

2015 Annual Report



Self Managed
Super Fund
Association

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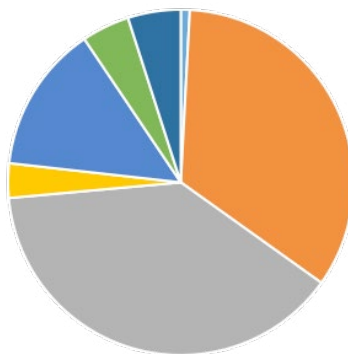
2015 Sector Highlights

BY 2033, SMSF ASSETS ARE PROJECTED TO REACH

\$2.23 TRILLION

SMSFS PAY
93%
OF THEIR
BENEFITS AS
INCOME STREAMS

SMSF Asset Allocation



Cash, term deposits and bonds

34%

Direct overseas assets

1%

Other assets

5%

Residential property

4%

Commercial property

14%

LRBAs

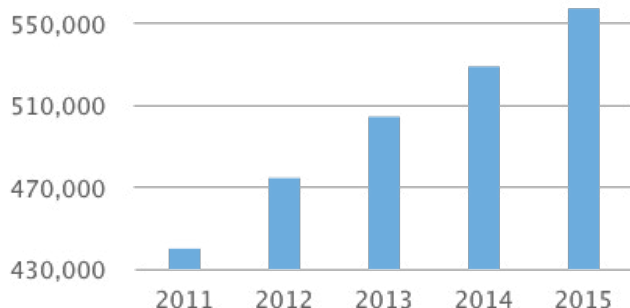
2%

Listed shares

40%

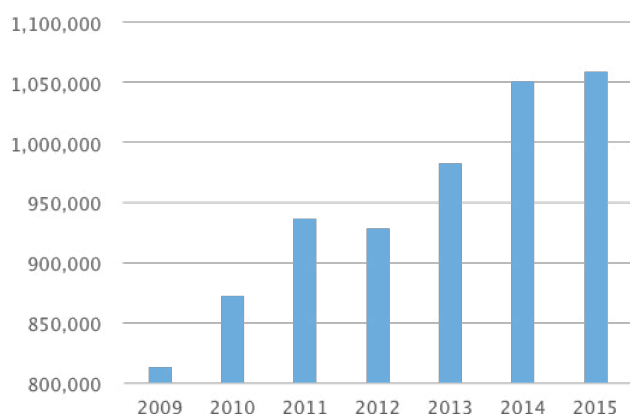
SMSF BALANCES HAVE INCREASED BY 31% OVER THE PAST 6 YEARS

Total number of SMSFs



SMSFs represent
29%
of current
Superannuation
balances

SMSF Average Fund Balance

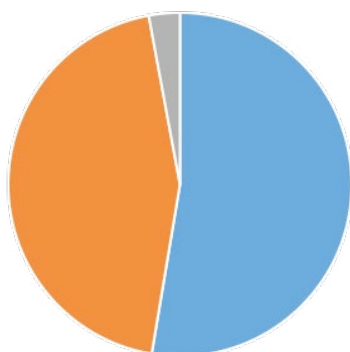


Over the past 7 years, **SMSFs outperformed APRA funds by 0.64%** averaging 4.33% per annum

2560
NEW SMSFS
CREATED
EVERY MONTH

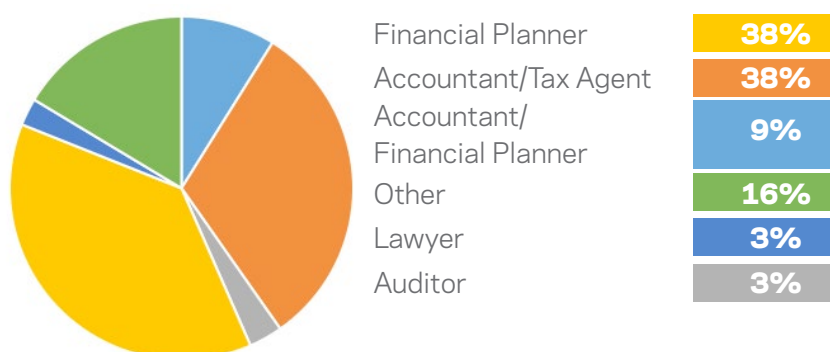
SMSF Association Highlights

Member Categories



Specialists	53%
Associates	44%
Other	3%

Membership by Profession



Financial Planner	38%
Accountant/Tax Agent	38%
Accountant/Financial Planner	9%
Other	16%
Lawyer	3%
Auditor	3%

97% retention rate of our Specialists

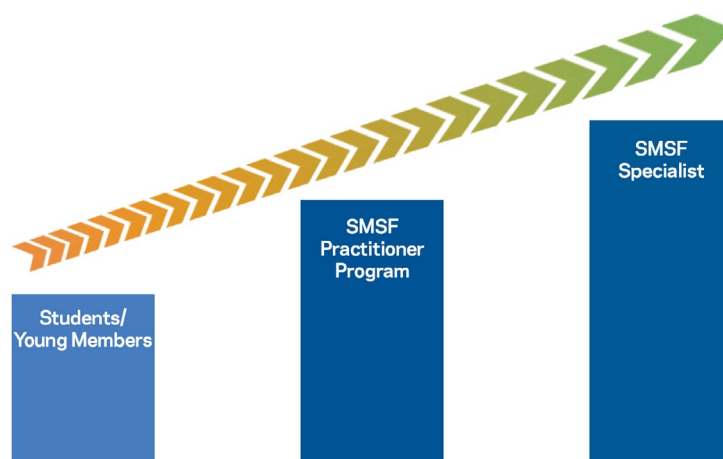
82,329 the word count of total submissions to Government and Regulators



During 2015 SMSF Association Social Media Connections increased by more than

86%

**COMPREHENSIVE
PATHWAY TO
BUILD AN SMSF
CAREER**



CEO Report

As our mission statement says, we strongly believe that every Australian has the right to control their own retirement destiny and that an SMSF is a legitimate way to achieve this outcome.

The Association's leadership role has been the natural state of affairs since we were established in 2003. We have worked tirelessly with government and regulators to build an understanding of the importance of the SMSF sector within the Financial Services system and also its importance for our national prosperity.

It's this history coupled with our success in advocacy that imbues me with confidence that together we can meet the future opportunities – and any challenges – that will arise. As the peak body representing the SMSF sector, we all have an enormous responsibility to ensure its ongoing viability. Trustees and members have committed to taking personal responsibility for their retirement incomes, and we have committed to help them, in every possible way, to reach this goal.

There will be challenges. The Federal Government has put superannuation tax incentives, otherwise known as tax concessions, back on the table and investment markets are likely to remain volatile, continuing to challenge trustees and SMSF advisors. But these challenges are far outweighed by the opportunities that spring from the sector's growth, increasing demand for SMSF specialists, heightened



consumer awareness and, in the future, the export of our collective skills and knowledge.

We started the year by developing a targeted national marketing campaign to engage trustees on why it is important to seek out an SMSF Association Specialist. Research conducted to inform the campaign challenged us in a number of ways, none more than how the SPAA brand was perceived by the broader superannuation community, resulting in our name change to the SMSF Association earlier this year.

The 2015 National Conference was refreshed with a new Lifecycle focus to help delegates understand the self-managed super fund lifecycle of accumulation, transition and drawdown. In particular, the significant leadership role that the SMSF sector plays in demonstrating a robust drawdown phase which provides government with surety that our super system is working well and provides guidance to future policy settings.

We said we would improve our member engagement by introducing improved methods of 'really listening to and evaluating' your feedback as our members. Our net promoter score (NPS) surveys enable us to evaluate member satisfaction and the likelihood of you highly referring the value of membership with the SMSF Association to peers, clients and stakeholders. I would like to thank the 700+ members that responded to our annual survey in September which will inform our planning and engagement with you over the next 12 months.

"We have another exciting year as we continue to build the 'SMSF Profession' and our position as the recognised leader in the SMSF space"

Your Board is in the process of formulating a Strategic Plan and Vision statement that will take our organisation through to 2020. There is a vital need for our vision to lead our organisation in developing innovative approaches that continue to realise long term benefits through adding value both now and well into our future. The more things change in our industry, the more we need a vision that will continually give us our bearings no matter how positive or stormy the political, economic or business environment.

We have another exciting year as we continue to build the 'SMSF Profession' and our position as the recognised leader in the SMSF space. But just as self-managed superannuation is continually evolving, so too must the SMSF Association to ensure we give our members all the support they need to remain at the forefront of our exciting industry.

With your support and commitment to excellence as members of the SMSF Association we will continue to deliver a healthy SMSF sector that underpins a robust and integral Australian retirement system.



Andrea Slattery SSA™
Managing Director/ CEO

Our Strategy

Our 2020 Strategic Plan outlines how we are going to pursue our vision to

‘Enable Australians to take greater control of their own destiny through a sustainable SMSF community’

As part of the ongoing review of our strategy we have articulated a set of beliefs and values that encapsulate our purpose.

Our Beliefs

We believe that every Australian has the right to a good quality of life in retirement.

We believe that every Australian has the right to **control** their own destiny.

We believe that how well we live in retirement is a function of how well we have managed our super and who has advised us.

We believe that better outcomes arise when professional advisors and trustees are armed with the **best and latest** information, especially in the growing and sometimes complex world of self-managed super funds.

We believe that insisting on tight controls, **accrediting and educating** advisors, and providing accurate and appropriate information to trustees is the best way to ensure that self-managed super funds continue to provide their promised benefits.

We believe that a healthy SMSF sector **contributes** strongly to long term capital and national prosperity.

We are here to improve the **quality of advisors**, the **knowledge of trustees** and the **credibility and health** of a vibrant SMSF community.

We are the SMSF Association.

Our Values

LEADERSHIP	PROFESSIONALISM	INTEGRITY	SUSTAINABILITY
Influence	Knowledge	Reliability	Innovative
Strategic	Intelligence	Ethical	Enabler

Our Objectives



Financial

Achieve performance that enables reinvestment for future development and growth



Leading the SMSF sector

The standard setter for SMSF education and professionalism



Customer client centre

Drive an exceptional client experience for all members and stakeholders



Employees

A skilled, passionate and engaged work force



Strategic Partnership

Sustain and grow strong mutually and financially beneficial partnerships

Leading the SMSF Sector

Advocacy

- The government's response to the Financial System Inquiry left SMSFs untouched and confirmed that there would be no changes to the rules for limited recourse borrowing arrangements (LRBA). The arrangements for LRBAs will be reviewed in three years. The SMSF Association has published best practice guidelines for lenders and advisors who advise on LRBAs.
- The government has also accepted the Murray Committee's proposal to seek broad agreement that the objectives of the superannuation system be included in legislation. The SMSF Association believes that if the legislation is enacted it will ensure greater stability of the superannuation system and act as a guide to industry, regulators and policy makers.
- Work is ongoing with the Parliamentary Joint Committee (PJC) on Corporations and Financial Services to lift the education standards of advisers and provide recognition of an emerging SMSF Profession.

Education

During 2015 we have focused on delivering quality technical content across a range of formats to give our members options to continue their professional development including the following:

- Successful 2015 National Conference - our biggest yet! The 2016 National Conference will see further enhancements including an increase in the number of technical sessions on day one; limited capacity Specialist member only workshops and the inclusion of the Thought Leadership Breakfast in the conference program;
- Launched the SMSF Practitioner (SSP) designation
- Launched the new 'Master Class' as an alternate learning format for our members
- Record numbers for our series of State Technical Conferences; and
- Utilising the skills and expertise within our membership to assist in providing education to the wider membership base

Professionalism

As part of our ongoing commitment to professional excellence CPD reviews were conducted on 10% of the membership. 91% of those reviewed met their CPD requirements. The table below records the disciplinary action taken by the Association against those members where a complaint has been made.

ACTION TAKEN	2015/2016	2014/2015	2013/2014
Cancellation of Membership	1	0	1
Suspension of Specialist designation or Membership for a defined period	1	1	0
Reprimand	0	4	5
Practice Review	0	1	0
No action required	0	1	2
Other	0	0	0
Investigation Ongoing	3	3	2

Research

The fifth in the annual series Intimate with Self-Managed Superannuation found trustees see SMSFs not so much as a do-it-yourself option but rather a help-me-do-it solution for superannuation savings.

“Encouragingly for advisors, the research suggests the most common barriers to SMSF setup by non-trustees are not knowing enough about SMSFs (38.0 % vs. 35.3% in 2013), balance size not justifying an SMSF (32.3 % vs 33.7 %) and too much hassle (30.6% vs 28.8%).

Notwithstanding these barriers, however, close to one in five (18.6 %) non-trustees with a lack of knowledge or other constraints around setting up an SMSF would consider establishing one if an accountant or financial planner could assist them in better understanding SMSFs.

SMSF Trustees

Following feedback, 2015 saw the Association adopt a number of initiatives for SMSF Trustees. These include:

- Awareness campaign to highlight to trustees the expertise of our SMSF Specialists
- Approval by the ATO of the SMSF Trustee Education Program to better educate trustees and to satisfy ATO Trustee Directives
- Development of further education resources and fact sheets to better equip trustees

We are looking forward to sharing further initiatives over the coming 12 months to engage trustees and highlight the skills of our members.

Member Services

Our members are the core of why we exist. We are always striving to evolve to deliver new products and services to meet our members' changing needs.

2015 Membership survey

This year saw the recommencement of our new annual member survey. We have made a commitment to continue regular surveys of our membership to develop our services.

This year's survey:

- Completed by 700 members
- Contained 24 Questions focusing on member benefits and education
- Introduced a Net Promotor Score to measure member satisfaction.

Some initial observations

- Over 85% of our members are positive about the value of being a member
- The most valued benefit is our professional development and education program
- 75% of members think we are doing very well in our communications with the Technically Speaking providing the greatest value
- The biggest challenges facing our members and the industry is the prospect of legislative change, time constraints and keeping up to date with SMSF knowledge
- Members would value further CPD options, more technical resources and continuing brand development

Focus for the next 12 months

Some changes we have commenced as result of your feedback:

- Develop strong Brand awareness *with your help*
- Improvements to member communications including a roll out of more Technically Speaking articles
- A redesign of the Association website to improve technical resources and make it easier to meet member's needs
- Future marketing campaigns to promote our members to trustees
- A comprehensive 2016 CPD calendar based on areas of interest from the survey

Keep your eye out for further changes over the coming months.



SMSF Professionals' Association of Australia Limited

Financial Statements

For the Year Ended 30 June 2015

SMSF Professionals' Association of Australia Limited

Contents

For the Year Ended 30 June 2015

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SMSF Professionals' Association of Australia Limited

Directors' Report

The Directors present their report on SMSF Professionals' Association of Australia Limited trading as SMSF Association (the Association) for the financial year ended 30 June 2015.

1. General Information

Information on Directors and Officeholders

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

Peter Ian Crump

Qualifications	Fellow of the Institute of Actuaries of Australia, Chartered Tax Adviser, Advanced Diploma of Financial Services (Financial Planning), Graduate of the Australian Institute of Company Directors and SMSF Specialist Advisor.
Experience	Peter provides strategic financial planning advice to his clients as well as actuarial advice to clients and lawyers on superannuation and family law issues.
Special responsibilities	Chairman

Andrew Crawford Gale

Qualifications	Fellow of the Institute of Actuaries of Australia, Bachelor of Arts majoring in Actuarial Studies (Macquarie), Masters of Business Administration (Macquarie).
Experience	Andrew has over 30 years experience in the financial services industry, with particular areas of expertise in leadership and people, M&A, operations, corporate strategy, marketing, distribution, product management and design, wealth management, financial planning, and new ventures.
Special responsibilities	Vice Chairman, Chairman of the Professional Standards Committee

Louise Janet Biti
(Resigned 19 November 2014)

Qualifications	Certified Financial Planner, Chartered Tax Adviser, Masters of Taxation (UNSW), Bachelor of Economics, Bachelor of Arts (Asian Studies), Diploma of Financial Planning and SMSF Specialist Advisor.
Experience	Louise has extensive experience within the financial services industry in both technical and executive roles. Louise has a prominent industry profile and is a frequent commentator on superannuation issues.
Special responsibilities	Director

Robin Lewis Bowerman

Qualifications	Graduate of the Australian Institute of Company Directors.
Experience	Head of Market Strategy and Communications at Vanguard, Robin holds expertise in investor education, funds management, industry and regulatory related topics. Robin has over 15 years experience as a leading financial services writer, commentator and editor.
Special responsibilities	Director, Chairman of the National Membership Committee

SMSF Professionals' Association of Australia Limited

Directors' Report

1. General Information continued

Information on Directors and Officeholders continued

David Stewart Shirlow	
Qualifications	Law and Economics Degrees (University of Sydney) member of the NSW Law Society, Chartered Tax Adviser and SMSF Specialist Advisor.
Experience	David is a practising lawyer and policy consultant specialising in superannuation matters. David has worked in the financial services industry since 1985, including 18 years at Macquarie Bank where he was an Executive Director managing technical and government policy matters relating to superannuation.
Special responsibilities	Director, Chairman of the Regulatory Committee
Brett Nicholas Kenny	
Qualifications	Bachelor of Economics, Fellow of Chartered Accountants Australia and New Zealand, Member of CPA Australia, SMSF Specialist Advisor.
Experience	Brett has been providing self-managed super fund services to clients for over 30 years specialising in strategic decision making and forecasting models along with tax, accounting and general commercial advice.
Special responsibilities	Director, Company Secretary
Andrea Elizabeth Slattery	
Qualifications	Masters in Commerce (University of South Australia), Bachelor of Arts in Accountancy, Member of CPA Australia, CPA Financial Planning Specialist, Fellow of the Australian Institute of Company Directors and SMSF Specialist Advisor.
Experience	Andrea has more than 24 years' experience in the SMSF and financial services industry, with particular expertise as a leader in retirement systems, financial services, professional advice, Government and Regulatory advocacy, new ventures, corporate governance, membership services and strategic stakeholder management.
Special responsibilities	Managing Director, Chief Executive Officer
Andrew John Hamilton	
Qualifications	Diploma of Financial Services, SMSF Specialist Advisor.
Experience	Andrew has a wealth of knowledge and experience, gained from more than 25 years of working in the SMSF industry, both within the private and corporate sectors. Having established and operated a successful start-up SMSF company, Andrew then moved into the corporate sector, further broadening his SMSF exposure.
Special responsibilities	Director
Cath Mulcare (Appointed 30 June 2015)	
Qualifications	Bachelor of Economics, Fellow of Chartered Accountants Australia and New Zealand.
Experience	Cath has strong finance, governance, risk management and regulatory experience and has worked across a range of industries with a strong focus on not-for-profit organisations.
Special responsibilities	Director

SMSF Professionals' Association of Australia Limited

Directors' Report

1. General Information continued

Information on Directors and Officeholders continued

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

Review of Operations

The Association generated a net profit after tax of \$ 7,960.

The result for the year reflects continued growth in our education, CPD products offering and Association membership. The improvement in the Association's revenue has allowed significant investment into new Technology, Marketing and Branding in the 2015 year as well as the commencement of further strategic initiatives.

Principal Activities

As the peak industry body for the SMSF sector in Australia, the principal activities of the Association during the financial year were to raise the standard of advice provided by professionals, through education and professional development, advance the knowledge of the members, trustees, service providers and the public; and to continue to build consumer confidence in the financial services industry.

The Association leads advocacy on behalf of the SMSF sector with Government and Regulators, and is a recognised thought leader in financial services both nationally and internationally.

No significant changes in the nature of the Association's activity occurred during the financial year.

Objectives and Strategic Direction

The Association's short and long term objectives are to:

- Lead and advocate on behalf of the SMSF sector, enabling sustainable growth and national prosperity
- Continue to raise the standard of professionalism and ethical behaviour within the financial services industry
- Advance member education and knowledge in relation to the SMSF sector
- Engage SMSF trustees through education to advance their knowledge and improve consumer confidence

As part of achieving the above strategic objectives the Board and the Executive have committed to the development of an updated Strategic Plan for 2016 -2020. This strategic plan will be reviewed on an annual basis to maintain relevance and take advantage of opportunities as they arise.

Members' Guarantee

SMSF Professionals' Association of Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called upon from each member is \$10.00 towards meeting any outstanding obligations of the company. At 30 June 2015 there were 3,027 members.

At 30 June 2015 the collective liability of members was \$ 30,270.

Payments and other benefits

A pecuniary benefit of \$5,000 was received during the financial year by two Directors, as partial reimbursement for the cost of governance training in their capacity as a Director of the Association.

SMSF Professionals' Association of Australia Limited

Directors' Report

2. Other Items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Events after the reporting date

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

Future Developments

The Association expects to maintain the present status and level of operations.

Environmental Issues

The Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made. As the Association is a company limited by Guarantee, the company is precluded from paying a dividend following amendments to the Corporations Act 2001, effective 28 June 2010.

Meetings of Directors

During the financial year, seven (7) meetings of directors (excluding Committees of Directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Peter Ian Crump	7	6
Andrew Crawford Gale	7	7
Louise Janet Bili	3	2
Robin Lewis Bowerman	7	7
David Stewart Shirlow	7	7
Brett Nicholas Kenny	7	7
Andrea Elizabeth Slattery	7	7
Andrew John Hamilton	7	7
Cath Mulcare	-	-

SMSF Professionals' Association of Australia Limited

Directors' Report

Indemnification and insurance of officers and auditors

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of the Association.

Insurance premiums have been paid during the financial year for Directors and Officers Liability and Professional Indemnity for the year ended 30 June 2015. No insurance premiums have been paid for the auditor.

Proceedings on behalf of Association

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

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2015 has been received and can be found on page 6 of the financial report.

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

Director: 
Peter Ian Crump - Chairman

Dated this 24th day of September 2015

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of SMSF Professionals' Association of Australia Limited:

As lead auditor for the audit of SMSF Professionals' Association of Australia Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

- + no contraventions of the independence requirements of the Corporations Act 2001 in relation to the audit; and
- + no contraventions of any applicable code of professional conduct in relation to the audit.


ACCRU⁺ HARRIS ORCHARD


**BEN WILLINGTON
DIRECTOR**

Signed at Dulwich this *22nd* day of September 2015.

SMSF Professionals' Association of Australia Limited

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2015

		2015	2014
	Note	\$	\$
Revenue	4	5,850,922	5,404,436
Education and technical expense		(3,563,880)	(3,232,867)
Depreciation and amortisation expense		(103,930)	(208,462)
Other expenses	5(a)	(2,178,131)	(1,910,205)
Profit before income tax		4,981	52,902
Income tax expense		(28,964)	14,227
Profit (loss) from continuing operations		(23,983)	67,129
Profit (loss) for the year		(23,983)	67,129
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Fair value adjustment to available for sale assets	4	31,943	(4,561)
Other comprehensive income for the year, net of tax		31,943	(4,561)
Total comprehensive income for the year		7,960	62,568

The accompanying notes form part of these financial statements.

SMSF Professionals' Association of Australia Limited

Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,590,088	2,453,046
Trade and other receivables	8	36,616	56,963
Other financial assets	9	1,509,819	1,499,218
Current tax receivable		-	54,293
Other assets	12	98,949	35,702
TOTAL CURRENT ASSETS		4,235,472	4,099,222
NON-CURRENT ASSETS			
Property, plant and equipment	10	78,942	89,001
Deferred tax assets		16,078	45,042
Intangible assets	11	85,587	138,394
TOTAL NON-CURRENT ASSETS		180,607	272,437
TOTAL ASSETS		4,416,079	4,371,659
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	443,514	395,359
Employee benefits	15	267,166	158,448
Deferred income	14	1,668,417	1,673,330
TOTAL CURRENT LIABILITIES		2,379,097	2,227,137
NON-CURRENT LIABILITIES			
Employee benefits	15	-	115,500
TOTAL NON-CURRENT LIABILITIES		-	115,500
TOTAL LIABILITIES		2,379,097	2,342,637
NET ASSETS		2,036,982	2,029,022
EQUITY			
Issued capital		60	60
Retained earnings		2,036,922	2,028,962
TOTAL EQUITY		2,036,982	2,029,022

The accompanying notes form part of these financial statements.

SMSF Professionals' Association of Australia Limited

Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2014	60	2,028,962	2,029,022
Profit attributable to members of the Association	-	(23,983)	(23,983)
Total other comprehensive income for the period	-	31,943	31,943
Balance at 30 June 2015	60	2,036,922	2,036,982

2014

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2013	26,000	1,966,394	1,992,394
Profit attributable to members of the Association	-	67,129	67,129
Return of capital	(25,940)	-	(25,940)
Total other comprehensive income for the period	-	(4,561)	(4,561)
Balance at 30 June 2014	60	2,028,962	2,029,022

The accompanying notes form part of these financial statements.

SMSF Professionals' Association of Australia Limited

Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from members and non-mutual income		5,693,411	5,394,267
Payments to suppliers and employees		(5,700,637)	(4,877,686)
Income taxes paid		-	(30,930)
Net cash provided by/(used in) operating activities	20	(7,226)	485,651
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(19,013)	(36,993)
Payments for intangible assets		(22,051)	(88,175)
Receipts (payments) for investments		21,343	(1,503,778)
Fund distributions received		97,048	16,526
Interest received		66,941	76,271
Net cash used by investing activities		144,268	(1,536,149)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Return of capital		-	(25,940)
Net cash used by financing activities		-	(25,940)
Net increase/(decrease) in cash and cash equivalents held		137,042	(1,076,438)
Cash and cash equivalents at beginning of financial year		2,453,046	3,529,484
Cash and cash equivalents at end of financial year	7	2,590,088	2,453,046

The accompanying notes form part of these financial statements.

SMSF Professionals' Association of Australia Limited

Notes to the Financial Statements

For the Year Ended 30 June 2015

The financial report covers SMSF Professionals' Association of Australia Limited trading as the SMSF Association as an individual entity. SMSF Professionals' Association of Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of SMSF Professionals' Association of Australia Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 23 September 2015.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* applicable to Tier 3 Companies Limited by Guarantee.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Only non-member income of the Association is assessable for tax, as member income is excluded under the principle of mutuality.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Association is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(a) Income Tax continued

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Interest revenue

Interest is recognised using the effective interest method.

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

Notes to the Financial Statements
For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(c) Revenue and other income continued

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Subscriptions, conferences and sponsorship

Revenue from the provision of membership subscriptions and sponsorship is recognised on a straight line basis over the financial year to which they relate. Conference and sponsorship revenue linked with an identifiable event is recognised on completion of the event.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(e) Property, Plant and Equipment continued

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Furniture, Fixtures and Fittings	2 to 6 years
Office Equipment	2 to 6 years
Office improvements	5 to 40 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Notes to the Financial Statements
For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(f) Financial Instruments continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Association's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Association's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Notes to the Financial Statements
For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(f) Financial instruments continued

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Association's available-for-sale financial assets include listed securities and its investments managed by Evans & Partners.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period consolidated statement of profit or loss and other comprehensive income statements resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. The Association's financial liabilities include trade and other payables (including finance lease liabilities) which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(g) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(h) Intangible Assets

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Trademarks have an indefinite life and are carried at cost less any accumulated amortisation and any impairment losses.

Software

Software (iMIS and website costs) has a finite life and is carried at cost less any accumulated amortisation and impairment losses.

Costs are capitalised when it is probable that future economic benefits will flow; the costs can be measured reliably; and the nature of the costs and stage of development of the system and website are consistent with capitalisation under Australian Accounting Standards and Interpretations. Capitalised costs are amortised once the system and website are operational, over the useful life of the asset, which is estimated to be short.

The effective life used for software and website intangible assets are 1 to 3 years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Termination benefits

Termination benefits are those benefits paid to an employee as a result of either the entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Termination benefits are recorded as a provision at the earlier of the following dates:

- When the entity can no longer withdraw the offer of those benefits; and
- When the entity recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits.

(k) Provisions

Provisions are recognised when the Association 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.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Notes to the Financial Statements

For the Year Ended 30 June 2015

3 Critical Accounting Estimates and Judgments continued

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Association has certain financial assets and liabilities which are measured at fair value. Where fair value is not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

SMSF Professionals' Association of Australia Limited

Notes to the Financial Statements

For the Year Ended 30 June 2015

4 Revenue and Other Income

Revenue from continuing operations

	2015	2014
	\$	\$
Membership revenue		
- Member subscriptions	1,835,449	1,680,034
Total membership revenue	1,835,449	1,680,034
Investment revenue		
- Interest revenue	66,941	76,270
- Fund distributions	97,050	16,526
Total investment revenue	163,991	92,796
Other revenue		
- Other mutual and non-mutual income	133,183	194,750
- Education programs	3,718,299	3,436,856
Total other revenue	4,015,473	3,724,402
Total Revenue	5,850,922	5,404,436
Other Comprehensive Income		
Fair value adjustment to available for sale assets	31,943	(4,561)
Total Other Comprehensive Income	31,943	(4,561)

5 Result for the Year

(a) Expenses included in Administration or Other expenses

	2015	2014
	\$	\$
Depreciation and Amortisation		
Property, plant and equipment	29,071	15,874
Computer software, other	63,566	144,678
Patents, trademarks and other rights	11,293	47,910
Total Depreciation and Amortisation	103,930	208,462
Rent	195,939	190,943
Marketing	567,243	316,080
Travel	147,698	135,564
Consulting and professional fees	44,066	165,042
IT Expenses	123,858	54,444

SMSF Professionals' Association of Australia Limited

Notes to the Financial Statements

For the Year Ended 30 June 2015

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2015 \$	2014 \$
Current tax expense		
Income tax - current period	28,964	(14,227)
Income tax expense for continuing operations	28,964	(14,227)
	28,964	(14,227)

(b) Reconciliation of income tax to accounting profit:
Prima facie tax payable / (benefit) on operating profit /
(loss) before income tax at 30% (2014: 30%)

Add:

Tax effect of:

- non-deductible items

- temporary differences

- income tax losses to be recognised in future periods

1,494 15,870

1,231,294 1,168,603

41,611 (10,227)

31,813 841

1,306,212 1,175,087

Less:

Tax effect of:

- items not assessable for tax

- permanent differences

1,278,639 1,191,361

(1,391) (2,047)

Income tax expense

28,964 (14,227)

7 Cash and cash equivalents

	2015 \$	2014 \$
Cash at bank and on hand	1,411,181	1,316,192
Deposits at call	1,178,907	1,136,854
	2,590,088	2,453,046

Notes to the Financial Statements

For the Year Ended 30 June 2015

8 Trade and other receivables

	2015	2014
	\$	\$
CURRENT		
Trade receivables	26,143	22,000
	<u>26,143</u>	<u>22,000</u>
Other receivables	10,473	34,963
	<u>10,473</u>	<u>34,963</u>
Total current trade and other receivables	<u>36,616</u>	<u>56,963</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

9 Other financial assets

	2015	2014
	\$	\$
CURRENT		
Available for sale financial assets	1,509,819	1,499,218

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities.

10 Property, plant and equipment

PLANT AND EQUIPMENT

	2015	2014
	\$	\$
Office equipment		
At cost	121,854	104,945
Accumulated depreciation	(81,123)	(53,725)
Total plant and equipment	<u>40,731</u>	<u>51,220</u>
Furniture, fixtures and fittings		
At cost	75,016	72,912
Accumulated depreciation	(37,070)	(35,418)
Total furniture, fixtures and fittings	<u>37,946</u>	<u>37,494</u>
Leasehold improvements		
At cost	4,648	4,648
Accumulated depreciation	(4,383)	(4,361)
Total improvements	<u>265</u>	<u>287</u>
Total plant and equipment	<u>78,942</u>	<u>89,001</u>

SMSF Professionals' Association of Australia Limited

Notes to the Financial Statements

For the Year Ended 30 June 2015

10 Property, plant and equipment continued

(a) Movements in Carrying Amounts

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

	Office Equipment \$	Furniture, Fixtures and Fittings \$	Leasehold Improvements \$	Total \$
Year ended 30 June 2015				
Balance at the beginning of year	51,220	37,494	287	89,001
Additions	16,909	2,104	-	19,013
Depreciation expense	(27,398)	(1,652)	(22)	(29,072)
Balance at the end of the year	40,731	37,946	265	78,942

11 Intangible Assets

	2015 \$	2014 \$
Patents, trademarks and other rights At Cost	22,052	11,293
Computer software and website At Cost	416,617	416,617
Accumulated amortisation and impairment	(353,082)	(289,516)
Net carrying value	63,535	127,101
Total Intangibles	85,587	138,394

(a) Movements in carrying amounts of intangible assets

	Patents, trademarks and other rights \$	Computer software and website \$	Total \$
Year ended 30 June 2015			
Balance at the beginning of the year	11,293	127,101	138,394
Additions	22,052	-	22,052
Amortisation	(11,293)	(63,566)	(74,859)
Closing value at 30 June 2015	22,052	63,535	85,587

SMSF Professionals' Association of Australia Limited

Notes to the Financial Statements

For the Year Ended 30 June 2015

12 Other assets

	2015	2014
	\$	\$
CURRENT		
Prepayments	98,949	35,702

13 Trade and other payables

	2015	2014
	\$	\$
CURRENT		
Trade payables	124,550	65,493
Other payables	318,964	329,866
	443,514	395,359

14 Deferred Income

	2015	2014
	\$	\$
Membership subscriptions	1,299,083	1,248,165
Sponsorship income	84,733	72,917
Events income	284,601	352,248
	1,668,417	1,673,330

15 Employee Benefits

	2015	2014
	\$	\$
Current liabilities		
Employee benefits	267,166	158,448
	267,166	158,448
Non-current liabilities		
Employee benefits	-	115,500

16 Leasing Commitments

(a) Operating leases

	2015	2014
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	184,212	136,500
- between one year and five years	184,212	273,000
	368,424	409,500

SMSF Professionals' Association of Australia Limited

Notes to the Financial Statements

For the Year Ended 30 June 2015

17 Fair Value Measurement

The Association measures the Financial Assets managed by Evans & Partners at fair value on a recurring basis.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by Association:

	Level 1	Level 2	Level 3	Total
30 June 2015	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Investments with Evans & Partners	1,509,819	-	-	1,509,819
30 June 2014	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Investments with Evans & Partners	1,499,218	-	-	1,499,218

Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Notes to the Financial Statements

For the Year Ended 30 June 2015

17 Fair Value Measurement continued

Net Fair Values continued

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

	2015		2014	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,590,088	2,590,088	2,453,046	2,453,046
Trade and other receivables	36,616	36,616	56,963	56,963
Available-for-sale financial assets:				
at fair value				
- listed investments	1,509,819	1,509,819	1,499,218	1,499,218
	<u>1,509,819</u>	<u>1,509,819</u>	<u>1,499,218</u>	<u>1,499,218</u>
Total financial assets	4,136,523	4,136,523	4,009,227	4,009,227
Financial liabilities				
Trade and other payables	124,550	124,550	65,493	65,493
Credit cards	13,457	13,457	24,995	24,995
Total financial liabilities	138,007	138,007	90,488	90,488

18 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of SMSF Professionals' Association of Australia Limited during the year are as follows:

	2015	2014
	\$	\$
Short-term employee benefits	1,262,356	1,149,281
Post-employment benefits	90,596	91,497
	<u>1,352,952</u>	<u>1,240,778</u>

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 19: Related Parties & Key Management Personnel.

SMSF Professionals' Association of Australia Limited

Notes to the Financial Statements

For the Year Ended 30 June 2015

19 Related Parties & Key Management Personnel

(a) The Association's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, including any director (whether executive or otherwise) of that Association are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel Disclosures.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

20 Cash Flow Information

(a) Reconciliation of cash

	2015	2014
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	2,590,088	2,453,046

Notes to the Financial Statements

For the Year Ended 30 June 2015

20 Cash Flow Information continued

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2015	2014
	\$	\$
Profit for the year	(7,960)	59,568
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	103,930	271,144
- write-off of non-current assets	-	14,772
- unrealised (gains)/losses on investments	(16,021)	4,561
- fund distributions received	(97,050)	(16,526)
- interest received	(66,942)	(76,271)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(42,900)	82,624
- (increase)/decrease in deferred tax receivable	28,964	(14,227)
- increase/(decrease) in trade and other payables	43,242	161,897
- increase/(decrease) in income taxes payable	54,293	(30,930)
- increase/(decrease) in employee benefits	(6,782)	29,039
Cashflow from operations	(7,226)	485,651

21 Contingencies

In the opinion of the Directors, the Association did not have any contingencies at 30 June 2015 (30 June 2014:None).

22 Events Occurring After the Reporting Date

The financial report was authorised for issue on 23 September 2015 by the Board of Directors.

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

SMSF Professionals' Association of Australia Limited

Directors' Declaration

The Directors of the Association declare that:

1. The financial statements and notes, as set out on pages 7 to 28, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Association.
2. In the Directors' opinion, there are reasonable grounds to believe that the Association 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.

Director 
Peter Ian Crump (Chairman)

Dated this 24th day of September 2015

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SMSF PROFESSIONALS' ASSOCIATION OF AUSTRALIA LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of SMSF Professionals' Association of Australia Limited. This comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

Directors' Responsibility for Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 have 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 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 entity's preparation of the financial report that gives a true and fair view 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 entity'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 Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of SMSF Professionals' Association of Australia Limited, would be in the same terms if given to the directors as at the time of the auditor's report.

Opinion

In our opinion the financial report of SMSF Professionals' Association of Australia Limited is in accordance with the Corporations Act 2001, including:

- + giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- + complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.30


ACCRU⁺ HARRIS ORCHARD


**BEN WILLINGTON
DIRECTOR**

Signed at Dulwich this 25th day of September 2015.

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