THE TAX INSTITUTE

2015

ANNUAL REPORT

The Tax Institute

Australia's *leading* educator and professional association in tax

taxinstitute.com.au

THE TAX INSTITUTE

GOLD COAST

2015

NATIONAL CONVENTION

Celebrating *30 years* of tax leadership

The former federal Treasurer, Joe Hockey, and the Commissioner of Taxation, Chris Jordan, headlined an impressive speaker line-up for The Tax Institute's 30th annual National Convention held on the Gold Coast from 18 to 20 March.

Treasurer's Announcement

The 30th National Convention took place in the midst of the federal government nearing the halfway point of its first term and close to the release of its highly-anticipated tax discussion paper.

The Tax Institute welcomed the former federal Treasurer's announcement of 30 March 2015 as the release date for the federal government's tax discussion paper — the first step in the white paper process. The Institute has long argued for a simpler, fairer tax system in Australia and the white paper process has significant potential to provide a foundation on how to achieve this.

Commissioner's Announcement

The Commissioner of Taxation, Chris Jordan, AO, released his "reinventing the ATO" blueprint at the convention. The Commissioner said that the blueprint describes the kind of experience that Australians want to have when they deal with the ATO, with an emphasis on ease-of-use, efficiency and removing unnecessary and burdensome reporting and regulations, and with the ultimate goal of encouraging willing participation in the Australian tax system.

The ATO has embarked on an ambitious program of reform as it reinvents itself. The Commissioner and his team are to be congratulated for their efforts in reducing red tape, both within the organisation and for taxpayers, as part of this project.

The National Convention is not only the premier event in the tax calendar, but also an important platform for leaders such as the Treasurer and Commissioner to present key policy changes to the tax community.

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Commissioner of Taxation, Chris Jordan

Former federal Treasurer, Joe Hockey

Tax Adviser of the Year Awards

The convention also saw the annual Tax Adviser of the Year Awards presented to recognise the profession's highest achievers. Representing the pinnacle achievement for the best tax practitioners, from rising stars to industry leaders, the awards recognise those individuals who are making their mark in the industry and reward them with a valuable opportunity to highlight their excellence in tax.

Andrew Mills, Second Commissioner Law Design and Practice with the ATO, was named Chartered Tax Adviser of the Year. Congratulations also to our other winners: the Corporate Tax Adviser of the Year award went to KPMG tax director Minh Dao; Peter Bobbin, Argyle Lawyers, was awarded the SME Tax Adviser of the Year; and Sarah Goodman, a senior consultant at KPMG, won the Emerging Tax Star of the Year award.

MORE THAN

2,480

CANDIDATES ENROLLED IN STRUCTURED EDUCATION

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A MESSAGE FROM THE IMMEDIATE PAST PRESIDENT

It has truly been a privilege serving as president of The Tax Institute in 2015, a year which promised so much in the tax arena. During my year as president, I was fortunate to work closely with The Tax Institute's Tax Policy and Advocacy Team and many of our volunteers in relation to the tax reform process and in making many other submissions to government and the Australian Taxation Office (ATO) on issues of concern for members. The Tax Institute is at the forefront of tax policy and advocacy in Australia, with the sheer volume of submissions and many other contributions we are requested to make attesting to this.

Tax reform

As mentioned, 2015 promised to deliver much in the tax arena, with the government's long-awaited tax issues paper release, and the ATO pursuing its strategy of reinvention and embracing both cultural change and technology solutions as it embarked on an ambitious program of reform under the leadership of the Commissioner and his team. The "Reinventing the ATO" project is no doubt having a wide-ranging impact on our profession and we should continue to monitor and actively participate in it to ensure that we are well-informed and well-placed for the future. Our profession is undergoing rapid change and, while change can be uncomfortable as technology continues to challenge traditional business models, we should remain focused on seeking new opportunities and leveraging that change wherever possible.

In relation to the tax reform process, The Tax Institute dedicated significant resources to the *Re:think — better tax, better Australia* tax reform process. We engaged in extensive consultation with members to draw on their expertise for their views on the aspects of the system that are in need of reform and to tap into their ideas for how to solve the problems in the system, or at least some of them. Many ideas came through and our Tax Reform Committee set about the task of filtering through these ideas and setting the direction for our submission.

We were also involved in key high-profile tax reform events in August and September, which ensured that the Institute maintained its position at the forefront of the tax reform discussion. I would like to thank all of our members who contributed to this important project.

2015-16 federal Budget

On 12 May 2015, the Treasurer, Joe Hockey, revealed a federal Budget with a number of welcome measures for small businesses. After some years of Budgets which were very light-touch on the revenue side of the economic equation, the 2015-16 Budget announced some significant tax measures focused on small businesses with an aggregated annual turnover of less than $2m, and large multinationals with a global revenue of $1b or more.

As we enter a federal election year, the Tax Policy and Advocacy Team will focus on keeping tax reform on the federal government's agenda. Since the government's white paper process has ceased, the 2016-17 federal Budget will take on added significance for the tax reform and policy activities of the Institute.

A MESSAGE FROM THE IMMEDIATE PAST PRESIDENT

Celebrating 30 years of National Convention

In 2015, the Institute celebrated the 30th anniversary of the National Convention, Australia's premier tax conference, where hundreds of tax professionals converged on a very warm and sunny Gold Coast to take part.

Over three days, we saw the delivery of 32 technical sessions and it was wonderful to see so many of our members taking the opportunity to enjoy all that the convention had to offer.

Significantly, the Institute also celebrated the second annual Tax Adviser of the Year Awards at the convention gala dinner. These awards have quickly gained recognition as the pre-emininent tax awards in our nation and celebrate the profession's best and brightest in tax. I look forward to seeing the awards grow even more across the broader Australian business community over future years.

Bettering the tax system

Maintaining and enhancing the role of tax practitioners in the face of the changing nature of the tax profession is a key role of The Tax Institute. The decline of pure tax compliance has gained significance throughout 2015. Added to this was the impact of myGov on tax practitioners, which put the spotlight on other perennial issues such as the availability of the tax agent portal. Through our participation in parliamentary inquiries and ATO consultations, in addition to various working groups, awareness of these issues has significantly increased, with an ever-increasing number of our members sharing their thoughts and suggestions in this regard. We will no doubt continue to influence the tax debate in Australia and cement our position as the leading professional association in tax, as well as to leading the development and education of the profession through our CTA program and our Graduate Diploma of Applied Tax Law.

Finally, I would like to wish Arthur Athanasiou, CTA, all the very best in his role as president in 2016 as the Institute continues to exert its influence over all areas of the Australian tax system.

I personally look forward to continuing my involvement with the Institute in the years ahead.

Stephen Healey, CTA

A MESSAGE FROM THE CEO

The tax profession is facing new challenges and outside pressures as the world globalises and digitisation continues to disrupt business as we currently know it. In light of this, tax practice is changing and the focus of the tax profession is shifting away from compliance work towards advisory work. As such, the demands to educate and support the tax profession as tax practice changes are ever-increasing.

Financial results

2015 saw strong results in the area of education revenue which contributed to the solid financial result. The Institute made a profit of $169,283 for the year. The outlook is for a continuing increase in demand for the Institute's education program, strong membership and CPD results, and growth in online products and services.

Tax Policy and Advocacy

Our Senior Tax Counsel, Robert Jeremenko, took leave from his position to head up a new tax unit in the Treasurer's office and assist with the delivery of the government's white paper on taxation. However, this did not slow down our Tax Policy and Advocacy Team, including Stephanie Caredes, CTA, and Thilini Wickramasuriya, CTA, who were able to make an impact on a number of key issues, including:

- working closely with volunteers in relation to the federal government's tax reform process;
- releasing a detailed submission to the government's Re:think tax discussion paper; and
- participating in parliamentary inquiries and Australian Taxation Office (ATO) consultations in the face of the changing nature of the tax profession, the impact of myGov and the availability of the tax agent portal.

Looking forward, the Tax Policy and Advocacy Team will focus on keeping tax reform, and our members' needs, on the federal government's agenda.

A MESSAGE FROM THE CEO

Celebrating 10 years of education

2015 was the 10 year anniversary of the Institute offering formal education and our first year as an Accredited Provider. It also saw the delivery of the Graduate Diploma of Applied Tax Law qualification. This year, we offered 13 subjects across our various programs, including the popular CTA3 Advisory course, our BAS Agent Exam, and two subjects relating to tax for financial advisers.

Since its launch in late 2014, the Graduate Diploma of Applied Tax Law has built a base of 413 candidates enrolled in the award, with steady growth in each study period. This is a significant result as, for the first time since we launched formal education, we are providing an ongoing program of study as opposed to solely stand-alone short courses.

The registered higher education provider status of the Institute required the creation, via By-Law 16 of the Constitution, of the Education Quality Assurance Board (EQAB). The EQAB provides a crucial role in our education development, as the existing Education Advisory Board identifies the important subject areas, the new board has guided us on the 'how' in the development process.

Complaints and disciplinary activities

During 2015:

- 4 complaints were received;
- 2 complaints received in 2014 were still under investigation;
- 2 complaints received in 2015 are still under investigation;
- 2 disciplinary actions were taken against members for complaints received in 2015;
- 2 disciplinary actions were taken against members in 2015 for complaints received in 2014; and
- a complaint received at the end of 2013 investigated through 2014 and 2015 was dismissed.

Keeping pace with a shifting profession

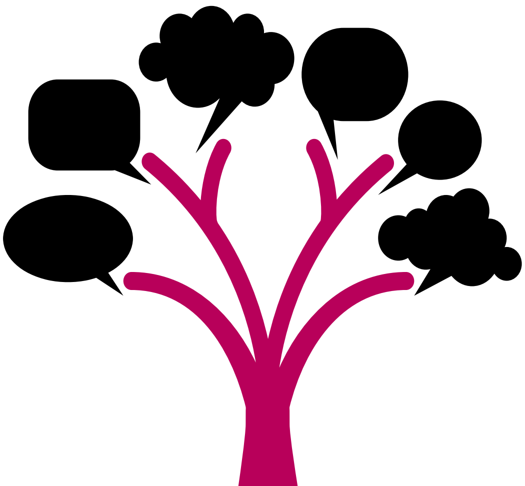
As the momentum for the profession's focus shifts from compliance to advisory, the Institute's education activity has kept apace by aligning the core tax subjects, as well as a suite of commercial law subjects, under the umbrella of the Graduate Diploma of Applied Tax Law.

All our existing and new subjects continue to remain available to candidates who wish to take them up as stand-alone subjects. New subjects that we developed and offered in 2015 include:

- Advanced Superannuation;
- Tax for Trusts in Estate Planning and Wealth Management; and
- Corporate Tax.

The popularity of these subjects is expected to build over the next year. This would mirror the growth in enrolments for our CTA3 Advisory course which provides access to the Chartered Tax Adviser (CTA) designation.

It was important to provide our education in both a program structure (multiple subjects), as well as stand-alone (or 'single subjects'), and to communicate the evolving nature of the outcome-based framework of our program design while maintaining its accessibility, and practical and applied focus.



A MESSAGE FROM THE CEO

Information products

The information products area continued to see a significant shift from print to digital. As such, there was a determined focus on providing the optimal digital experience to members, with strategic decisions made on Tax Knowledge eXchange (TKE) and a new video package launched for TKE subscribers.

Additionally:

- our journals, books and content in general were delivered on time, featuring the accurate, high-quality content we are known for;
- our content was published in a variety of formats to suit the needs of the audience;
- subscription services such as Tax Knowledge eXchange, TaxVine and online books provided zero downtime in 2015 and experienced an average growth rate of 22%;
- our apps offered continued content solutions and access to The Tax Institute's digital assets; and
- our TaxLine service delivered high-quality research for members in a timely fashion.

Printed publications continue the downward trend experienced by publishers globally. While our individual titles remain profitable, it is clear that demand for this format is on a declining trajectory.

The uplift comparative to budget has seen very pleasing sales of online publications, notably Tax Knowledge eXchange and online books. To ensure the continued success of this product, the upgrade of the Tax Knowledge eXchange technology is currently being evaluated.

Professional development

In a highly competitive market, the Institute successfully delivered 217 CPD events nationally in 2015, offering over 870 hours to more than 7,000 tax professionals. Our national conferences and flagship events performed exceptionally well, with the majority experiencing positive growth.

Three new conferences were introduced. These events were very well received by members and the broader tax community, and will be offered again in 2016:

- WA Tax Intensive;
- Infrastructure Conference; and
- Queensland Tax Forum.

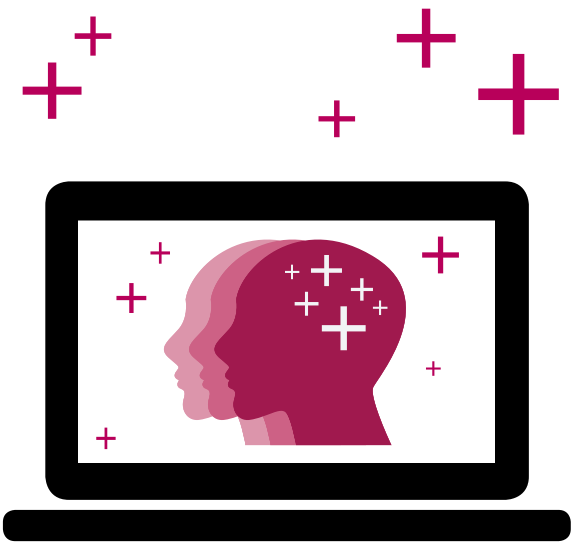
The Institute's flagship event, the National Convention, attracted over 470 attendees, 35 speakers and 11 business alliance partners.

A number of new e-learning products were introduced in 2015, including:

- Tax Refresher Series;
- CGT Handbook Series & Trusts Handbook Series;
- Compliance to Advisory Series; and
- Tax for Trusts Self-paced Learning.

The launch of video-on-demand further strengthened the Institute's alternative delivery product range, with 19 videos available in 2015. DVDs were still a firm favourite, with a total of 15 new titles on offer.

The Institute successfully launched the CPD Event App across all major conferences and one-day events. This provided members with real-time access to papers, the ability to connect with colleagues and peers, and, importantly, an optimal event experience.



A MESSAGE FROM THE CEO

Membership

By the end of 2015 we reached 11,500 members, with the majority holding the CTA designation, showcasing the pinnacle of the profession. 2015 also saw our Tax Adviser of the Year Awards, with Andrew Mills, CTA, being named as Chartered Tax Adviser of the Year.

In 2016 we are focusing on membership. We will be conducting an important piece of member research in order to increase our understanding of members' growing and changing needs and to implement initiatives aimed at improving the value proposition for current members and increasing our member network.

Conclusion

As always, I would like to take the opportunity to acknowledge the generous contribution of the large group of volunteers whose hard work and dedication make the Institute what it is today. In particular, I would like to acknowledge the tireless work of our National Council, our state councils, various committees and The Tax Institute team.

It is amazing and fantastic that members continue to devote countless hours of their time to the activities of the Institute, and share their knowledge and expertise with their colleagues. This selfless contribution is a cornerstone of the Institute and enables members and the Institute to 'lead the way in tax'.

A special thank you to 2015 president, Stephen Healey, CTA, for his enormous support during the year.

Noel Rowland
Chief Executive Officer

DIRECTORS' REPORT

To the *members* of The Tax Institute

Your directors present this report of The Tax Institute ('the Institute') for the year ended 31 December 2015.

Directors
The names of each person who has been a director during the year and to the date of this report are:

Arthur Athanasiou	Appointed 1 January 2010
Graeme Cooper	Appointed 6 April 2011
Stuart Glasgow	Appointed 5 February 2015
Peter Godber	Appointed 1 January 2014
Stephen Healey	Appointed 25 September 2008 ceased 31 December 2015
Wayne Healy	Appointed 1 January 2010 ceased 31 December 2015
Stephen Heath	Appointed 25 January 2012
Len Hertzman	Appointed 1 January 2016
Margaret Marshall	Appointed 1 January 2016
Tim Neilson	Appointed 1 January 2013
Matthew Pawson	Appointed 1 January 2010
Tracey Rens	Appointed 1 January 2011

Directors have been in office since the start of the 2015 year to the date of this report unless otherwise stated.

Short-term and long-term objectives
The Institute's short- and long-term objectives are to:

- 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
- be the leading knowledge provider in taxation through our products and services.

The Institute's strategies to achieve these objectives include to:

- provide a highly sought after quality taxation education program
- offer a diverse and broad range of continuing professional development opportunities through an event program and publications
- be the authoritative opinion leader in tax policy and administration
- build the Chartered Tax Adviser designation as the gold standard in tax.

Performance measures
The Institute measures its performance through the use of 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.

Members' guarantee
The Institute is a company limited by guarantee. In accordance with the Institute's Constitution, each member is liable to contribute $2 in the event that the Institute is wound up. The total amount members would contribute at 31 December 2015 would be $22,896.

Principal activities
The principal activity of the Institute during the year was the advancement of public knowledge and understanding of the laws relating to taxation, principally by way of conferences, seminars and meetings and the dissemination of information relating to such laws.

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

Operation result
The operating result for the year was a profit of $169,283.

The Institute is exempt from income tax.

Dividends
The Institute's Constitution precludes the payment of dividends. Accordingly, the directors do not recommend the payment of a dividend. No dividend has been paid or declared since the commencement of the financial year.

Review of operations
The results for the year reflect strong growth in education revenue however, CPD revenue is static due to the lack of tax reform. Returns from Investments were lower than the previous year due to external market conditions.

Significant changes in state of affairs
In the opinion of the directors, there were no significant changes in the state of affairs of the Institute that occurred during the financial year under review not otherwise disclosed in this report.

After balance date events
There has not arisen in the interval between the end of the financial year and the date of the report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect the operations of the Institute, the results of those operations or the state of affairs of the Institute in future financial years.

Future developments
The Institute is committed to delivering to a broad range of practical education and information services.

Environmental issues
The Institute's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIRECTORS' REPORT

To the *members* of The Tax Institute

Indemnifying officer or auditor
During the financial year the Institute paid a premium for an Associations Liability Insurance policy. This policy provides cover for directors and officers of the Institute 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 Institute.

Proceedings on behalf of the institute
No person has applied for leave of court to bring proceedings on behalf of the Institute or intervene in any proceedings to which the Institute is a party for the purpose of taking responsibility on behalf of the Institute for all or any of those proceedings.

The Institute 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 Board Committee meetings during the year ended 31 December 2015:

Name	Board of Directors		Investment Committee	
Total number of meetings held	**7**		**3**	
Directors	**A**	**B**	**A**	**B**
Arthur Athanasiou	7	7	3	3
Graeme Cooper	7	7		
Stuart Glasgow	7	6		
Peter Godber	7	6		
Stephen Healey	7	7		
Wayne Healy	7	7		
Stephen Heath	7	7		
Tim Neilson	7	7		
Matthew Pawson	7	7	3	2
Tracey Rens	7	7	3	3

Note: 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.

Arthur Athanasiou, CTA
Director

Matthew Pawson, CTA
Director

Dated in Sydney this 27th day of April 2016.

DIRECTORS' DECLARATION

Directors' declaration

The directors of the Institute declare that:

1 The financial statements and notes, as set out on pages 18 to 33, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements and:

(a) comply with Australian accounting standards - Reduced Disclosure requirements; and

(b) give a true and fair view of the financial position as at 31 December 2015 and of the performance for the year ended on that date of the Institute.

2 In the directors' opinion, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Arthur Athanasiou, CTA
Director

Matthew Pawson, CTA
Director

Dated in Sydney this 27th day of April 2016.

AUDITOR'S INDEPENDENCE DECLARATION

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www.crowehorwath.com.au

The Board of Directors
The Tax Institute
Level 10, 175 Pitt Street
Sydney, NSW 2000

27 April 2016

Dear Board Members

The Tax Institute

In accordance with 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 31 December 2015, 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 Horwath Sydney

CROWE HORWATH SYDNEY

SUWARTI ASMONO
Partner

Crowe Horwath Sydney is a member of Crowe Horwath International, a Swiss verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

DIRECTORS' PARTICULARS

Arthur Athanasiou, LLM, LLB, BEc, GradDipAcc, CTA

Qualifications: Barrister and Solicitor, Supreme Court of Victoria

Experience: Appointed National Council January 2010

Responsibilities:
- President 2016
- Member, Nominations Committee 2016
- Member, Audit Committee 2016
- Vice President 2015
- Chair, Investment Committee 2015
- Chair, National Membership and Services Committee 2014
- Member, Disciplinary Committee 2014
- Deputy Chair, Professional Standards Committee 2013-2014
- Chair, National Education Committee 2011-2012
- Deputy Chair, National Education Committee 2010
- Chair, Victorian State Council 2010-2012
- Member, Investment Committee 2010-2011
- Chair, Victorian State Conference Committee 2008-2009
- Chair, Victorian Education Committee Chair 2008-2009
- Victorian State Councillor since June 2008

Graeme Cooper, BA, LLM (Hons), Dip Jur, JSD, CTA

Qualifications: Professor of Taxation Law, University of Sydney; Consultant, Greenwoods & Herbert Smith Freehills

Experience: Appointed National Council April 2011

Responsibilities:
- Member, Education and Quality Assurance Board
- Deputy Chair, National Technical Committee 2012
- Deputy Chair, National Education Committee 2011
- Member, Research Advisory Board, Australian Tax Research Foundation, since 2009
- Chair, NSW State Council 2006
- Member, Board of Governors, Australian Tax Research Foundation, 2005-2009
- NSW State Councillor since 2003
- Chair, NSW Technical Committee, 2003-2005
- Member, National Technical Committee, 2003-2006
- Member, National Education Committee, 1999-2004

Stuart Glasgow, M(Tax), BBus(Acc), FCA, CTA

Qualifications: Chartered Accountant

Experience: Appointed National Council February 2015

Responsibilities:
- Victorian State Councillor since 2011
- Chair, National Membership & Services Committee 2016
- Member, National Membership & Services Committee 2015
- Member, Investment Committee 2016
- Co-Chair, Victorian State Education Committee 2013-2014
- Member, Victorian Technical Committee since 2014
- Member, National SME Sub-committee 2013-2014
- Member, National Education Committee 2013-2014
- Member, National Convention Organising Committee since 2014
- Victorian State Councillor since January 2013
- Member, Victorian Education Committee 2011 - 2015
- Member, Victorian State Convention Committee 2011-2012
- Member, Information Products Working Group since 2009

Peter Godber, BCom, LLM, FCA, CTA, MAICD

Qualifications: Chartered Accountant; Solicitor

Experience: Appointed to National Council 2014

Responsibilities:
- Chair, National Professional Development Committee 2016
- Member, Nominations Committee since 2015
- Member, Professional Standards Committee 2013
- Chair, National Education Committee 2015
- Deputy Chair, National Technical Committee since 2015
- Deputy Chair, National Education Committee 2014
- Chair, Queensland State Council 2011-2013
- Member, Disciplinary Committee since 2013
- Chair, Queensland Technical Committee 2003-2006
- Queensland State Councillor since 2003
- Chair, NSW Technical Committee 2000-2001
- NSW State Councillor 2001-2002

Stephen Healey, BHMS, BBus, CA, CTA

Qualifications: Chartered Accountant

Experience: Appointed to National Council September 2008

Responsibilities:
- President 2015
- Vice President 2014
- Treasurer 2009-2011
- Queensland State Councillor since 2000
- Chair, Queensland State Council 2005-2006
- National Strategy Representative 2012
- Chair, National Membership & Services Committee 2013
- Chair National Technical Committee (NTLG Representative) 2014
- Chair Investment Committee 2014
- Member Nominations Committee 2014 & 2015

Wayne Healy, BBus, FCPA, FCA, CTA

Qualifications: Certified Practising Accountant; Chartered Accountant

Experience: Appointed to National Council January 2010

Responsibilities:
- Member, Professional Standards Committee, 2015
- Member, Disciplinary Committee, 2015
- Chair, Education Advisory Board since 2013
- Member, Western Australian Education Committee since 2000
- Member, Western Australian State Council since 2004
- Member, National Education Committee 2005-2006

DIRECTORS' PARTICULARS

- Chair, Western Australian State Council 2007–2008
- Chair, Western Australian Education Committee 2005–2006

Stephen Heath, LLB (Hons), BEc, CTA

Qualifications: Solicitor

Experience: Appointed to National Council January 2012

Responsibilities:
- Member, Education Advisory Board 2016
- Member Disciplinary Committee 2016
- South Australian State Councillor since April 2004
- Deputy Chair, National Membership & Services Committee since 2014
- Deputy Chair, National Education 2012
- Member, South Australian Education Committee 2000-2009
- Member, South Australian State Education Committee Chair 2005-2006

Leonard Hertzman, M(Tax), LLB, CTA

Qualifications: Admitted as a lawyer in Western Australia and Ontario, Canada

Experience: Appointed to National Council January 2016

Responsibilities:
- Member, WA Education Committee 2004
- Chair, WA State Council 2013
- Member, WA State Council since 2008
- Member, Professional Standards Committee 2016

Margaret Marshall, CA, M(Tax), BBus, CTA

Qualifications: Chartered Accountant

Experience: Appointed to National Council January 2016

Responsibilities:
- Chair, Tasmanian State Council 2014-2015
- Member, Information Products Working Group 2016
- Member, Technology Strategy Advisory Group 2016
- Member, Tasmanian State Council since 2013

Tim Neilson, LLB (Hons), LLM (Lond), CTA

Qualifications: Lawyer admitted to practice by the Supreme Court of Victoria

Experience: Appointed to National Council January 2013

Responsibilities:
- Chair, National Technical Committee since 2015
- Member, Victorian State Council since 2006
- Member, Victorian Technical Committee since 2003
- Chair, Victorian Technical Committee 2006-2013
- Chair, Victorian State Council 2009-2010
- Deputy Chair, Victorian State Council 2008
- Member, Victorian Convention Committee 2009
- Chair, Victorian Convention Committee 2014

Matthew Pawson, BCom, LLB, CTA

Qualifications: Solicitor

Experience: Appointed to National Council January 2010

Responsibilities:
- Vice President 2016
- Chair, Investment Committee 2016
- Treasurer 2013-2015
- Chair, Tasmanian State Council 2012-2013
- Chair, Tasmanian State Convention Committee 2012-2013
- Chair, Information Products Working Group from 2012-2015
- Member, Nominations Committee since 2012
- Member, Investment Committee since 2010
- Member, Tasmania State Council since 2008

Tracey Rens, BEc, LLB, M(Tax), CTA

Qualifications: Solicitor

Experience: Appointed to National Council January 2011

Responsibilities:
- Treasurer 2016
- Member, Audit Committee 2016
- Member, Investment Committee since 2012
- Member, NSW Education Committee since 2002
- NSW State Councillor since 2005
- Member, International Relations Committee since 2015
- Chair, National Membership & Services Committee 2015
- Deputy Chair, Professional Standards Committee 2015
- Deputy Chair, Disciplinary Committee 2015
- Chair, National Education Committee 2013
- Treasurer 2012
- Member, National Education Committee 2008-2010
- Chair, NSW State Council 2007-2008
- Deputy Chair, NSW State Council 2006
- Chair, NSW Education Committee 2005-2006

Company secretary

Noel Rowland

Qualifications: Chief Executive Officer and Company Secretary

Experience: Appointed Company Secretary March 1998

Responsibilities:
- Director, Australian Tax Research Foundation appointed November 2009

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December *2015*

	Note	2015	2014
		$	$
Revenue	2	15,382,229	14,762,077
Employee benefits expense		(8,324,886)	(7,774,652)
Depreciation and amortisation expenses	3	(621,685)	(533,226)
CPD events and member services expenses		(3,336,479)	(3,258,712)
Occupancy expenses		(832,810)	(876,684)
Travel expenses		(308,606)	(387,278)
Publicity and promotion		(529,992)	(570,298)
Merchant Fees		(222,005)	(205,987)
Administration expenses		(1,181,266)	(1,047,973)
Net realised and unrealised change in fair value of financial assets held at fair value through profit and loss		144,783	168,114
Profit before income tax expense		169,283	275,381
Profit after income tax expense		**169,283**	**275,381**
Other comprehensive income		-	-
Items that may be reclassified to profit and loss		-	-
Items that will not be reclassified to profit and loss		-	-
Total comprehensive income		**169,283**	**275,381**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December *2015*

	Note	2015	2014
		$	$
CURRENT ASSETS			
Cash and Cash Equivalents	5	5,162,542	3,497,018
Financial Assets	6	-	1,200,000
Trade and Other Receivables		495,623	459,515
Prepayments		538,424	541,285
Inventory		25,236	13,227
TOTAL CURRENT ASSETS		6,221,825	5,711,045
NON-CURRENT ASSETS			
Financial Assets	6	2,996,148	2,851,364
Plant and Equipment	7	789,063	903,288
Intangible assets	8	205,118	129,548
TOTAL NON-CURRENT ASSETS		3,990,329	3,884,200
TOTAL ASSETS		10,212,154	9,595,245
CURRENT LIABILITIES			
Trade and Other Payables	9	653,657	524,851
Income in Advance		4,645,778	4,150,712
Lease Incentives and Make Good Provision	10	98,506	341,562
Short Term Provision	11	554,702	401,284
TOTAL CURRENT LIABILITIES		5,952,643	5,418,409
NON-CURRENT LIABILITIES			
Lease Incentives and Make Good Provision	10	32,746	81,243
Long Term Provisions	11	59,806	97,917
TOTAL NON-CURRENT LIABILITIES		92,552	179,160
TOTAL LIABILITIES		6,045,195	5,597,569
NET ASSETS		4,166,959	3,997,676
EQUITY			
Retained Profits		4,166,959	3,997,676
TOTAL EQUITY		4,166,959	3,997,676

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December *2015*

	2015	2014
	$	$
Retained Earnings		
Opening retained earnings	3,997,676	3,722,295
Net Profit / (Loss) for the Year	169,283	275,381
Retained earnings at year end	4,166,959	3,997,676
Total equity at the end of the year	4,166,959	3,997,676

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December *2015*

	2015	2014
	$	$
Cash flows from operating activities		
Receipts from members and others	15,768,589	14,713,178
Payments to suppliers and employees	(14,855,213)	(14,116,393)
Interest Received	135,178	176,862
Net cash provided by operating activities	1,048,554	773,647
Cash flows from investing activities		
Payment for plant and equipment	(453,687)	(444,946)
Payment for intangible assets	(129,343)	(81,952)
New placement of term deposits	1,200,000	(1,200,000)
Net cash used in investing activities	616,970	(1,726,898)
Net Increase (decrease) in Cash Held	1,665,524	(953,251)
Cash at beginning of the financial year	3,497,018	4,450,269
Cash at end of the financial year	5,162,542	3,497,018

The accompanying notes form part of these financial statements

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December *2015*

Note 1. Statements of significant accounting policies
The financial statements of The Tax Institute ("The Institute") for the year ended 31 December 2015 was authorised for issue by a resolution of the Directors on 27 April 2016.

The Tax Institute is a company limited by guarantee, incorporated and domiciled in Australia.

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

Basis of preparation
The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Australian Charities and Not-for-Profit Commission Regulations 2013. The Institute is a not for profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(a) Revenue
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets as it is received.

Revenue from sales of goods is recognised upon the delivery of the goods to the customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from members received in advance is deferred to the period to which it relates and included as an accrual on the balance sheet.

Dividend income is recognised as revenue when the right to receive payment is established.

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

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

Plant and equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Institute to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation
The depreciable amount of all fixed assets are depreciated on a straight line basis over their estimated useful lives to the Institute commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20.0%–33.3%
Development Costs	20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than It's 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 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.

The provision has been calculated as an estimate of future costs and discounted to a present value.

(c) Leases
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating lease are recognised as a liability and amortised on a straight line basis over the life of the lease term.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2015

(d) Financial instruments
Recognition and initial measurement
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 expires 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) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at cost using the effective interest rate method.

(iv) 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
At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognized in the Statement of Comprehensive Income.

(e) Impairment of assets
At each reporting date, the 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 Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the assets 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 entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

(f) Employee benefits
Short term employee benefits
Provision is made for the Institute's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs.
Other long-term employee benefits
Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.
Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2015

(g) 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.

(h) 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 Balance Sheet are shown inclusive of GST.

Cash Flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Income Tax
The Institute is exempt for income tax purposes under Section 50-5 of the *Income Tax Assessment Act of 1997*.

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

(k) Trade and other payables
These amounts represent liabilities for goods provided to the Institute prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(l) Comparative Figures
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Prior year comparatives for 2014 have been restated to reflect changes in the underlying financial system and provide more useful assessment of transaction classes.

(m) Critical Accounting Estimates and Judgements
The Institute evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable exception of future events and are based on current trends and economic data obtained both externally and within the Institute.

Key Estimates - Impairment
The Institute 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 number of key estimates and assumptions. No impairment has been recognised for the year ended 31 December 2015.

Recoverability of Receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position. No provision has been recognised for the year ended 31 December 2015.

(n) The Institute 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. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December *2015*

	2015	2014
Note 2. Revenue	$	$
Operating Activities		
Membership Services including Education	9,760,654	9,177,566
Rendering of services (CPD and Events)	4,485,400	4,431,677
Sales of publications	908,295	873,641
Advertising revenue	92,702	102,331
	15,247,051	14,585,215
Other Income		
Interest	135,178	176,862
	135,178	176,862
Total revenue	15,382,229	14,762,077

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December *2015*

	2015	2014
	$	$
Note 3. Profit from ordinary activities		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses		
Depreciation and amortisation of non-current assets		
- plant and equipment	567,912	510,820
- Intangible assets	53,774	24,436
	621,686	535,256
Remuneration of auditor		
- audit	25,000	25,410
- other services	2,500	3,300
	27,500	28,710
Rental expense on operating leases		
- minimum lease payments	686,882	632,015
	686,882	632,015

Note 4. Dividends
The company's constitution precludes the payment of dividends. No dividend has been paid or declared since the commencement of the financial year.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December *2015*

	2015	2014
	$	$
Note 5. Cash and cash equivalents		
Cash at bank and on hand	397,674	167,928
Short term deposits	4,764,868	3,329,090
	5,162,542	3,497,018

Note 6. Financial Assets		
Current		
Term Deposits	-	1,200,000
Non-current		
Investment in Unit Trusts at fair value	2,996,148	2,851,364

Listed equity investments are managed by iPAC SA and consist of investments in wholesale funds and therefore have no fixed maturity date or coupon rate. The investment has been classified as financial assets at fair value through profit and loss.

Changes in fair values of financial assets at fair value through profit and loss are recorded in the Statement of Comprehensive Income.

Details regarding the fair value measurement are disclosed at note 14.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December *2015*

	2015	2014
	$	$
Note 7. Plant and Equipment		
Plant and Equipment – at cost	3,432,047	3,046,544
Less: Accumulated Depreciation	(2,642,984)	(2,143,256)
Total Plant and Equipment	789,063	903,288

	Plant and Equipment	Total
	$	$
(a) 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	903,288	969,163
Additions	453,687	444,946
Depreciation or amortisation expense	(567,912)	(510,820)
Carrying amount at the end of the year	789,063	903,288

	2015	2014
	$	$
Note 8. Intangible Assets		
Intangible assets – at cost	302,649	173,305
Less: Accumulated Amortisation	(97,531)	(43,757)
Total Plant and Equipment	205,118	129,548

	Intangible Assets	Total
	$	$
(a) 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	129,548	70,002
Additions	129,343	81,952
Amortisation expense	(53,773)	(22,406)
Carrying amount at the end of the year	205,118	129,548

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December *2015*

	2015	2014
	$	$
Note 9. Trade and other payables		
Current		
Trade payables	331,874	265,295
Accruals and other payables	321,783	259,556
	653,657	524,851

Note 10. Other Liability		
CURRENT		
Lease liability	98,506	341,562
NON-CURRENT		
Lease liability		
Make good on premises	32,746	81,243
	131,252	422,805

Note 11. Provisions		
CURRENT		
Employee benefits	554,702	401,284
NON-CURRENT		
Employee benefits	59,806	97,917
Aggregate employee benefits	614,508	499,201
(a) Number of employees at year end	77	73

Note 12. Capital and leasing commitments		
Operating Lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
- Not later than one year	712,374	829,165
- Later than one year but not later than five years	2,765,604	317,411
	3,477,978	1,146,576

The property leases are non-cancellable leases with one to five year terms, with rent payable monthly in advance. An option exists on some of the leases to renew the term for an additional period up to five years.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2015

Note 13. 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 in the opinion of the Institute's directors that given the immateriality of the ATRF's operations, assets and liabilities, consolidating the ATRF into the Institute's results would not lead to more meaningful information being provided to the users of the Institute's Financial Report.

Note 14. Financial risk management objectives and policies
The Institute's principal financial instruments comprise receivables, payables, financial assets held at fair value through profit or loss, cash and short and long term deposits.

The main risks arising from the Institute's financial instruments are interest rate risk, price risk, credit risk and liquidity risk. The Institute uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

Recognised fair value measurements
(i) Fair Value Hierarchy
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Tax Institute has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Note	Level 1 $	Level 2 $	Level 3 $	Total $
At 31 December 2015 Recurring fair value measurement Financial Assets					
Financial assets at FVTPL	6	2,996,148			

	Note	Level 1 $	Level 2 $	Level 3 $	Total $
At 31 December 2014 Recurring fair value measurement Financial Assets					
Financial assets at FVTPL	6	2,851,364			

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2015

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity- specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Note 15. Members' guarantee

The Institute is a company limited by guarantee. Every member of the Institute undertakes to contribute to the assets of the Institute in the event of its being wound up while he/she is a member or within one year afterwards for the payment of the debts and liabilities of the Institute contracted before he/she ceases to be a member and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such amount as may be required not exceeding two dollars ($2.00).

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December *2015*

Note 16. Related party transactions

Key management personnel

Key management personnel are employed under fixed term contracts up to five years duration.

Key management personnel

2015	2014	
Noel Rowland	Noel Rowland	Chief Executive Officer
Robert Jeremenko	Robert Jeremenko	Senior Tax Counsel
Ruth Ferraro	Ruth Ferraro	General Manager Education & Professional Standards
Alex Munroe	Alex Munroe	General Manager Information Products
Sharon Kells	Sharon Kells	General Manager State Operations
Kerryn Divall	Kerryn Divall	General Manager Finance & Administration
Sandra Falzon	Anna Mirzayan (resigned 9/1/15)	General Manager Marketing & Membership

Remuneration for key management personnel

	2015	2014
	$	$
Employee benefits	1,545,948	1,679,523
Total remuneration	1,545,948	1,679,523

Directors' remuneration

No income was paid or is payable to the directors of the company.

The President is paid for services he provides to the company.	85,800	92,162

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

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2015

Note 17. Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which would significantly affect or may change the operations of the company, the results of those operations or the state of affairs of the company in the future financial year.

Note 18. Contingent liabilities and contingent assets
As at 31 December 2015 there are guarantees provided by National Australia Bank of $857,579 (2014: $815,113) for the leases.

Other than the above, there are no contingent liabilities or contingent assets as at reporting date.

Note 19. Company details
The registered office and principal place of business of the company is:

The Tax Institute
Level 10,175 Pitt Street
Sydney NSW 2000

MORE THAN

1,500

NEW MEMBERS
IN 2015

INDEPENDENT AUDIT REPORT

To the *members* of The Tax Institute

Crowe Horwath Sydney
ABN 97 895 683 573
Member Crowe Horwath International
Level 15 1 O'Connell Street
Sydney NSW 2000 Australia
Tel +61 2 9262 2155
Fax +61 2 9262 2190
www.crowehorwath.com.au

The Tax Institute of Australia

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

Report on the Financial Report

We have audited the accompanying financial report of The Tax Institute, which comprises the statement of financial position as at 31 December 2015, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the association.

Directors' Responsibility for the Financial Report

The directors of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for profits Commission Act 2012.*

Auditor's Opinion

In our opinion the financial report of The Tax Institute in accordance with the *Australian Charities and Not-for profits Commission Act 2012*, including:

a) Giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) as described in note 1 and the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

SUWARTI ASMONO
Partner

Dated this 27th day of April 2016

Crowe Horwath Sydney is a member of Crowe Horwath International, a Swiss verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by scheme under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

MORE THAN

15,700

DELEGATES ATTENDED OUR 217 CPD EVENTS

CONTACT DETAILS

Executive Team

Noel Rowland	Chief Executive Officer
Ruth Ferraro	General Manager Education & Professional Standards
Alex Munroe	General Manager Information Products
Sandra Falzon	General Manager Marketing and Membership
Kerryn Divall	General Manager Finance and Administration
Sharon Kells	General Manager State Operations

National Office

CEO: Noel Rowland
Level 10, 175 Pitt St
Sydney, NSW 2000

Tel: 02 8223 0000
Fax: 02 8223 0099
Email: ceo@taxinstitute.com.au

State Divisions

New South Wales and ACT

Chairperson: Scott McGill, CTA
Manager: Rebecca Caines
Level 10, 175 Pitt Street
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Tel: 02 8223 0040
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Victoria

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Queensland

Chairperson: Paul Banister, CTA
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Manager: Brian Martin
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South Australia and Northern Territory

Chairperson: Tim Sandow, CTA
Manager: Angelika Hislop
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Tasmania

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OFFERED
MORE THAN

870

HOURS OF CPD
THROUGH EVENTS

NOTES

THE TAX INSTITUTE

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For information, please contact
our membership division:
membership@taxinstitute.com.au

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