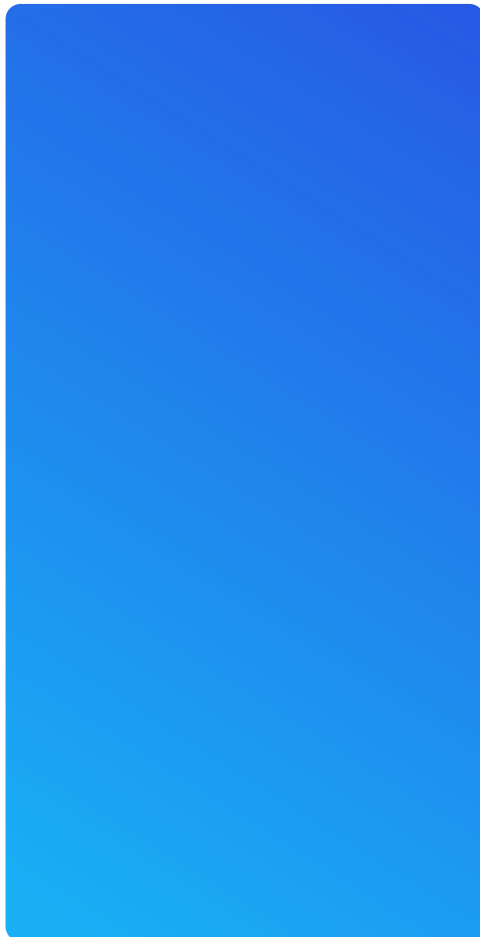
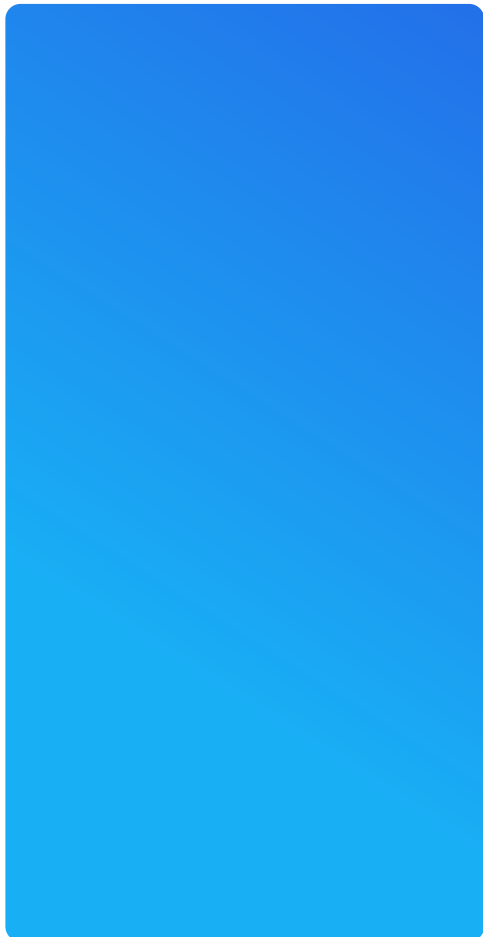




Annual Report 2023





YEARS

The Tax Institute is the home of tax in Australia, representing the voices of more than 9,000 tax practitioners. We have proudly served, educated and advocated for the profession for 80 years.

The home of tax

As a member-funded and member-driven organisation, our people are at the heart of everything we do. From legal experts to accountants, academics to business leaders, our members represent the diversity and shine of the tax profession.

Our mission is to further tax education – improving the knowledge, skills and resources of our members – and to empower our community. Our voice is their voice.

When we talk about growth, it's always in the context of member value.

How can we better serve members? How can we make their membership fee work harder for them? Are we doing all we can to amplify their voices on the legislative and administrative issues that impact them and their work?

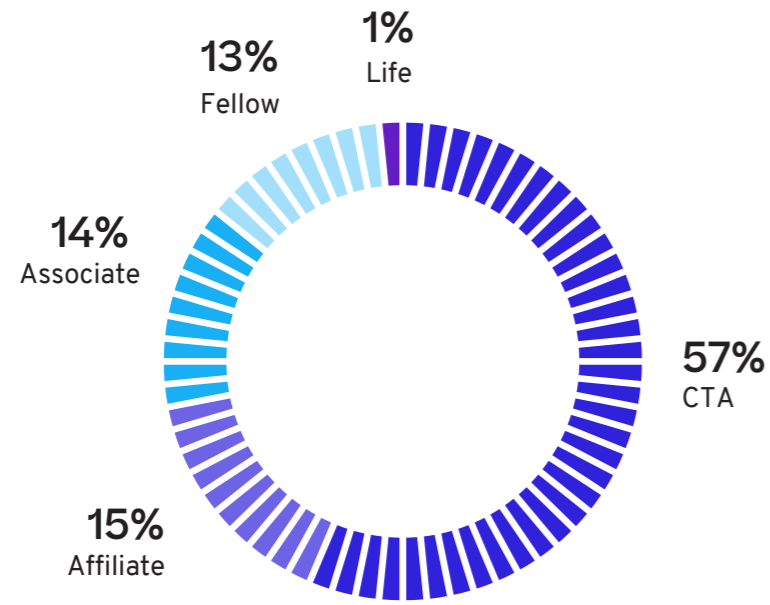
As we plan, invest and work toward the future of the Institute, we do so with the support and in support of our generous members.

For more information about The Tax Institute, visit our website at taxinstitute.com.au

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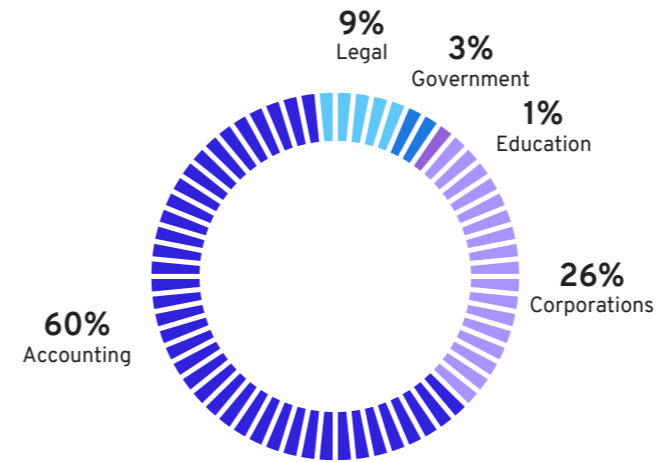
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Membership by Type

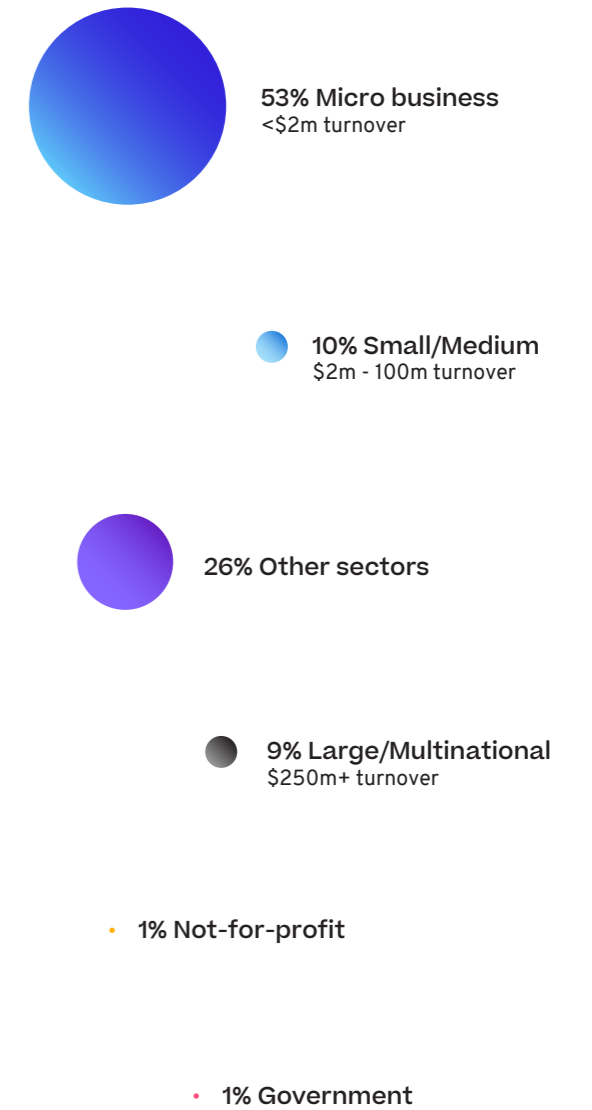


Membership by Industry

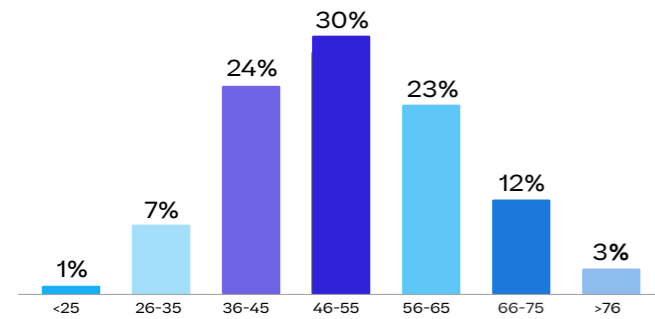
The Tax Institute's membership brings together over 9,000 of Australia's tax specialists and advisers, working in SMEs, Mid-Tier and Big-4 Accountings firms, as well as Corporate Heads of Tax, Government and Academics.



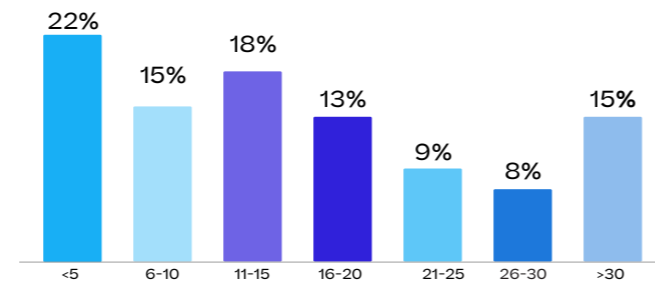
Membership by size of company



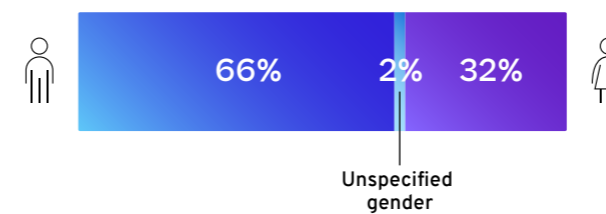
Membership by Age



Membership by Tenure



Membership by Gender



Membership Highlights



9,152
total members
of The Tax Institute



14,629
attendees at CPD events
delivered nationally



600+
mentions
in the media

Education Highlights



187
enrolments
in CTA3 Advisory



1,360
enrolments in
structured education



55
Graduate Diploma
of Applied Tax Law
(GDATL) enrolments



“As we celebrate 80 years of The Tax Institute in 2023 – 80 years of advocacy, of educational excellence, of supporting the tax profession to do and be its best – I am proud of where our community has climbed to.”



As we celebrate 80 years of The Tax Institute in 2023 – 80 years of advocacy, of educational excellence, of supporting the tax profession to do and be its best – I am proud of where our community has climbed to.

Over the last few years, The Tax Institute, like many other organisations, was prompted to take a step back and consider the ways in which we work. Remote working, leave policies, company culture and even the very purpose of what we do came into the spotlight. For us, this was an opportunity to consider where we wanted to take the Institute next and how we wanted to grow.

Over the last financial year, we have invested strongly in the kind of projects that will see us grow into an even stronger voice for the tax community in Australia. This investment has necessitated a significant financial outlay over the year, which is reflected in our final financial position. We recognise the gravity of our current result. While the short-term outcome is a loss, in reality, this represents our continued and positive commitment to future readiness. Our investments mean we are in a position to grow. They allow us to keep up with a fast-changing world and be ready for future changes, challenges and opportunities.

As a Not-For-Profit, we are primarily funded by our members and we do not take the investment of those funds lightly. We have carefully considered the road ahead and feel that what we have set in motion this year is worthy of our members' trust in us.

Though much has changed, the heart of our organisation remains the same.

We are still committed to excellence in tax education. Lifelong learning is a key part of the tax profession and we are honoured to facilitate that for our community. Exciting things are to come in this space, as we continue to develop forward-focused education options, designed to accommodate busy schedules and personal career goals.

We are still committed to our members. We have invested in improving the way our members can interact with us, and the ways we reach them. Our website and communications channels are undergoing serious upgrades, the benefits of which are sure to be felt for years to come. This – our investment in better reaching our members – is one that never ceases. Not only are there always new technologies to embrace, but it is also a vital part of keeping our community and our organisation strong.

We are still committed to the betterment of the tax system. Not all investments are made with dollars and cents. Our team has also invested considerable time, thought and emotional resources into advocacy work and cementing the Institute's place at the heart of the tax conversation. This is so we can continue to represent our members on the issues that matter and drive improvements in our tax system.

The work of the past year is part of a larger strategic vision held by the Board. I am proud of the progress we have made thus far and confident that our future holds further growth and improvement.

Margaret Marshall
BBus, FCA, M(Tax), CTA, GAICD
President

“FY23 was a year focused on accelerating strategic and aggressive investment in several vital projects.”

FY22 was a challenging year for many reasons, including the ongoing impact of COVID-19. This resulted in an operating loss of \$891k for the Institute, though a cash surplus remained.

In FY23, after careful consideration of operating performance and external market dynamics, the Board made a strategic decision to accelerate investment in several key projects. These include:

- A complete refresh of our website. This is a major undertaking and well overdue. As with any digital innovation of its kind, it is also a long-term project with considerations and impacts for every facet of our organisation.
- A major platform upgrade for Tax Knowledge Exchange (TKE). As not only a history of our profession and membership, but a living record of tax interpretation and thought that continues to serve our profession in vital ways, it is a priority for TKE to be maintained in a future-ready state.
- Development of Tax Academy, which represents the future of learning at The Tax Institute. Education has been at the heart of the Institute from our very beginning. We are investing in modern, fit-for-purpose methods of learning to carry us forward.

In planning for these major projects the Board considered many factors including industry trends, inherent level of risk involved, and potential impact on short-term financial results. The Board also acknowledged that substantial upfront costs, long lead times, and intricate operational challenges would affect delivery on these projects.

The board and senior management at the Institute agreed that the fundamental need to create long-term sustainability justified the investment required.

Additionally, following a strategic review, the board endorsed a recommendation to simplify the Institute's operating model in FY23. This meant a reduction in head count and realignment of key functions to provide a fit for purpose operating model.

The combined aggressive investment in long-term projects and organisational restructure have had a significant impact on FY23 financials. However, the Institute is now in a position of stability and equipped for future growth.

Key points

- FY23 was a year focused on strategic and aggressive investment in vital projects such as updating The Tax Institute website, upgrading the TKE digital experience and development of Tax Academy.
- In agreeing on this strategy, the board carefully considered past operating performance, external market trends, risk levels and both short – and long-term impacts.
- This focus on investment, combined with organisational restructure, has had a significant impact on our financials. Crucially, it has also put us in a stable position for future growth.



Clare Mazzetti
BEcon, MBA, MIR, GAICD, FFin
Acting Chief Executive Officer



Board of Directors



Paul Banister
BBus(Acc), LLB,
FCA, CTA

Qualifications

Chartered Accountant

Experience

National Council member since January 2019

Responsibilities

- Treasurer
- Chair, Finance, Investment & Audit Committee since 2022
- Member, Professional Standards Committee since 2019
- Member, Qld State Council since 2012 (Chair 2016–2018)



David Earl
BCom, LLB(Hons),
LLM, FTI

Qualifications

Australian Legal Practitioner

Experience

National Council member since January 2018

Responsibilities

- Chair, Risk & Governance Committee
- Member, VIC State Council since 2017



Ian Heywood
BBus(Acc), M (Tax),
CPA, CTA

Qualifications

Certified Practising Accountant,
Chartered Tax Adviser

Experience

National Council member since January 2022

Responsibilities

- Member, Risk & Governance Committee
- Member, TAS State Council since 2006 (Chair 2019–2021)



Margaret Marshall
BBus, FCA, M(Tax),
CTA, GAICD

Qualifications

Chartered Accountant
Graduate Australian Institute of
Company Directors

Experience

National Council member since January 2016

Responsibilities

- President
- Member, Finance, Investment & Audit Committee since 2017 (Chair 2021)
- Member, TAS State Council since 2013
- Member, Nominations Committee since 2022
- Director, HEPCO Pty Ltd



Timothy Sandow
BCom, LLB, CTA,
FCA

Qualifications

Chartered Accountant

Experience

National Council Member since January 2018

Responsibilities

- Chair, Disciplinary Committee since 2018
- Chair, Strategic Advisory Committee since 2020
- Member SA State Council since 2007 (State Chair 2016)



Todd Want
BCom(Dean's
Scholar), CTA, CA,
CPA

Qualifications

Chartered Accountant
Certified Practicing Accountant

Experience

National Council member since January 2017

Responsibilities

- Vice President
- Member, Finance, Investment & Audit Committee since 2021
- Director, HEPCO Pty Ltd
- Member, Academic Board 2020–2022
- Member, NSW Professional Development Committee since 2012
- Member, NSW State Council since 2014



Leanne Connor
BBus, Grad Dip FP,
CTA, CA, SSA

Qualifications

Chartered Accountant, Chartered Tax
Adviser & SMSF Specialist

Experience

National Council member since February 2021

Responsibilities

- Member, Finance, Investment & Audit Committee
- Member, VIC State Council since 2016 (Chair 2017–2019)



William Keays
BBus, CA, CTA

Qualifications

Chartered Accountant & Chartered
Tax Adviser

Experience

National Council member since January 2022

Responsibilities

- Member, Finance, Investment & Audit Committee
- Member, WA State Council since 2014 (Chair 2020–2021)
- Member, Risk & Governance Committee and Nominations Committee



Clare Mazzetti
BEcon, MBA, MIR,
GAICD, FFin

Qualifications

- Independent Non-Executive Director

Experience

- Appointed Independent Chair of National Council July 2022

Responsibilities

- Acting Chief Executive Officer
- Governance for the Tax Institute



Jerome Tse
LLM, LLB BCom,
CTA

Qualifications

Australian Legal Practitioner

Experience

National Council member since January 2017

Responsibilities

- Past President
- Member, Nominations Committee since 2021
- Member, Finance, Investment & Audit Committee since 2020
- Member, NSW State Council since 2013
- Director, HEPCO Pty Ltd

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of The Tax Institute (referred to hereafter as the 'Institute' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons were directors of The Institute during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Godber	Appointed 1 January 2014 (ceased 31 December 2022)
Margaret Marshall	Appointed 1 January 2016
Jerome Tse	Appointed 1 January 2017
Todd Want	Appointed 1 January 2017
David Earl	Appointed 1 January 2018
Timothy Sandow	Appointed 1 January 2018
Eddy Moussa	Appointed 1 January 2019 (ceased 3 July 2023)
Paul Banister	Appointed 30 January 2019
Leanne Connor	Appointed 17 February 2021
William Keays	Appointed 1 January 2022
Ian Heywood	Appointed 1 January 2022
Clare Mazzetti	Appointed 18 July 2022
Dray Andrea	Appointed Company Secretary 19 April 2023

Short-term and long-term objectives

The consolidated entity's short and long-term objectives during 2023 continue to be to:

- supporting our members
- advance education in relation to taxation and taxation laws
- advance public knowledge and understanding of taxation laws
- encourage research into the reform of taxation law and be the leading knowledge provider in taxation through our products and services.

The consolidated entity's strategies in 2023 to achieve these objectives included:

- providing a highly sought-after quality taxation education program
- offering a diverse and broad range of continuing professional development opportunities through an event program and publications
- being the authoritative opinion leader in tax policy and administration

- building the Chartered Tax Adviser designation as the gold standard in tax

Performance measures

The consolidated entity measures its performance using both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial performance of the Institute and whether the objectives are being achieved in a cost-effective manner.

Member's guarantee

The Institute is a company limited by guarantee. In accordance with the Institute's Constitution, each member is liable to contribute \$2.00 if the Institute is wound up. The total amount members would contribute at 30 June 2023 would be \$18,304.

Principal activities

During the financial year the principal continuing activities of the consolidated entity were the advancement of knowledge and learning of the laws relating to taxation, principally by way of conferences and seminars. The development of micro-credentials in FY23 and its delivery represents the future learning of the Tax Institute.

No significant change in the nature of these activities occurred during the year.

Operating result

The consolidated loss of the consolidated entity after providing for income tax for the financial year amounted to (\$3,534,704) (2022: \$891,812).

Dividends

The constitution of the parent entity precludes the payment of dividends therefore no dividend has been paid or declared since the commencement of the financial year. HEPCO Pty Ltd is permitted to pay dividends to its shareholder. No dividend was declared in the financial year ending 30 June 2023.

Review of operations

The Institute's financial performance over FY22/23 reflects considered investment in key member resources and a strategic restructure of our organisation. While reporting a loss overall, the benefit of these investments is expected to be felt for years to come. We are now in a strategically advantageous position to further focus member funds on those areas of most importance to members in the future.

Significant changes in state of affairs

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

After balance date events

Our micro-credential offering is being delivered by HEPCO Pty Ltd. as of 1 August 2023. On 13 October 2023, Scott Treatt was appointed as Chief Executive Officer of The Tax Institute, replacing Acting CEO Clare Mazzetti. No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's situation in future financial years.

Future developments

The consolidated entity is committed to delivering a broad range of practical learning and information services through transformation of our education offering.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnifying officer or auditor

During the financial year the consolidated entity paid a premium for an Associations Liability Insurance policy. This policy provides cover for directors and officers of the consolidated entity to the extent permitted by the *Corporations Act 2001*. Other than the insurance policy, no indemnities have been given or agreed to be given during or since the end of the financial year, to any person who is or has been a director, officer, or auditor of the consolidated entity.

Proceedings on behalf of the consolidated entity

No person has applied for leave of court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any of those proceedings. The consolidated entity was not a party to any such proceedings during the year.

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 15.

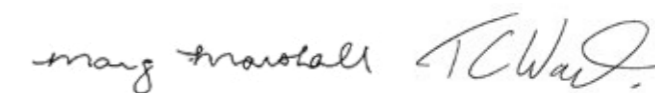
Directors' meetings

Attendance at Board and meetings during the year ended 30 June 2023:

Board of Directors		
Total number of meetings held 9		
Directors	A	B
Clare Mazzetti	9	9
Williams Keays	9	9
David Earl	9	7
Eddy Moussa	9	6
Ian Heywood	9	9
Jerome Tse	9	7
Leanne Connor	9	8
Margaret Marshall	9	9
Paul Banister	9	8
Timothy Sandow	9	9
Todd Want	9	9
Peter Godber	3	2

A Meetings eligible to attend as a director
B Meetings attended as a director

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



Margaret Marshall, CTA
Director

Todd Want, CTA
Director

Dated in Sydney this 30th day of October 2023

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards – Simplified Disclosures, the Australian Charities and *Not-for-profits Commission Act 2012*, 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 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Margaret Marshall, CTA
Director

Todd Want, CTA
Director

Dated in Sydney this 30th day of October 2023



Crowe Sydney
ABN 97 895 683 573
Level 24, 1 O'Connell Street
Sydney NSW 2000
Main +61 (02) 9262 2155
Fax +61 (02) 9262 2190
www.crowe.com.au

30 October 2023

The Board of Directors
The Tax Institute
Level 37, 100 Miller Street
North Sydney NSW 2060

Dear Board Members

The Tax Institute

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Directors of The Tax Institute.

As lead audit partner for the audit of the financial report of The Tax Institute for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,



Crowe Sydney



Suwarti Asmono
Partner

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

Liability limited by a scheme approved under Professional Standards Legislation.

The title "Partner" conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd

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Financial Report

By members. For members.

As a member funded organisation, we prioritise investments that help our members grow. In FY2022/23, we put member funds toward some important areas of strategic value.

Technology fit for the future

Despite challenges along the way, we have continued to invest in our technology, particularly our website. It is vitally important that our members are supported by a technologically stable platform that can grow with us.

This year saw a significant upgrade to our Tax Knowledge Exchange (TKE) platform. We listened to user feedback along the way, and undertook further development work to strengthen the search experience. Users can now enjoy a stable browsing environment, ease of use and improved search functionality that delivers more accurate results.

TKE is not only a living history of tax opinion and analysis, but provides particular benefit to small firms, who may not have the ability to support in-house tax specialist resources.

Modern, flexible learning

Education means opportunity. Opportunity for our members and all tax practitioners to improve their skillset, pivot their career or grow their businesses by providing avenues for staff development.

We have invested funds into developing a unique suite of owned micro-credential units. These form a modern way of learning, that supports the education needs of our members, allowing them to learn what, when and how it suits them.

Shared development experiences

Our face-to-face events were back in full swing this financial year. Our investment in this area ensures we can deliver members and attendees first-class networking opportunities. In the age of work from home, these opportunities to connect in-person and create networks within the professional community are more important than ever.

Continued Professional Development (CPD) is a necessity for all tax practitioners. We are committed to continually providing a high quality CPD experience for tax professionals all around the country, with a calendar of diverse event programs and locations each year.

Reshaping our team

As a small organisation, it is important that we are agile and streamlined, dedicating our resources where they matter most – our members. A strategic review of our organisation identified that the existing structure did not enable us to do so, and so we have undertaken the task of restructuring. This has meant downsizing, particularly on the executive and leadership level.

Our new, streamlined structure allows us to invest further in member benefits with the right resources at the right levels, reflecting our priorities of high quality education, CPD events, technical resources and advocacy on issues of great importance to our members.

Amplifying our members' voices

One of our roles as a membership organisation, is to ensure as much as possible in our non-government capacity, that law and guidance is shaped and appropriately targeted for our members. Our priority is that members, and the wider community of tax professionals, are not unnecessarily and adversely impacted by the functioning of the tax system.

We continue to grow our presence in the advocacy and consultation space. Supported by members and with their concerns in mind, we regularly contribute to various consultations and working groups, notably including our Senior Advocate holding a Co-Chair role on the Tax Practitioner Stewardship Group (TPSG). This financial year, our Tax Policy and Advocacy team also represented members at the Senate Economics Legislation Committee hearing on Treasury Laws Amendment (2023 Measures No. 1) Bill 2023 and tax reform roundtables held by MP the Hon. Allegra Spender.

We have tabled issues of vital importance to practitioners, including the need for wholesale, widespread tax reform.

Representing our members

We are a member driven organisation and represent tax practitioners from across the tax landscape and across the country. Amongst our members, 65% belong to SME or microbusinesses, and we are committed to ensuring our committees represent this demographic appropriately.

Currently, we have achieved just over 60% representation of SME or microbusinesses and a healthy representation of each state in our volunteer councils and committees after considerable structural change early this financial year. The investment in pushing forward with these changes mean that our members are better represented by their own peers.

Connecting with members

Listening to our members is one of our top priorities. Along with increased local engagement, this year we've invested in being able to better connect and talk with members, including through surveys, workshops, focus groups and improved membership analysis.

Recently, local engagement, driven by our State Councils, has also been a prominent focus, which has provided further opportunity for members voices to be heard, concerning both the direction of the Institute and issues of wider importance to the tax profession.

We're getting to know you better than ever, so we can keep helping you in ways that matter.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Revenue and other income	2	14,358,417	14,254,598
Net realised and unrealised change in fair value of financial assets held at fair value through profit and loss	8	331,583	(71,844)
Employee benefits expenses	3	(9,437,893)	(8,870,262)
Depreciation and amortisation expenses		(1,573,180)	(1,067,667)
CPD events and member services expenses		(3,580,121)	(2,378,279)
Occupancy expenses		(113,305)	(171,468)
Travel expenses		(272,069)	(110,454)
Publicity and promotion		(377,662)	(368,745)
Merchant fees		(214,756)	(96,217)
Interest expense on lease liabilities		(59,885)	(89,160)
IT expenses		(1,448,545)	(1,127,957)
Consulting and professional fees		(908,817)	(450,425)
Other expenses		(210,458)	(221,926)
Profit / (Loss) before income tax expense		(3,506,691)	(769,806)
Income Tax Expense	5	(28,013)	(122,006)
Profit / (Loss) after income tax expense		(3,534,704)	(891,812)
Other comprehensive income, net of tax		-	-
Total comprehensive income		(3,534,704)	(891,812)

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2023

	Note	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	6	4,067,474	4,964,088
Trade and Other Receivables		165,894	160,741
Franking Credits Refundable		14,340	112,920
Prepayments		538,606	687,927
Inventory		17,109	18,426
Provision for Income Tax		80,017	-
TOTAL CURRENT ASSETS		4,883,440	5,944,102
NON-CURRENT ASSETS			
Financial Assets	8	1,646,425	3,906,222
Deferred Tax Asset	7	12,334	22,364
Plant and Equipment	9	289,176	509,127
Intangible Assets	10	3,404,693	2,944,400
Right-of-Use-Asset	11	508,902	945,103
TOTAL NON-CURRENT ASSETS		5,861,530	8,327,216
TOTAL ASSETS		10,744,970	14,271,318
CURRENT LIABILITIES			
Trade and Other Payables	12	1,675,650	1,392,062
Income in Advance	13	6,860,065	6,562,739
Employee Benefits Provisions	16	415,732	393,430
Lease Liabilities	15	525,180	470,530
Provision for Income Tax		-	100,964
TOTAL CURRENT LIABILITIES		9,476,627	8,919,725
NON-CURRENT LIABILITIES			
Lease Make Good Provision	14	196,276	195,552
Employee Benefits Provisions	16	40,998	65,088
Lease Liabilities	15	91,939	617,119
TOTAL NON-CURRENT LIABILITIES		329,213	877,759
TOTAL LIABILITIES		9,805,840	9,797,484
NET ASSETS		939,130	4,473,834
EQUITY			
Retained Earnings		939,130	4,473,834
TOTAL EQUITY		939,130	4,473,834

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2023

	2023	2022
	\$	\$
Retained Earnings		
Opening retained earnings	4,473,834	5,365,646
Net Profit / (Loss) after income tax expense	(3,534,704)	(891,812)
Other comprehensive income, net of tax	-	-
Total comprehensive income	(3,534,704)	(819,812)
Closing retained earnings	939,130	4,473,834

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Receipts from members and others	16,086,429	15,789,714
Payments to suppliers and employees	(17,566,201)	(15,249,015)
Interest Paid	(59,885)	(89,160)
Income tax paid	(100,385)	(140,064)
Net cash flows (used in)/ provided by	(1,640,042)	311,475
Cash flows from investing activities		
Payment for plant and equipment	-	(17,268)
Proceeds from sale of investments	2,591,378	-
Payment for intangible assets	(1,377,420)	(1,952,214)
Net cash provided by/ (used in) investing activities	1,213,959	(1,969,481)
Cash flows from financing activities		
Repayment of Lease liability	(470,530)	(420,227)
Net cash (used in) financing activities	(470,530)	(420,227)
Net Increase in cash and cash equivalents	(896,614)	(2,078,233)
Cash at beginning of the financial year	4,964,088	7,042,321
Cash at end of the financial year	4,067,474	4,964,088

The accompanying notes form part of these consolidated financial statements.

Notes to Financial Statements

For the year ended 30 June 2023

Note 1. Statements of significant accounting policies

The consolidated financial statements for the year ended 30 June 2023 were authorised for issue by a resolution of the Directors on 30th October 2023.

The financial report covers the consolidated entity of The Tax Institute and the controlled entity HEPCO Pty Ltd. The Institute is a company limited by guarantee. HEPCO Pty Ltd is a company limited by shares, both incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and interpretation issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profit Commission Act 2012* as appropriate for not-for-profit oriented entities.

The consolidated financial statements have, except for cash flow information, been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair values of selected non-current assets, financial assets and financial liabilities.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only.

Supplementary information about the parent entity is disclosed in note 21.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of material subsidiaries of the Tax Institute ('company' or 'parent entity') as at 30 June 2023 and the results of the subsidiary for the year then ended. The Tax Institute and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are those entities over which the consolidated entity has control. 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 could affect those returns through its power to direct the activities of the entity. Subsidiaries 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary 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.

Revenue recognition

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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts are received that are subject to the constraining principle are recognised as a refund liability.

Membership Revenue

Membership subscriptions are recognised as revenue pro rata over the period of the membership. Revenue from members received in advance is deferred to the period to which it relates and is included as income in advance in the Statement of Financial Position.

Advertising

Revenue is recognised at a point in time when the advertisement is published.

CPD Event Revenue

Revenue is recognised at a point in time, as events are delivered or as goods are transferred to customers.

Education Revenue

Revenue is recognised over time, being over the study period.

Sales of publications

Revenue is recognised at a point in time when goods are transferred to customers

Other Revenue

Other revenue comprises mostly revenue from short-term education courses and deferral fees charged when students defer their study period.

Volunteer Services

The consolidated entity has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is not recognised.

All revenue is stated net of the amount of goods and services tax (GST).

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 company'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 company'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.

Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20.0%-33.3%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

Make good provision on leased premises

Costs required to return the premises to its original condition as set out in the lease agreement are recognised as a provision in the financial statements.

Intangible assets

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.

Impairment of non-financial assets

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. 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.

Course development and education assets

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development and its costs can be measured reliably. Capitalised intangible development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years. Capitalised course development costs are amortised on a straight-line basis over their expected benefit, being their finite life of five years.

Software

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 five years.

Right-of-use assets and lease liabilities

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. 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.

Financial instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled, or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

i. Financial assets held at fair value through profit or loss
Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial

assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Impairment of assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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 at 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 national government 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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash Flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Income tax

The Institute is exempt for income tax purposes under Section 50-5 of the *Income Tax Assessment Act of 1997*, while HEPCO Pty Ltd is subject to Income tax.

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 subsidiaries, 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.

Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, because of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Trade and other payables

These amounts represent liabilities for goods or services provided to the consolidated entity prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

Critical accounting estimates and judgements

The consolidated entity evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Institute.

Key Estimates – Impairment

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 company and to the particular asset that may lead to impairment. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a few key estimates and assumptions. No impairment has been recognised for the financial year 30 June 2023.

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 because 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.

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 than an option to extend the lease 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; 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 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 obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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.

	Consolidated	
	2023	2022
	\$	\$
Note 2. Revenue and other income		
Operating Activities		
Membership Services including Education	9,268,281	9,275,907
Rendering of services (CPD and Events)	4,435,105	3,646,545
Sales of publications	459,315	313,708
Advertising	16,509	200,807
	14,179,210	13,436,967
Interest income	16,604	650
Government Grants	-	634,761
Other Income	162,603	182,220
	179,207	817,631
Total revenue and other income	14,358,417	14,254,598

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2023	2022
	\$	\$
Membership services	6,208,874	6,169,807
Education	3,222,011	3,119,484
CPD and Events	4,435,104	3,646,545
Sales of publications	492,428	313,708
	14,358,417	13,249,544

Timing of recognition

	Consolidated	
	2023	2022
	\$	\$
Goods and Services transferred at a point in time	4,648,357	4,068,707
Services transferred over time	9,710,060	9,180,837
	14,358,417	13,249,544

	Consolidated	
	2023	2022
	\$	\$
Note 3. Profit from ordinary activities		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses		
Employee Benefits Expenses		
Termination benefits	850,247	-
Short-term employee benefits	8,587,646	8,870,262
	9,437,893	8,870,262
Superannuation expense		
- Defined contribution superannuation expense	752,090	746,042
Depreciation and amortisation of non-current assets		
- plant and equipment	219,952	228,201
- Intangible assets	917,126	403,265
- write-off of asset no longer held	-	-
- Right of use asset	436,201	436,201
	1,573,180	1,067,667
Remuneration of auditor		
- audit	49,000	45,400
- other services	3,500	11,195
	52,500	56,595

Note 4. Dividends

The parent company's constitution precludes the payment of dividends. No dividend has been paid or declared since the commencement of the financial year.

Franking credits

	2023	2022
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 25%	151,881	112,920

The above amount represents HEPCO Pty Ltd's balance of the franking account as at the end of the financial year, adjusted for:

- *Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date.
- *Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.
- *Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Note 5. Income Tax		
<i>(a) Amounts recognised in profit or loss</i>		
Current year tax expense	17,983	128,108
Deferred tax expense	10,030	(7,594)
(Over) / under provision	-	1,492
Income tax expense	28,013	122,006
Deferred income tax expense included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets (note 7)	10,030	148,230
(Over) / under provision from prior period	-	(155,824)
	10,030	(7,594)
<i>(b) Numerical reconciliation of income tax expense and tax at the statutory rate:</i>		
Profit / (Loss) before income tax expense:	(3,506,691)	(769,806)
The Tax Institute (exempt from income tax)	(3,617,451)	(1,247,562)
HEPCO Pty Ltd	110,760	477,756
Tax at the statutory tax rate of 25%	27,690	119,439
Tax effect of permanent difference		
Non-deductible expenses	323	508
Adjustment – impact of change of tax rate	-	567
(Over) / under provision prior year	-	1,492
Income tax expense	28,013	122,006
	30 June 2023	30 June 2022
Note 6. Current assets – cash and cash equivalents		
Cash at bank and on hand	3,692,520	4,469,782
Short term deposits	374,954	494,306
	4,067,474	4,964,088

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Note 7. Non-current assets – deferred tax		
<i>(a) Deferred tax asset comprises temporary difference attributable to:</i>		
Amounts recognised in the profit or loss:		
- Accrued income	-	-
- Prepayments	(2,092)	(64)
- Accrued expenses	5,419	3,877
- Property, plant and equipment	(5,699)	-
- Income in Advance	-	-
- Provision for employee entitlements	14,706	18,551
Deferred Tax Asset	12,333	22,364
<i>(b) Reconciliation</i>		
Opening balance	22,364	170,594
Amounts recognised in profit or loss	(10,030)	(148,230)
Closing balance	12,334	22,364
	30 June 2023	30 June 2022
Note 8. Non-current assets – financial assets		
Financial asset – designated at fair value through profit or loss	1,646,425	3,906,222
	1,646,425	3,906,222
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	3,906,220	4,090,984
Revaluation increments / (decreases)	290,205	(184,762)
Sale of investments	(2,550,000)	-
Closing fair value	1,646,425	3,906,222

Franking credits were received for \$41,378 and recognised as investment income.

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Note 9. Non-current plant and equipment		
Plant and Equipment – at cost	3,609,873	3,609,873
Less: Accumulated Depreciation	(3,320,697)	(3,100,746)
Total Plant and Equipment	289,176	509,127
	Plant and Equipment	Plant and Equipment
Movements in carrying amounts.	\$	\$
Movement in carrying amounts for each class of plant and equipment between the beginning and the end of the financial year.		
Balance at the beginning of the year	509,128	720,060
Additions	-	17,268
Depreciation or amortisation expense	(219,952)	(228,201)
Carrying amount at the end of the year	289,176	509,127

	30 June 2023	30 June 2022
	\$	\$
Note 10. Non-current intangible assets		
Education Course Development – at cost	2,878,061	2,195,618
Less: Accumulated Amortisation	(910,924)	(459,853)
Total Education Course Development	1,967,136	1,735,765
	Intangible Assets	Intangible Assets
Movements in carrying amounts	\$	\$
Movement in carrying amounts for intangible assets between the beginning and the end of the financial year.		
Balance at the beginning of the year	1,735,765	834,467
Additions	682,442	962,486
Amortisation expense	(451,072)	(61,188)
Carrying amount at the end of the year	1,967,136	1,735,765

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Software Projects – at cost	4,732,866	4,037,889
Less: Accumulated Amortisation	(3,295,309)	(2,829,254)
Total Software Projects	1,437,557	1,208,635
	Intangible Assets	Intangible Assets
Movements in carrying amounts	\$	\$
Movement in carrying amounts for intangible assets between the beginning and the end of the financial year.		
Balance at the beginning of the year	1,208,634	560,984
Additions	694,977	989,728
Amortisation expense	(466,055)	(342,077)
Carrying amount at the end of the year	1,437,557	1,208,635
Total intangible assets	3,404,693	2,944,400

	30 June 2023	30 June 2022
	\$	\$
Note 11. Non-current right-of-use-assets		
Right-of-use-assets	1,381,304	2,108,307
Less: Accumulated Amortisation	(872,403)	(1,163,204)
Total Right-of-use-asset	508,901	945,103

The entity leases premises for its head office under agreements of five years with, in some cases, an option to extend. The lease has various escalation clauses. On renewal, the terms of the leases are renegotiated.

	30 June 2023	30 June 2022
	\$	\$
Note 12. Current liabilities – trade and other payables		
Trade payables	909,881	118,038
Accrued salaries	-	402,300
Goods & services tax – net	277,364	378,021
Accruals and other payables	488,405	493,703
	1,675,650	1,392,062

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Note 13. Current income in advance		
Membership Fees	4,431,339	4,746,126
Event registrations	614,858	804,361
Education enrolments	652,396	235,076
Publication subscriptions	665,032	756,925
Other	496,411	20,251
	6,860,065	6,562,739

	30 June 2023	30 June 2022
Note 14. Non-current – lease make good provision		
Lease make good	196,276	195,552
	196,276	195,552

Lease make good
The provision represents the present value of the estimated costs to make the premises leased by the consolidated entity at the end of the respective lease terms.

	30 June 2023	30 June 2022
Movements in carrying amounts.		
Movement in carrying amounts for make good provision between the beginning and the end of the financial year.		
Carrying amount at the start of the year	195,552	194,303
Additional provision recognised	724	1,249
Carrying amount at the end of the year	196,276	195,552

	30 June 2023	30 June 2022
Note 15. Non-current liabilities – lease liabilities		
Lease Liability	617,119	1,087,649
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	525,180	470,530
One to five years	91,939	617,119
	617,119	1,087,649

	30 June 2023	30 June 2022
Note 16. Employee Benefits Provisions		
CURRENT		
Employee benefits	415,732	393,430
NON-CURRENT		
Employee benefits	40,997	65,088
Aggregate employee benefits	456,730	458,518
a. Number of employees at year end	50	72

Note 17. Controlled entities

Australian Tax Research Foundation (ATRF)

The Institute took over administrative responsibility for the ATRF in 2002. Before 2009, the Institute did not exercise control over the ATRF and the ATRF continued to be run as an independent organisation with an independent board.

In late 2009, the Institute took over control of the ATRF and appointed new directors to the ATRF Board.

It is the opinion of the consolidated entity’s directors that given the immateriality of the ATRF’s operations, assets and liabilities, consolidating the ATRF into the consolidated entity’s results would not lead to more

Note 18. Related party transactions

Key management personnel

Total Remuneration for key management personnel

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	2,121,518	1,874,129
Termination benefits	741,428	-
Total remuneration	2,862,946	1,874,129

Note 19. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$	\$
Profit / (loss) after income tax	(3,617,454)	(1,247,570)
Total comprehensive income / (loss)	(3,617,454)	(1,247,570)

Statement of financial position

Total current assets	9,019,337	8,201,665
Total assets	14,845,736	16,506,516
Total current liabilities	13,977,179	11,469,244
Total liabilities	14,298,830	12,342,157
<i>Equity</i>		
Retained profits*	546,906	4,164,359
Total equity	546,906	4,164,359

*dividend declared in 2023 is NIL (2022: 321,388)

meaningful information being provided to the users of the Institute’s Financial Report.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

HEPCO Pty Ltd

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023	2022
		%	%
HEPCO Pty Ltd	Australia	100%	100%

Directors’ remuneration

The Directors of the Institute are not remunerated. The 2023 President Marg Marshall received an amount of \$50,145 for the period 1 January to 30 June 2023. Prior year: The 2022 President Jerome Tse chose to forgo his fee for services rendered to the Institute for the period 1 July 2022 to 31 December 2022.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity agrees to unconditionally and irrevocably guarantee the prompt, full and complete performance of any and all duties, obligations (including the obligation to pay money), indebtedness or liability by HEPCO Pty Ltd to any persons arising directly or indirectly from the ordinary course of company’s business. The guarantee provided by The Tax Institute will terminate on the date that HEPCO Pty Ltd ceases to be a wholly owned subsidiary of The Tax Institute.

Contingent liabilities

Capital commitments – Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

As at 30 June 2023 there are guarantees provided by National Australia Bank of \$494,306 (2022: \$494,306) for the leases.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as investment income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 20. Events after the reporting date

Our micro-credential offering is being delivered by HEPCO Pty Ltd. as of 1 August 2023. On 13 October 2023, Scott Treatt was appointed as Chief Executive Officer of The Tax Institute, replacing Acting CEO Clare Mazzetti. No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's situation in future financial years.

Note 21. Contingent liabilities and contingent assets

As at 30 June 2023 there are guarantees provided by National Australia Bank of \$494,306 (2022: \$494,306) for the leases.

Other than the above, there are no contingent liabilities or contingent assets as at reporting date. (2022: Nil)
The consolidated entity had no commitments for expenditure as at 30 June 2023. (2022: Nil)



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Independent Auditor's Report to the Members of The Tax Institute

Opinion

We have audited the financial report of The Tax Institute (the Institute) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Other Information

The Directors are responsible for the other information. The other information comprises the information contained in the Group's Annual Report for the year ended 30 June 2023 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 accordingly 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 Directors for the Financial Report

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

In preparing the financial report, management is responsible for assessing the Group'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 Group or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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.
- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors 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 the audit.

Crowe Sydney

Crowe Sydney

Suwarti Asmono

Suwarti Asmono
Partner

30 October 2023
Sydney

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Contact details

Leadership Team

Clare Mazzetti	Acting Chief Executive Officer
Alexandra Wilson	Executive General Manager – HEPCO
Scott Treatt	General Manager – Tax Policy and Advocacy
Brad Loder	General Manager – Corporate Services

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