



THE TAX INSTITUTE

THE MARK OF EXPERTISE

2014

ANNUAL REPORT

The Tax Institute

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

ANTICIPATING THE EDUCATION NEEDS OF TOMORROW'S TAX PROFESSIONALS

On 14 October 2014, hundreds of industry leaders and tax professionals in Australia gathered at the Museum of Contemporary Art and at events around the country for the official launch of The Tax Institute's first postgraduate qualification: the Graduate Diploma of Applied Tax Law.



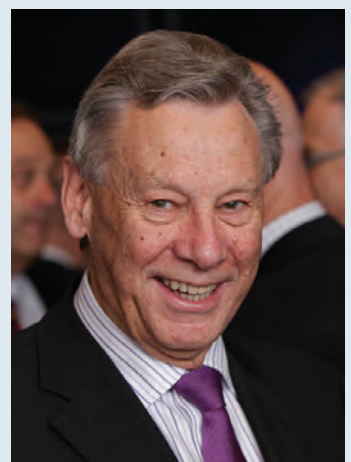
“Having a niche course that’s not academic based, run by practitioners, that’s valuable.”

Martin Booth, CTA
Moore Stephens



“It’s a great innovation for the tax profession. There will be a lot of interest among the younger professionals to take this on.”

Ian Taylor
Chair, Tax Practitioners Board





GRADUATE DIPLOMA OF APPLIED TAX LAW

Anticipating the needs of tomorrow's *tax* professionals

The launch of the Graduate Diploma of Applied Tax Law reflects the growth and evolution of the Institute's educational courses which will continue to be taught by practitioners for practitioners.

The tax profession will undergo fundamental shifts in both its business model and its workforce, resulting in the need for a changing professional capability in Australia.

Consumers of tax services are now seeking tax professionals who offer more than just tax advice, they also want someone who is equipped with the skills of a business adviser. Tax professionals must be at the centre of business decisions and be able to think and problem solve in a highly nuanced environment to achieve the competitive and comparative advantage that is sorely needed for Australia's future. The Graduate Diploma of Applied Tax Law has been developed to teach tax

professionals these skills, exceed the regulatory demands of today, and meet the challenges of the future. All of this while maintaining the practical and applied focus to ensure that tax professionals are able to apply their learnings immediately in the workplace — the hallmark of the Institute's education programs.

**Leading to
global tax career
opportunities**



Chris Jordan, AO, CTA
Commissioner of Taxation, Australian Taxation Office

“Equipping ourselves and the ones that go after us is our responsibility as leaders in the industry.”

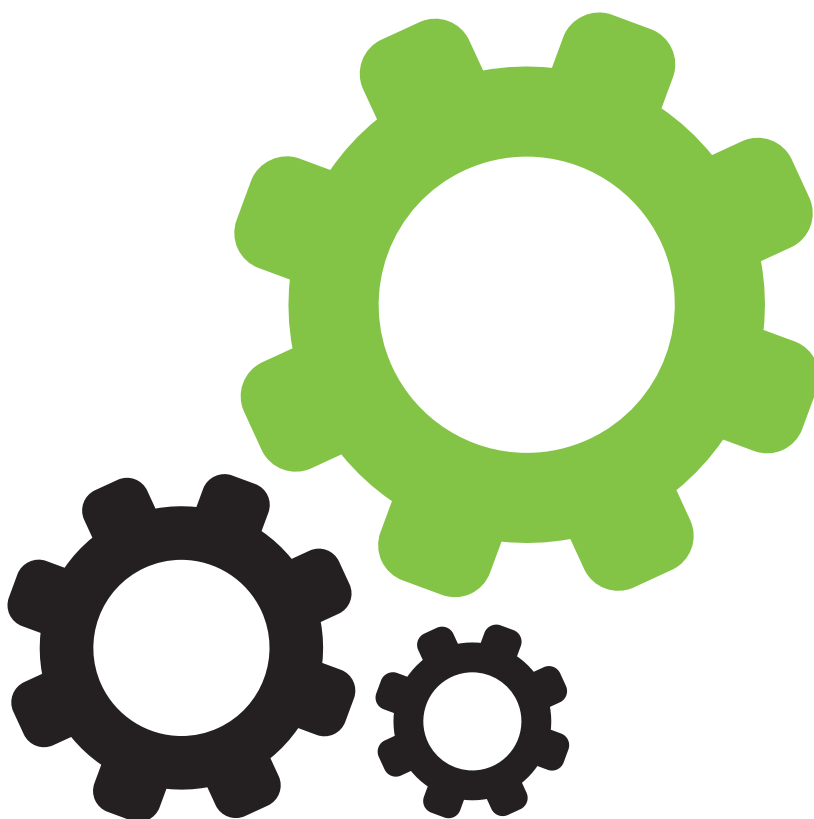
OVER

11,000

MEMBERS
WITH THE TAX
INSTITUTE

CONTENTS

06	A message from the President
08	A message from the CEO
12	Directors' report
14	Directors' declaration
15	Auditor's independence declaration
16	Directors' particulars
18	Statement of comprehensive income
19	Statement of financial position
20	Statement of changes in equity
21	Statement of cash flows
22	Notes to financial statements
35	Independent audit report
37	Contact details



A MESSAGE FROM THE PRESIDENT

The Tax Institute exists to deliver tax education to tax professionals, and this year, we achieved a milestone by becoming accredited as a higher education provider and securing accreditation for the Graduate Diploma of Applied Tax Law. Obtaining accreditation was a long process which required significant investments of time and energy by the Education Examinations and Quality Assurance Board, particularly by the chair, Professor Dale Pinto, by the Education Advisory Board chaired by Wayne Healy, and by the General Manager Education, Ruth Ferraro. In the future, I hope to see the Institute's Graduate Diploma of Applied Tax Law become the primary qualification for accountants and lawyers wishing to pursue a career in the tax profession.

2014 also saw another first — the introduction of the Tax Adviser of the Year Awards, which I presented at the 2014 National Convention in Hobart. The awards were a great success and the recipients were very deserving. These awards should continue to grow in significance.

Financial result

In 2014, the Institute achieved a strong financial result which will ensure that it remains viable in the future.

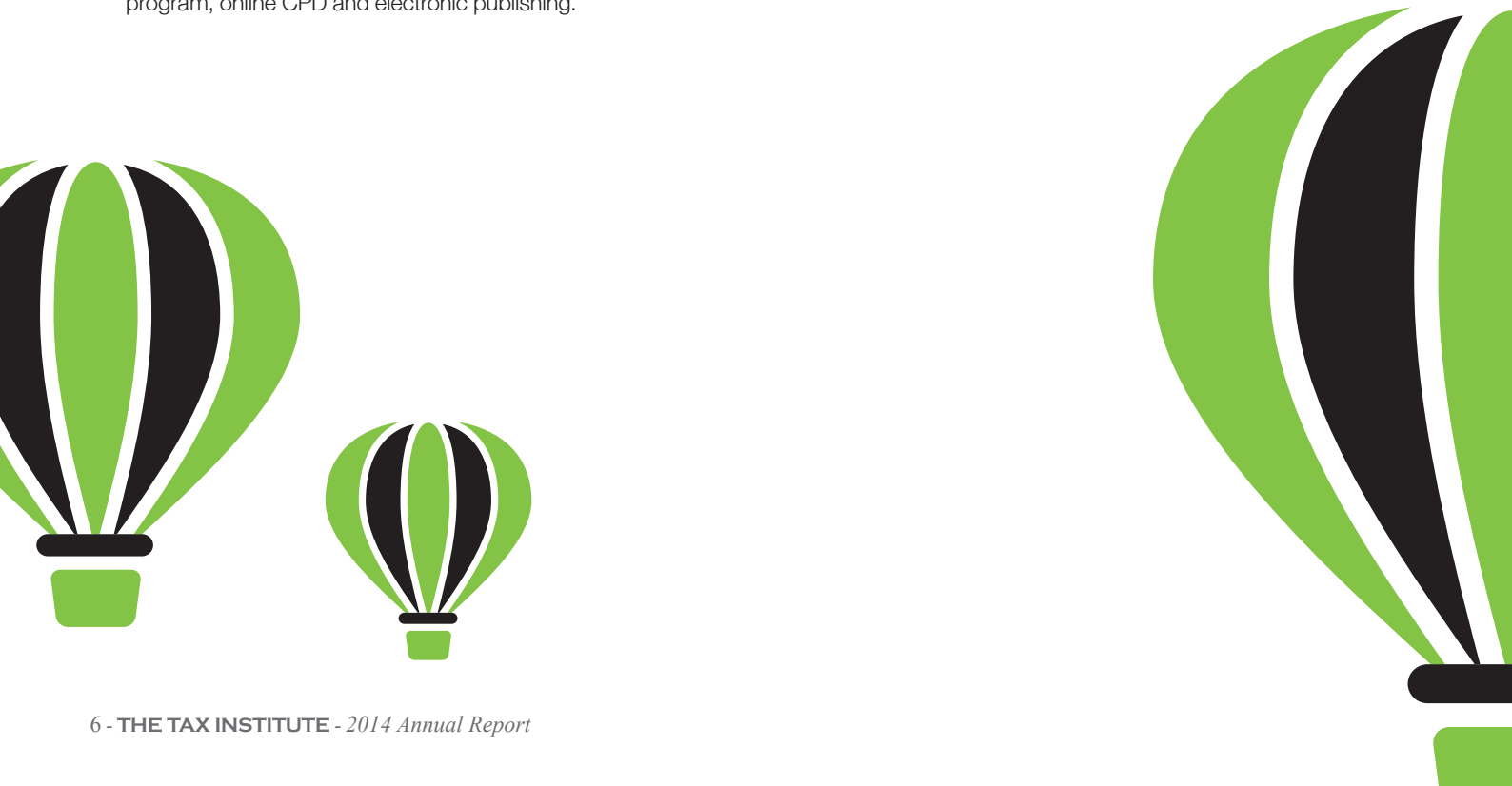
The financial landscape for the Institute has changed over the past five years or so, reflecting shifts in technology and member demand for products and services. Whereas in the past the Institute's revenue came from membership fees and the CPD program (primarily delivered by the states), its main sources of income now include membership fees from our growing membership, a handful of large conferences, such as the Financial Services Conference, the Noosa Intensive, the state tax forums/conventions and the National Convention (our signature events), and newer income streams from our formal education program, online CPD and electronic publishing.



Tax policy and tax reform

During my year as President, I worked closely with our Tax Policy Team, led by the Institute's Senior Tax Counsel, Robert Jeremenko. The Tax Policy Team and our volunteers make submissions to government and to the Australian Taxation Office on issues of concern for members and on draft rulings and legislation.

One new issue of concern to members is the proposed phasing out of the ATO's tax portal and the introduction of standard business reporting, which is supposed to take place in the 2016 tax year. This has the potential to be extremely disruptive to our members and to taxpayers generally. Robert and his team expressed our concerns about these technology changes to the ATO and will continue to monitor them closely and keep members informed.



A MESSAGE FROM THE PRESIDENT

One of the main goals of the Tax Policy Team during the past 12 months has been to improve opportunities for member involvement. To this end, we revamped the technical committees and increased the flow of information from the Tax Policy Team to our volunteer committee members. The early signs in relation to these changes are very positive, but this is a work in progress and I am sure it will continue to evolve.

Many of our members were involved in preparing submissions and attending consultations, often having to meet very tight deadlines. I would like to thank all of the members of the various technical committees and the other volunteers who gave their time so freely.

In the next 12 months, the government will issue a White Paper on tax reform. The Institute has created a committee to provide input into the development of the white paper and to review it when it issues. This means that the next 12 months will be very busy for the Tax Policy Team.

Seminars and conferences

2014 saw strong attendances at a number of conferences, in particular the Financial Services Conference, the NSW Tax Forum and the National Convention. None of this would have been possible without our many volunteers who serve on committees and present papers throughout the year. The success of these events is a testament to your hard work and dedication and I would like to thank you on behalf of The Tax Institute.

Finally, I would like to thank the Institute's CEO, Noel Rowland, for his support and guidance during the year and to wish Stephen Healey and his team a successful 2015.



Michael Flynn, CTA (Life)
President



A MESSAGE FROM THE CEO

Last year was one of the most important in the Institute's history.

In short, the focus and priorities for 2014 were:

- expanding our education course offerings and enrolments, in addition to enhancing the Institute's reputation as a provider of practical tax education; and
- building the status and recognition of the Chartered Tax Adviser designation, domestically and beyond.

Key projects included:

- launching the Graduate Diploma of Applied Tax Law;
- improving the member experience of the Institute, with initiatives such as:
 - launching a new, full-service app;
 - refreshing our website;
- launching the first Tax Adviser of the Year Awards; and
- the next stage of building the CTA designation.

Financial results

2014 saw an uplift in education revenue which contributed to the solid financial result. The Institute made a profit of \$275,381 for the year. The outlook is for a continuing increase in demand for the Institute's education program and online products and services.

2014 highlights and achievements

Tax Adviser of the Year Awards

Last year marked the first year that the Tax Adviser of the Year Awards were awarded. The awards were held at the 29th National Convention in Hobart and recognise the tax profession's leading experts and rising stars.



Meeting the needs of our members

To ensure that we continue to be responsive to members' needs, the Institute once again participated in the Annual Business and Professions Study run by Beaton Research + Consulting. This survey measures member satisfaction, member engagement and the overall performance of the Institute, and benchmarks the Institute against other associations in the market.

The results showed that we are generally getting things right, maintaining high scores for member engagement, keeping members up to date, and adding value to membership.

Website refresh

Last year, we asked our members and website users for feedback on our website. Based on that feedback, we are refreshing the website to make it more user-friendly. In order to do this, we are:

- simplifying the layout to make it easier to find information;
- reducing the volume of content on pages as some were considered "busy", "confusing" and "cluttered";
- reviewing our language to ensure that we use "familiar" terminology;
- changing the navigation on the website to reflect how products and services are searched for;
- removing "unnecessary" content on the website, particularly on the homepage; and
- creating an area where members can find and access the resources and benefits available to them.



A MESSAGE FROM THE CEO

Tax Education Program

Launch of the Graduate Diploma of Applied Tax Law

In 2014, we launched our first postgraduate qualification, the Graduate Diploma of Applied Tax Law (GDATL). This major initiative reflects the growth and evolution of the Institute's educational courses, which will continue to be taught by practitioners, for practitioners.

The GDATL has been designed to meet the changing needs of the tax profession. It combines advanced technical and practical skills with high-level academic governance.

Following submission to Tertiary Education Quality and Standards Agency (TEQSA) in July 2013, the Institute was granted registration as a higher education provider on 24 July 2014 and the GDATL course was accredited.

A launch of the GDATL was held in October, with major direct mail and electronic direct mail campaigns following. The first intake of the program was March 2015.

Further work in the Tax Education Program

Our Tax Education Program achieved outstanding success in 2014. With almost 2,400 subject enrolments, numbers were strong particularly in the commercial law units. This confirmed that our members were interested in undertaking courses that would help them meet their compliance needs as registered tax agents.

A course was designed for financial advisers in anticipation of their requirements to register as a tax (financial) adviser. We became a curriculum partner with Kaplan and subsequently increased our sales of TASA and the Code of Professional Conduct (online course).

The CTA3 Advisory Course had its strongest year to date which shows that, over time, those coming into the profession are seeking the CTA designation. Another major initiative was the delivery of the KPMG Tax School assessment, ensuring that KPMG employees can access the CTA designation with the support of their employer.

Additionally, our focus has been on continuing to deliver a range of practical and applied short courses and to attract an increased number of candidates to the subjects and to membership with the Institute. In addition, work was commenced on new courses that would initially stand alone as short courses and then evolve into the GDATL as elective subjects.

Professional development

The Institute successfully delivered 205 CPD events nationally in 2014, offering 700 CPD hours to over 6,800 attendees. Our conference programs continue to attract the best and brightest across the tax profession. Highlights include:

- Financial Services Taxation Conference, Gold Coast – February
- 29th National Convention, Hobart – March
- 47th South Australian Convention, Barossa Valley – May
- 7th Annual NSW Tax Forum, Sydney – May
- 14th States' Taxation Conference, Hobart – July
- 2nd Annual Superannuation Conference, Melbourne – August
- 47th Western Australian State Convention, Bunker Bay – August
- GST Intensive Conference, Sydney – September
- Queensland Annual State Convention, Gold Coast – September
- National Resources Tax Conference, Perth – October
- 2nd Annual Victorian Tax Forum, Melbourne – October
- Tasmanian State Convention, Launceston – October
- 22nd Tax Intensive Retreat, Noosa – November.

The Institute's flagship event, the National Convention, attracted over 448 delegates, 36 speakers and seven business alliance partners.

iCPD continues to give members greater access to key topics and expert speakers, as well as providing increased flexibility and convenience. A total of 47 webinars were offered in 2014, with over 2,000 members accessing this delivery channel. DVDs, in particular the box sets, remain a popular choice for members, with 13 new DVDs being produced in 2014.

A MESSAGE FROM THE CEO

Achievements in tax policy and advocacy

In 2014, The Tax Institute pursued its goal to be the most respected and influential tax professional representative body.

Over the past 12 months, we have continued to call for an open public debate about the merits of reforming our tax system. We held the government to account on its slow progress on the announced tax reform white paper consultation, and received significant media coverage in this regard. For Australia to be able to afford the spending priorities of the coming decade and beyond, we must consider the sustainability of our tax system, which must include discussion about wholesale tax reform, including the GST and inefficient state taxes.

With the invaluable input of our members who provided technical assistance, practical guidance and industry experience, we influenced the development of tax policy and legislation and improved its administration.

Highlights include:

- We relentlessly argued the case for stronger regulations outlining the proposed registration requirements under TASR for financial advisers giving tax advice with the government and key decision-makers in the parliament.
- We continued to be a leading advocate for action to address the growing list of tax law measures announced but unenacted by the federal government.
- We received widespread coverage on our submission to the Productivity Commission on the affordability of childcare.
- We successfully implemented our revamped technical committee structure, and attracted prominent new members from the ATO and industry to join the new committees.
- We briefed key government ministers/advisers on deregulation in the tax system.
- We strongly advocated changes to the ATO's lodgment program and tax agent portals on behalf of members.
- We called for reform to the excess superannuation contribution laws and welcomed the federal Budget announcement regarding positive reform in this area.
- We participated in private briefings and appeared before the House of Representatives Committee on Tax and Revenue in relation to the ATO's handling of tax disputes and the ATO's annual report.
- We continue to be involved in BEPS issues in Australia, including with respect to the flow-on effects from activity in other jurisdictions, and our measured comments in this regard received widespread coverage.

Major consultations

During the year, we actively consulted on improving the tax system in many areas. We consulted with numerous government bodies on a vast range of issues, including:

- Treasury on employee share schemes, dividend washing, the Budget deficit levy, thin capitalisation and s 23AJ, the foreign resident CGT regime, and Australia's treaty network.
- The Board of Taxation on the small business review, Div 7A, the debt/equity rules, TOFA, and the thin capitalisation arm's length debt test.
- The Inspector-General of Taxation on ATO debt collection, ATO services and support for tax practitioners, and tax disputes.
- The House of Representatives Standing Committee on Tax and Revenue on Tax Disputes, and the ATO's annual report.
- The Tax Practitioners Board on proposed approaches regarding tax (financial) advisers.
- The Senate Economics References Committee on digital currencies.
- The Productivity Commission on the impact of tax treatment affordability of childcare costs.
- The ATO on its tax amnesty for offshore income, the external compliance assurance program, dividend washing, the Commissioner's statutory remedial power, transfer pricing guidance, tax practitioner issues, and professional practice structures.

A MESSAGE FROM THE CEO

Information Products

The Information Products area continued to see a significant shift from print to digital in 2014. The full-year result for combined information products is an uplift in profit of over \$70,000 against budget. This excludes printing and mailing costs for *Taxation in Australia* journal, which are now carried as membership expenses.

Members' preference for online and digital information over the printed word showed in very pleasing sales of online publications, notably Tax Knowledge eXchange (TKE) and online books. TKE subscriptions grew by 15% year on year, while online books grew by a staggering 60%. This success was aided by the addition of two new texts:

- in February, we released a new publication, *The Tax Advisers Guide to Part IVA* by Greg Travers, CTA, in hard copy, online and eBook formats.
- the re-publication of *Trusts & Estates* by Bernard Marks in its 3rd edition. The revised and updated landmark text was released in August as an online-only publication; and

In August, the Institute launched a new, full-service app. The new app is available on iPad and Android devices. It includes *TaxVine*, *The Tax Specialist* journal, our eBooks and a mobile event app, as well as *Taxation in Australia*.

Complaints and disciplinary activities

As a recognised tax agent association under the *Tax Agent Services Act 2009*, the Institute reports annually on member complaints and disciplinary processes.

During 2014:

- three complaints were received;
- four complaints were under investigation at year end (including one complaint received in 2013);
- no complaints were dismissed;
- no complaints were upheld;
- no disciplinary actions were taken against members; and
- a complaint received at the end of 2013 remains under investigation.

Looking towards 2015

In 2015, our focus will be to continue to grow our flagship course, the Graduate Diploma of Applied Tax Law. Study period 1 commenced on 2 March with promising numbers.

Building on groundwork from previous years, we will also continue to increase the recognition of the CTA designation as a truly global designation and the gold standard in tax advice.

Our key strategic priorities for 2015 include:

- building the expertise, capability and status of the tax profession;
- developing a strong education pathway to Institute membership;
- increasing the penetration of younger tax practitioners into the Institute to assist membership growth and build the next generation of our membership/tax profession;
- planning, developing and delivering a high-quality and commercially viable state CPD program;
- developing the CTA designation as the most recognised and respected brand in tax ;
- ensuring that The Tax Institute is regarded as the leading authority in the development and application of tax law; and
- ensuring that the Institute is utilising digital technology to enable the optimal member/customer experience and internal efficiencies.

Finally, I'd like to take this opportunity to acknowledge the National Council, State Councils and the many volunteers who work on our committees, on programs and on policy development. Without them, we would not be able to deliver the services that we do. A special thanks to Michael Flynn, CTA, our 2014 President, for his enormous support during what was a very busy 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 2014.

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
Michael Flynn	Appointed 28 March 2007 ceased 1 January 2015
Stuart Glasgow	Appointed 5 February 2015
Peter Godber	Appointed 1 January 2014
Stephen Healey	Appointed 25 September 2008
Wayne Healy	Appointed 1 January 2010
Stephen Heath	Appointed 25 January 2012
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 2014 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 2014 would be \$22,196.

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.

The Institute aims to advance education in relation to taxation and taxation laws through its professional education arm.

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 \$275,381.

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 result for the year reflects continuing growth and development of our online products, educational courses and CPD. In 2014, the Institute also saw an increase in membership numbers.

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

On 5 February 2015, Stuart Glasgow, CTA was appointed as a director of The Tax Institute. No other 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.

Future developments

The Institute is committed to delivering 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.

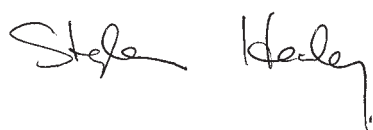
Directors' meetings

Attendance at Board and Board Committee meetings during the year ended 31 December 2014:

Name	Board of Directors		Investment Committee	
Total number of meetings held	6		3	
Directors	A	B	A	B
Arthur Athanasiou	6	6		
Graeme Cooper	6	5		
Michael Flynn	6	6		
Peter Godber	6	6		
Stephen Healey	6	6	3	3
Wayne Healy	6	4		
Stephen Heath	6	6		
Tim Neilson	6	6		
Matthew Pawson	6	6	3	3
Tracey Rens	6	6	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.



Stephen Healey, CTA
Director



Matthew Pawson, CTA
Director

Dated in Sydney this 6th day of May 2015.

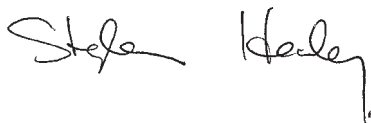
DIRECTORS' DECLARATION

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 2014 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.



Stephen Healey, CTA
Director



Matthew Pawson, CTA
Director

Dated in Sydney this 6th day of May 2015.

AUDITOR'S INDEPENDENCE DECLARATION



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

6 May 2015

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 2014, 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


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, Grad Dip Acc, CTA

Qualifications: Barrister and Solicitor, Supreme Court of Victoria

Experience: Appointed National Council January 2010

Responsibilities:

- Chair, Victorian State Conference Committee 2008-2009
- Chair, Victorian Education Committee 2008-2009
- Victorian State Councillor since June 2008
- Deputy Chair, National Education Committee 2010
- Chair, Victorian State Council 2010-2012
- Chair, National Education Committee 2011-2012
- Member, Investment Committee 2010-2011
- Deputy Chair, Professional Standards Committee 2013-14
- Vice President 2015
- Chair Investment Committee 2015
- Chair National Membership and Services Committee 2014
- Member, Disciplinary Committee 2014

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

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

Experience: Appointed National Council April 2011

Responsibilities:

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

Michael Flynn, LLB, B Com, ACA, CTA

Qualifications: Barrister-at-Law

Experience: Appointed National Council March 2007

Responsibilities:

- National Education Committee 2007
- National Tax Intensive Committee 2007-2010
- States' Taxation Conference Committee 2007
- Chair, Victorian State Council 2006-2007
- Victorian Education Committee 2006-2007
- Victorian State Councillor since June 2000
- Deputy Chair, National Technical Committee 2007
- Chair, National Education Committee 2008-2009
- Member Examinations & Quality Assurance Board 2010

- Chair, National Membership & Services Committee 2012
- Chair, National Technical Committee 2013
- Chair, Investment Committee 2013
- Member, Nominations Committee 2013-2014
- Vice President 2013
- President 2014

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

Qualifications: Chartered Accountant

Experience: Appointed National Council February 2015

Responsibilities:

- Co-Chair, Victorian State Education Committee 2013-2014
- Victorian State Councillor since January 2013
- Member, Victorian Education Committee since 2011
- Member National Convention Organising Committee since 2014
- Member, Victorian State Convention Committee 2011-2012
- Member Victorian Technical Committee since 2014
- Member, National SME Sub-committee 2013-2014
- Member, National Education Committee 2013-2014
- 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, NSW Technical Committee 2000-2001
- Chair, Queensland Technical Committee 2003-2006
- Queensland State Councillor since 2003
- Chair Queensland State Council 2011-2013
- Deputy Chair National Education Committee 2014
- Member, Disciplinary Committee since 2013
- Member, Professional Standards Committee
- Chair, National Education Committee
- Deputy Chair, National Technical Committee

Stephen Healey, BHMS, B Bus, CA, CTA

Qualifications: Chartered Accountant

Experience: Appointed to National Council September 2008

Responsibilities:

- Queensland State Councillor since 2000
- Chair, Queensland State Council 2005-2006
- Treasurer 2009-2011
- 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
- President 2015

DIRECTORS' PARTICULARS

Wayne Healy, B Bus, FCPA, FCA, CTA

Qualifications: Certified Practising Accountant, Chartered Accountant

Experience: Appointed to National Council January 2010

Responsibilities:

- Western Australian State Councillor since 2004
- Chair, Western Australian State Council 2007-2008
- Member, Western Australian Education Committee since 2000
- Chair, Western Australian Education Committee 2005-2006
- Member, Education Advisory Board since 2005
- Chair, Education Advisory Board since 2013
- Member, National Education Committee 2005-2006
- Member, Professional Standards Committee
- Member, Disciplinary Committee

Stephen Heath, LLB (Hons), BEc, CTA

Qualifications: Solicitor

Experience: Appointed to National Council January 2012

Responsibilities:

- Deputy Chair, National Education Committee 2012
- South Australian State Councillor since April 2004
- South Australian Education Committee 2000-2009
- Chair, South Australian State Education Committee 2005-2006
- Deputy Chair, National Education Committee 2013
- Deputy Chair, National Membership & Services Committee since 2014

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:

- Victorian State Council since 2006
- Victorian Technical Committee 2006
- Deputy Chair, Victorian State Council since 2008
- Chair, Victorian State Council 2009
- Member, Victorian Convention Committee 2009
- Chair, Victorian Convention Committee 2014
- Chair, National Technical Committee

Matthew Pawson, BCom, LLB, CTA

Qualifications: Solicitor

Experience: Appointed to National Council January 2010

Responsibilities:

- Tasmania State Council since 2008
- Member, Investment Committee since 2010
- Member, Nominations Committee 2012
- Chair, Information Products Working Group since 2012
- Chair, Tasmanian State Council 2012 - 2013
- Treasurer since 2013

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

Qualifications: Solicitor

Experience: Appointed to National Council January 2011

Responsibilities:

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

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 *2014*

	Note	2014	2013
		\$	\$
Revenue	2a	14,762,077	14,379,700
Employee benefits expense		(7,444,119)	(6,897,280)
Depreciation and amortisation expenses	3	(533,226)	(414,516)
CPD events and member services expenses		(4,466,264)	(4,773,967)
Occupancy expenses		(792,798)	(794,043)
Travel expenses		(376,112)	(202,021)
Publicity and promotion		(490,523)	(485,852)
Merchant Fees		(205,987)	(176,578)
Administration expenses		(345,781)	(803,427)
Net realised and unrealised change in fair value of financial assets held at fair value through profit and loss	2b	168,114	263,715
Profit before income tax expense		275,381	95,731
Income tax expense	1(i)	-	-
Profit after income tax expense		275,381	95,731
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		275,381	95,731

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014	2013
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	5	3,497,018	4,450,269
Financial Assets	6	1,200,000	-
Trade and Other Receivables		497,676	396,235
Prepayments		541,285	613,955
Inventory		13,227	19,421
TOTAL CURRENT ASSETS		5,749,206	5,479,880
NON-CURRENT ASSETS			
Financial Assets	6	2,851,364	2,696,787
Plant and Equipment	7	903,288	969,163
Intangible assets	7	129,548	70,002
TOTAL NON-CURRENT ASSETS		3,884,200	3,735,952
TOTAL ASSETS		9,633,406	9,215,832
CURRENT LIABILITIES			
Trade and Other Payables	8	563,012	504,050
Income in Advance		4,150,712	3,946,466
Lease Incentives and Make Good Provision	9	341,562	341,665
Short Term Provision	10	401,284	325,376
TOTAL CURRENT LIABILITIES		5,456,570	5,117,557
NON-CURRENT LIABILITIES			
Lease Incentives and Make Good Provision	9	81,243	290,172
Long Term Provisions	10	97,917	85,808
TOTAL NON-CURRENT LIABILITIES		179,160	375,980
TOTAL LIABILITIES		5,635,730	5,493,537
NET ASSETS		3,997,676	3,722,295
EQUITY			
Retained Profits		3,997,676	3,722,295
TOTAL EQUITY		3,997,676	3,722,295

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	2014	2013
	\$	\$
Retained Earnings		
Opening retained earnings	3,722,295	3,626,564
Net Profit / (Loss) for the Year	275,381	95,731
Retained earnings at year end	3,997,676	3,722,295
Total equity at the end of the year	3,997,676	3,722,295

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	2014	2013
	\$	\$
Cash flows from operating activities		
Receipts from members and others	14,713,178	15,706,049
Payments to suppliers and employees	(14,116,393)	(15,504,106)
Interest Received	176,862	195,361
Net cash provided by operating activities	773,647	397,304
Cash flows from investing activities		
Payment for plant and equipment	(444,946)	(161,272)
Payment for intangible assets	(81,952)	-
New placement of term deposits	(1,200,000)	-
Dividend income	-	91,281
Proceeds from sale of financial assets	-	1,027,390
Purchase of investments	-	(1,088,660)
Net cash used in investing activities	(1,726,898)	(131,261)
Net Increase (decrease) in Cash Held	(953,251)	266,043
Cash at beginning of the financial year	4,450,269	4,184,226
Cash at end of the financial year	3,497,018	4,450,269

The accompanying notes form part of these financial statements

NOTES TO FINANCIAL STATEMENT

For the year ended 31 December 2014

Note 1. Statements of significant accounting policies
The financial statements of The Tax Institute ("The Institute") for the year ended 31 December 2014 was authorised for issue by a resolution of the Directors on 6 May 2015.

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 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 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 STATEMENT

For the year ended 31 December 2014

(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 recognised 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 STATEMENT

For the year ended 31 December 2014

(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.

(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 2014.

(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 STATEMENT

For the year ended 31 December *2014*

	2014	2013
Note 2. Revenue	\$	\$
Note 2a.		
Operating Activities		
Membership Services including Education	9,177,566	8,080,081
Rendering of services (CPD and Events)	4,431,677	4,977,375
Sales of publications	873,641	869,387
Advertising revenue	102,331	166,215
	14,585,215	14,093,058
Other Income		
Interest	176,862	195,361
Dividend Income	-	91,281
	176,862	286,642
Total revenue	14,762,077	14,379,700

Note 2b. The external investment manager has modified its reporting to the Institute by grouping dividend income into net realised and unrealised investment returns in the current year. The net realised and unrealised investment income is \$168,114 (2013: \$263,715)

Note 2c. There is no separate disclosure for dividend income in 2014 as dividends received have been included in the value of the investment portfolio at Note 6.

NOTES TO FINANCIAL STATEMENT

For the year ended 31 December 2014

	2014	2013
	\$	\$
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	510,820	399,477
- Intangible assets	22,406	15,039
	533,226	414,516
Remuneration of auditor		
- audit	25,410	24,200
- other services	3,300	4,565
	28,710	28,765
Rental expense on operating leases		
- minimum lease payments	632,015	630,801
	632,015	630,801

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 STATEMENT

For the year ended 31 December *2014*

	2014	2013
	\$	\$
Note 5. Cash and cash equivalents		
Cash at bank and on hand	167,928	259,158
Short term deposits	3,329,090	4,191,111
	3,497,018	4,450,269

Note 6. Financial Assets		
Current		
Term Deposits	1,200,000	-
Non-current		
Investment in Unit Trusts at fair value	2,851,364	2,696,787

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 reclassified from current to non-current and prior year comparative presentation has been adjusted accordingly

Changes in fair values of financial assets at fair value through profit and loss are recorded in the Statement of Comprehensive Income and disclosed in note 2a and 2c.

Details regarding the fair value measurement are disclosed at note 13.

Classification of financial assets at fair value through profit or loss

The Tax Institute classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, ie are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

NOTES TO FINANCIAL STATEMENT

For the year ended 31 December 2014

	2014	2013
	\$	\$
Note 7. Plant and Equipment		
Plant and Equipment – at cost	3,046,544	2,919,452
Less: Accumulated Depreciation	(2,143,256)	(1,950,289)
Intangible assets – at cost	173,305	91,353
Less: Accumulated Amortisation	(43,757)	(21,351)
Total Plant and Equipment	1,032,836	1,039,165

	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	1,039,165	1,211,695
Additions	526,897	241,986
Depreciation or amortisation expense	(533,226)	(414,516)
Carrying amount at the end of the year	1,032,836	1,039,165

Note 8. Trade and other payables		
Current		
Trade payables	261,702	168,530
Accruals	301,310	335,520
	563,012	504,050

NOTES TO FINANCIAL STATEMENT

For the year ended 31 December 2014

	2014	2013
	\$	\$
Note 9. Other Liability		
CURRENT		
Lease liability	341,562	341,665
NON-CURRENT		
Lease liability	-	231,417
Make good on premises	81,243	58,755
	422,805	631,837

Note 10. Provisions		
CURRENT		
Employee benefits	401,284	325,376
NON-CURRENT		
Employee benefits	97,917	85,808
Aggregate employee benefits	499,201	411,184
(a) Number of employees at year end	73	71

Note 11. 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	829,165	787,071
- Later than one year but not later than five years	317,411	1,105,093
	1,146,576	1,892,164

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 STATEMENT

For the year ended 31 December 2014

Note 12. 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 13. 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 2014					
Recurring fair value measurement					
Financial Assets					
Financial assets at FVTPL	6	2,851,364		-	2,851,364

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 31 December 2013					
Recurring fair value measurement					
Financial Assets					
Financial assets at FVTPL	6	2,696,787		-	2,696,787

NOTES TO FINANCIAL STATEMENT

For the year ended 31 December 2014

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 14. 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 STATEMENT

For the year ended 31 December 2014

Note 15. Related party transactions

Key management personnel

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

Key management personnel

2014	2013	
Noel Rowland	Noel Rowland	Chief Executive Officer
Robert Jeremenko	Robert Jeremenko	Senior Tax Counsel
Ruth Ferraro	Ruth Ferraro	General Manager Education and Professional Standards
Alex Munroe	Alex Munroe	General Manager Information Products
Anna Mirzayan	Anna Mirzayan	General Manager Marketing and Membership Operations
Sharon Kells	Sharon Kells	General Manager State Operations
Kerryn Divall	Kerryn Divall	General Manager Finance & Administration

Remuneration for key management personnel

	2014	2013
	\$	\$
Employee benefits	1,679,523	1,555,565
Total remuneration	1,679,523	1,555,565

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. 92,162 81,564

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 STATEMENT

For the year ended 31 December 2014

Note 16. Events after the reporting date

On 5 February 2015, Stuart Glasgow was appointed as a director of the Tax Institute.

No other 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 17. Contingent liabilities and contingent assets

As at 31 December 2014 there are guarantees provided by National Australia Bank of \$815,113 (2013:0\$1,022,705) for the leases.

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

Note 18. 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

OVER

7, 

**CTAs IN
AUSTRALIA**

INDEPENDENT AUDIT REPORT

To the *members* of The Tax Institute



Crowe Horwath Sydney
ABN 87 895 683 573
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

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 2014, the statement of 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 company.

Directors' Responsibility for the Financial Report

The directors of the company 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 *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*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of The Tax Institute, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion, the financial report of The Tax Institute is 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 2014 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) and the *Australian Charities and Not-for-profits Commission Act 2012*.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

A handwritten signature in blue ink, appearing to read "Suwarti", written over a faint circular stamp.

SUWARTI ASMONO
Partner

Dated this 6th day of May 2015

6,8  

**PEOPLE ATTENDED
ONE OR MORE
EVENT IN 2014**

CONTACT DETAILS

Executive Team

Noel Rowland	Chief Executive Officer
Ruth Ferraro	General Manager Education and Professional Standards
Alex Munroe	General Manager Information Products
Sandra Falzon	Acting General Manager Marketing and Membership
Kerryn Divall	General Manager Finance & 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: Philippa Cardigan
Level 10, 175 Pitt Street
Sydney, NSW 2000

Tel: 02 8223 0040
Fax: 02 8223 0077
Email: nsw@taxinstitute.com.au

Victoria

Chairperson: Michael Jones CTA
Manager: Ruth White
Level 15, 350 Collins Street
Melbourne, VIC 3000

Tel: 03 9603 2000
Fax: 03 9603 2050
Email: vic@taxinstitute.com.au

Queensland

Chairperson: Hayden Bentley CTA
Manager: Paula Quirk Russo
Level 11, Emirates Building
167 Eagle Street
Brisbane, QLD 4000

Tel: 07 3225 5200
Fax: 07 3225 5222
Email: qld@taxinstitute.com.au

Western Australia

Chairperson: Jemma Sanderson, CTA
Manager: Brian Martin
Level 7, 16 St Georges Terrace
Perth, WA 6000

Tel: 08 9322 2004
Fax: 08 9322 2153
Email: wa@taxinstitute.com.au

South Australia and Northern Territory

Chairperson: Michael Butler CTA
Manager: Angelika Hislop
Ground Floor
5-7 King William Road
Unley, SA 5061

Tel: 08 8463 9444
Fax: 08 8463 9455
Email: sa@taxinstitute.com.au

Tasmania

Chairperson: Marg Marshall, CTA
Manager: Ruth White
Level 15, 350 Collins Street
Melbourne, VIC 3000

Tel: 1800 620 222
Fax: 1800 620 292
Email: tas@taxinstitute.com.au

1,7

**THE NUMBER
OF CANDIDATES
ENROLLED IN
OUR EDUCATION
PROGRAMS IN 2014**



THE TAX INSTITUTE

THE MARK OF EXPERTISE

Level 10, 175 Pitt Street
Sydney, NSW 2000

ABN 45 008 392 372

Tel: 02 8223 0000

Fax: 02 8223 0077

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