plant and Equipment** | | **54,280** | **58,487** | **54,280** | **58,487** |

**Movements in carrying amounts**
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| | Fixtures & Fittings | Furniture & Office Equipment | Computer Equipment & Software | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Balance at 1 July 2020 | 1,554 | 10,408 | 23,646 | 35,608 |
| Additions | - | 564 | 43,882 | 44,446 |
| Disposals | - | | (749) | (749) |
| Depreciation & amortisation expense | (549) | (3,289) | (16,979) | (20,817) |
| Balance at 30 June 2021 | 1,005 | 7,683 | 49,800 | 58,487 |
| Additions | - | 322 | 26,939 | 27,261 |
| Disposals | | | (2,986) | (2,986) |
| Depreciation & amortisation expense | (549) | (2,706) | (25,226) | (28,481) |
| Balance at 30 June 2022 | 456 | 5,298 | 48,527 | 54,280 |

| | | | | | |
|---|---|---|---|---|---|
| **NOTE 13: RIGHT-OF-USE ASSETS** | | | | | |
| NON CURRENT | | | | | |
| Leased office premises | | 333,862 | 333,862 | 333,862 | 333,862 |
| Less accumulated depreciation | | (274,088) | (184,427) | (274,088) | (184,427) |
| Leased office equipment | | 10,514 | 10,514 | 10,514 | 10,514 |
| Less accumulated depreciation | | (6,309) | (4,206) | (6,309) | (4,206) |
| **Total Right-of-use assets** | | **63,979** | **155,743** | **63,979** | **155,743** |

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **NOTE 14: INTANGIBLE ASSETS** | | | | | |
| **Branding cost** | | | | | |
| At cost | 14a | - | 145,903 | - | 140,151 |
| Impairment | | - | - | - | - |
| Total | | - | 145,903 | - | 140,151 |
| **Software** | | | | | |
| At cost | | 120,656 | 120,656 | 115,830 | 115,830 |
| Accumulated amortisation | | (120,459) | (100,428) | (115,641) | (96,411) |
| Total | | 197 | 20,228 | 189 | 19,419 |
| **Total Intangible Assets** | | **197** | **166,131** | **189** | **159,570** |

**Reconciliations**
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| | Branding cost | Software | Total |
|---|---|---|---|
| Balance at 1 July 2021 | 145,903 | 20,228 | 166,131 |
| Additions | - | - | - |
| Disposals | - | - | - |
| De-recognition | (145,903) | - | (145,903) |
| Amortisation expense | - | (20,031) | (20,031) |
| Balance at 30 June 2022 | - | 197 | 197 |

a. As a result of the current organisational initiatives outlined in the Company's 2022 Annual Report (refer page 2), the Company has elected to de-recognise the branding costs that were previously incurred and capitalised in the 2017 financial year, as these costs are no longer reflective of the Company's current strategic direction and identity.

| **NOTE 15: TRADE AND OTHER PAYABLES** | | | | |
|---|---|---|---|---|
| Trade payables | 217,027 | 246,814 | 214,227 | 244,014 |
| GST Payable | 161,662 | 170,179 | 148,524 | 151,425 |
| Loan - TAIPAL | - | - | 403,638 | 318,071 |
| PAYG Withholding - Other | 54,454 | 43,287 | 54,454 | 43,287 |
| | **433,143** | **460,280** | **820,843** | **756,797** |
| **NOTE 16: CONTRACT LIABILITIES** | | | | |
| Event Receipts in Advance | 97,829 | 106,038 | 97,829 | 106,038 |
| Journals and Updates Subscriptions in Advance | 121,243 | 131,817 | 121,243 | 131,817 |
| Membership Subscriptions in Advance | 1,538,221 | 1,532,083 | 1,269,173 | 1,282,390 |
| | **1,757,293** | **1,769,938** | **1,488,245** | **1,520,245** |

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **NOTE 17: LEASE LIABILITIES** | | | | | |
| CURRENT | | | | | |
| Office premises | a). | 81,418 | 114,976 | 81,418 | 114,976 |
| Office equipment | | 2,189 | 2,099 | 2,189 | 2,099 |
| | | **83,607** | **117,075** | **83,607** | **117,075** |
| NON CURRENT | | | | | |
| Office premises | a). | - | 81,418 | - | 81,418 |
| Office equipment | | 2,284 | 4,473 | 2,284 | 4,473 |
| | | **2,284** | **85,891** | **2,284** | **85,891** |
| **Total lease liabilities:** | | **85,891** | **202,966** | **85,891** | **202,966** |

a). The Company has entered into a property lease commencing from 6 March 2018. The property lease at Lvl 13, 303 Collins Street is non-cancellable lease with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3.75% per annum. The lease has an initial term of 5 years, and an option exists to renew at the end of the initial term for an additional term of 5 years.

**NOTE 18: PROVISIONS**

| | Annual Leave | Long Service Leave | Total |
|---|---|---|---|
| | $ | $ | $ |
| Opening balance at 1 July 2021 | 142,698 | 75,927 | 218,625 |
| Movement in provision during the year | 34,865 | (8,217) | 26,648 |
| **Balance at 30 June 2022** | **177,563** | **67,710** | **245,273** |

| **Analysis of Total Provisions** | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | $ | $ | $ | $ |
| Current | 191,573 | 167,420 | 191,573 | 167,420 |
| Non-current | 53,700 | 51,205 | 53,700 | 51,205 |
| | **245,273** | **218,625** | **245,273** | **218,625** |

**Provision for Long-term Employee Benefits**

A provision has been recognised for non-current employee benefits relating to long service leave for employees.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |

## NOTE 19: RESERVES

*General Reserve*
The general reserve records funds set aside for future expansion of the economic entity.

*Financial Asset Revaluation Reserve*
The financial assets reserve records revaluation of financial assets.

*Asset Revaluation Reserve*
The asset revaluation reserve records revaluation of property, plant and equipment.

## NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

| | | | | |
|---|---|---|---|---|
| **Bank Guarantees** | | | | |
| Bank guarantee as security for premises lease | | | 83,815 | 83,815 |

## NOTE 21: RELATED PARTY TRANSACTIONS

The company has recharged a portion of its staff and overhead expenses to TAIPAL and TAPL for services rendered.

| **Recharges to related parties:** | **2022** | **2021** |
|---|---|---|
| - Management recharge | 181,236 | 175,430 |
| **Loan to / from related parties** | | |
| - (Payable)/ receivable from TAIPAL | (403,638) | (318,071) |
| - (Payable)/ receivable from TAPL | 99,416 | 11,544 |

## NOTE 22: EVENTS AFTER THE BALANCE SHEET DATE

***Covid-19***
A global pandemic event occurred during the financial year and the Directors have considered if the event could have any impact on the operations and results subsequent to the year end.

The Directors believe the entity will be able to respond and adapt to the temporary economic state the pandemic is causing and the entity is updating its risk assessment and business continuity planning as the event progresses. Due to the unique and rapidly evolving nature of the situation it is not possible to estimate outcomes at this point in time, however cash reserves are not expected to decrease materially and continued assistance from the governments of Australia would assist with this response.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

| | Note | Consolidated Entity | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $ | $ | $ | $ |
| **NOTE 23: CASH FLOW INFORMATION** | | | | | |
| **Reconciliation of Cash Flow from Operations with Profit/ (Loss) from Ordinary Activities after Income Tax** | | | | | |
| **Profit/ (Loss) after income tax** | | **(635,134)** | **(95,378)** | **(661,174)** | **(148,484)** |
| Cash flows excluded from profit/ (loss) attributable to operating activities | | | | | |
| Non-cash flows in profit | | | | | |
| - Derecognition of intangible assets | | 145,903 | - | 140,151 | - |
| - Depreciation | | 48,514 | 41,444 | 47,713 | 40,639 |
| - Depreciation - Right of use assets | | 91,764 | 91,764 | 91,764 | 91,764 |
| - Net (gain)/ loss on disposal plant and equipment | | - | 235 | - | 235 |
| - Net (gain) / loss on disposal of investments | | (301,747) | (28,725) | (301,747) | (28,725) |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries | | | | | |
| - (Increase)/decrease in trade and term debtors | | 102,062 | 124,573 | 30,764 | 124,161 |
| - (Increase)/decrease in prepayments | | (74,170) | (145,807) | (73,760) | (142,914) |
| - (Increase)/decrease in inventories | | 6,396 | 2,221 | 6,396 | 2,221 |
| - (Increase)/decrease deferred tax assets | | 172 | (4,069) | 172 | (4,069) |
| - Increase/(decrease) deferred tax liabilities | | (195,788) | 202,779 | (195,787) | 202,779 |
| - (Increase)/decrease current tax | | (1,179) | 5,171 | (1,179) | 5,171 |
| - Increase/(decrease) in trade and other payables | | (27,137) | 77,638 | 64,046 | 161,233 |
| - Increase/(decrease) in other liabilities | | (12,645) | 116,179 | (32,000) | 96,172 |
| - Increase/(decrease) in employee benefits | | 26,648 | 87,834 | 26,648 | 87,834 |
| **Cash flows attributable to operating activities** | | **(826,341)** | **475,858** | **(857,993)** | **488,017** |

**NOTE 24: COMPANY DETAILS**

The registered office and principal place of business of the Company is:

Taxpayers Australia Limited
Trading as Tax and Super Australia
Level 13, 303 Collins Street
MELBOURNE VIC 3000

# NOTES TO THE FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 30 JUNE 2022

## NOTE 25: FINANCIAL INSTRUMENTS

### a. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The Company does not have any derivative instruments at 30 June 2022.

#### i. Treasury Risk Management

The Board meets on a regular basis with its investment advisers, to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

#### ii. Financial Risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

*Interest rate risk*

Interest rate risk is managed with a mixture of fixed and floating rates.

*Liquidity risk*

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash is maintained.

*Credit risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

*Price risk*

The Company is not exposed to any material commodity price risk.

### b. Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets, is as follows:

| ECONOMIC ENTITY | Weighted Average Effective Interest Rate | | Floating Interest Rate | | Fixed Interest Rate Maturing | | | | | | Non-interest Bearing | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Within 1 Year | | 1 to 5 Years | | Over 5 Years | | | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | % | % | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| *Financial Assets:* | | | | | | | | | | | | |
| Cash and cash equivalents | 0.12% | 0.31% | 2,374,649 | 2,522,126 | | | | | | | | |
| Term deposits | 0.88% | 0.78% | | | 813,276 | 813,276 | | | | | | |
| Income Securities & Bonds | - | 1.41% | | | | | 0 | 25,207 | | | | |
| Fixed Income Funds | 3.21% | 3.44% | | | | | 613,731 | 1,470,362 | | | | |
| Managed Funds | | | | | | | | | | | 755,466 | 3,261,377 |
| Other Financial Assets | | | | | | | | | | | 5,004,969 | 2,495,103 |
| Total Financial Assets | | | **2,374,649** | **2,522,126** | **813,276** | **813,276** | **613,731** | **1,495,569** | **-** | **-** | **5,760,435** | **5,756,479** |

### c. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values, have been adjusted to reflect the net fair value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## DIRECTORS' STATEMENT

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- At the date of this statement, there are reasonable grounds to believe that the Company and the controlled entities will be able to pay their debts as and when they fall due.
- at the date of this declaration, there are reasonable grounds to believe that the members of the Consolidated Group will be able to meet any obligations or liabilities.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



President ……



Treasurer …….

Terry Blenkinsop

Dated this ……6th…… day of …October 2022…..…..

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## AUDITORS' INDEPENDENCE DECLARATION
## TO THE DIRECTORS OF TAXPAYERS AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

2. no contraventions of any applicable code of professional conduct in relation to the audit.

KIDMANS PARTNERS AUDIT PTY LTD



Heinz Mai

Director

Dated this 6th day of October 2022

Melbourne

## INDEPENDENT AUDIT REPORT

## TO THE MEMBERS OF TAXPAYERS AUSTRALIA LIMITED AND CONTROLLED ENTITIES

***Opinion***

We have audited the accompanying financial report of Taxpayers Australia Limited and Controlled Entities, which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report present fairly, in all material respects, the financial position of Taxpayers Australia Limited and Controlled Entities as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (AASB's) and the Corporations Act 2001.

***Basis for opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Company in accordance with the independence requirements of the Corporations Act 2001. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and' in doing so' consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of Management and Those Charged with Governance for the Financial Report***

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial report that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

*INDEPENDENT AUDIT REPORT (Continued)*

***Auditor's Responsibility for the Audit of the Financial Report***

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a 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 our 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.

b Obtain an understanding of internal control 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 Company's internal control.

c Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

KIDMANS PARTNERS AUDIT PTY LTD



Heinz Mai
Director
Melbourne

Date: 6th October 2022

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## INCOME & EXPENDITURE STATEMENT
## FOR THE YEAR ENDED 30 JUNE 2022

| | Economic Entity | | Parent Entity | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | $ | $ | $ | $ |
| **REVENUE** | | | | |
| **Operating activities** | | | | |
| CPD Pro | 181,167 | 159,827 | 1,367 | 1,709 |
| Commission income | 96,389 | 68,225 | 96,389 | 68,225 |
| Inhouse education income | - | 12,400 | - | 12,400 |
| Monthly Tax Update Library | 98,082 | 91,605 | 98,082 | 91,075 |
| Monthly Client Newsletter | 78,005 | 77,684 | 78,005 | 77,684 |
| Ready Reckoner sales | 1,088 | 921 | 1,088 | 921 |
| Seminar income - National | 149,355 | 133,980 | 149,355 | 133,980 |
| Seminar income - State | 15,320 | 24,211 | 15,320 | 24,211 |
| SMSF Manual sales | 21,236 | 17,622 | 21,236 | 17,622 |
| Subscriptions | 1,799,600 | 1,784,208 | 1,711,193 | 1,688,520 |
| TA Helpline | 106,050 | 9,518 | 2,800 | 918 |
| TAIPAL management charge | - | - | 181,236 | 175,430 |
| Tax summary sales | 59,776 | 89,752 | 59,776 | 89,752 |
| Webinar Income | 308,795 | 233,225 | 308,795 | 233,225 |
| Government grant income | - | 333,700 | - | 333,700 |
| Sundry income | 549 | 8,409 | 549 | 8,405 |
| Gain / (Loss) on disposal of property, plant and equipment | - | (235) | - | (235) |
| **Total Revenue from Operating Activities** | **2,915,412** | **3,045,052** | **2,725,191** | **2,957,542** |
| **EXPENDITURE** | | | | |
| **Operating activities** | | | | |
| Accounting fees | 22,319 | 36,114 | 14,110 | 28,534 |
| Audit fees | 29,872 | 30,476 | 22,316 | 22,976 |
| Bank fees | 1,601 | 971 | 1,534 | 960 |
| Corporate and finance expenses | 31,153 | 31,278 | 28,165 | 27,156 |
| Depreciation & amortisation | 48,514 | 41,444 | 47,713 | 40,639 |
| Depreciation - Right of use assets | 91,764 | 91,764 | 91,764 | 91,764 |
| Interest expense on lease liabilities | 5,906 | 10,571 | 5,906 | 10,571 |
| Legal fees | 34,945 | 20,834 | 33,695 | 20,834 |
| Membership | 271,726 | 45,139 | 271,726 | 44,442 |
| National board | 27,519 | 46,923 | 24,843 | 42,447 |
| National expenses | 40,308 | 19,933 | 32,251 | 15,712 |
| Occupancy | 55,913 | 57,389 | 55,913 | 57,389 |
| Office expenses | 161,152 | 177,461 | 161,032 | 177,068 |
| Outlook magazine | 58,068 | 56,552 | 58,068 | 56,552 |
| Personnel | 2,657,022 | 1,993,077 | 2,533,276 | 1,992,400 |
| Publications | 131,014 | 147,184 | 131,014 | 147,184 |

# TAXPAYERS AUSTRALIA LIMITED
## AND CONTROLLED ENTITIES
**ABN 96 075 950 284**

## INCOME & EXPENDITURE STATEMENT
## FOR THE YEAR ENDED 30 JUNE 2022

| | Economic Entity | | Parent Entity | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | $ | $ | $ | $ |
| Representation - International | 2,630 | 388 | 2,630 | 388 |
| Representation - National | 3,559 | 993 | 3,559 | 993 |
| Secretarial services | 1,500 | 2,369 | - | - |
| Seminar expenses - National | 59,622 | 70,993 | 59,622 | 70,993 |
| Seminar expenses - State | 17,768 | 10,844 | 17,768 | 10,844 |
| SMSF publishing expenses | 128,876 | 185,136 | 128,876 | 185,136 |
| Directors fees (Incl SGC) -Operating Activities | 98,560 | 92,856 | 92,400 | 85,410 |
| Tax Research Foundation. | 3,000 | 3,000 | 3,000 | 3,000 |
| Tax policy journal | 11,770 | - | - | - |
| Trade subscriptions | 25,346 | 20,340 | 24,823 | 18,475 |
| Web-site | 6,476 | 7,810 | 6,476 | 7,810 |
| Webinar expenses | 18,750 | 12,900 | 15,450 | 9,600 |
| **Total Expenses from Operating Activities** | **4,046,653** | **3,214,739** | **3,867,930** | **3,169,277** |
| **Profit/ (Loss) from Operating Activities** | **(1,131,241)** | **(169,687)** | **(1,142,739)** | **(211,735)** |
| **Other Revenue** | | | | |
| Distribution | 20,093 | 12,068 | - | - |
| Income from investments | 194,473 | 321,673 | 192,363 | 320,822 |
| Gain / (Loss) on sale of investments | 227,927 | 28,725 | 227,927 | 28,725 |
| Unrealised gain / (loss) on foreign exchange | 73,820 | - | 73,820 | - |
| **Total Revenue from Other Revenue** | **516,313** | **362,466** | **494,110** | **349,547** |
| **Other Expenses** | | | | |
| Investment expenses | 46,087 | 46,403 | 46,087 | 46,403 |
| Directors fees (incl SGC) -Investment Activities | 24,640 | 23,214 | 23,100 | 21,353 |
| Derecognition of branding costs | 145,903 | - | 140,151 | - |
| **Total Other Expenses** | **216,630** | **69,617** | **209,338** | **67,756** |
| **Profit / (Loss) before income tax** | **(831,558)** | **123,162** | **(857,967)** | **70,056** |
| Income tax (expense) benefit | 196,424 | (218,540) | 196,793 | (218,540) |
| **Profit / (Loss) after income tax** | **(635,134)** | **(95,378)** | **(661,174)** | **(148,484)** |
| **Other Comprehensive Income** | | | | |
| Unrealised gain / (loss) on financial assets | (895,911) | 841,344 | (858,438) | 809,301 |
| **Total Comprehensive Income / (Loss) for the year** | **(1,531,045)** | **745,966** | **(1,519,612)** | **660,817** |