SMSF
Association

Annual Report 2022

SMSF
ASSOCIATION

Registered office

SMSF Association
Level 3, 70 Pirie Street
Adelaide SA 5000

P: 08 8205 1900
F: 08 8212 5993

smsfassociation.com
smsfconnect.com

Auditor

Nexia Edwards Marshall
Level 3, 150 Flinders Street
Adelaide SA 5000

Bankers

Westpac Banking Corporation

SMSFassoc
SMSFassoc
smsf-association
smsfassociation

Contents

Chair Report

That old Chinese saying (or is it a curse), "may you live in interesting times", came to mind in preparing my first report to members. Since my appointment to the Chair in February, we have had ongoing challenges with COVID-19 (switching the National Conference from February to April was my baptism of fire), a change of government in Canberra, an unstable geopolitical environment with the war in Ukraine affecting global food supplies and energy prices, inflationary pressures, and volatile investment markets.

Globally, central banks have responded to the inflation spike by increasing interest rates for the first time in many years at a pace rarely seen before. Investment markets reacted adversely, leading to negative returns across most asset classes in 2021-22 following strong returns the previous year. The last quarter of 2021-22 was particularly challenging.

For the SMSF sector, there was a silver lining in higher interest rates. SMSF members began to enjoy slightly improved returns on their cash and term deposits (at 31 March 2022 they stood at 17.2% of net SMSF assets of $855 billion) even as tighter monetary policy hurt their other investments. So, not unsurprisingly, APRA's Quarterly Superannuation Performance figures for the June 2022 quarter showed SMSF assets grew 3% to $868.7 billion – the only superannuation sector to increase assets under management.

SMSFs have traditionally held relatively high allocations to cash and term deposits and the returns from these asset classes can be expected to improve over the next few years compared with recent years when interest rates were close to zero. That said, inflation is likely to remain higher too.

It all adds up to a difficult investment environment for SMSFs to navigate. At such times, the value of specialist SMSF advice becomes more evident, and we can expect the demand for such advice to increase – at the very time the number of advisers is falling. Fortunately, the problem of declining numbers is ameliorated, to some degree, by the fact the quality of SMSF advice remains high.

The current investment challenges highlight the importance of the Quality of Advice Review. In our view it presents an enormous opportunity to improve the regulatory framework for providing financial advice. We're working diligently with other associations to highlight our key concerns and suggest improvements to the proposed framework. One thing is certain – the Review has reinforced the need for Australians to be able to access quality specialist SMSF advice to reach their retirement goals.

Despite volatile markets and regulatory changes, the SMSF sector remains strong, demonstrating, once again it can adapt to a changing landscape. ATO figures show there is a new generation of SMSFs emerging, with the average age of establishments falling. This is a promising trend for two key reasons. It shows an increasing number of younger Australians want to take direct control of their retirement savings and, by doing so, will continue to underpin a robust SMSF sector.

Before commenting on some Association matters, let me first congratulate Prime Minister Anthony Albanese on his election success in May. We look forward to working with the Government and the relevant Ministers. In this vein we were pleased that the Assistant Treasurer and Minister for Financial Services, Stephen Jones, confirmed the terms of reference and timing of the Quality of Advice Review.

In January, Geoff Rooney, Partner, BDO, was appointed to the Board. He has been an invaluable addition with his accounting and auditing background as well as his involvement in risk management and governance reviews, including risk culture assessments.

At the Technical Summit in July, we announced the appointment of Peter Burgess (currently Deputy CEO/ Director of Policy & Education) as CEO, effective March 2023. In handing the baton to Peter we express a huge thank you to John Maroney.

> Since John's appointment in May 2017, he has had the onerous responsibility of guiding the Association and its members through turbulent times, particularly a dynamic regulatory environment and the pandemic.

I know I speak for the Board and all members when I say John has performed admirably in very difficult circumstances, and that the strong position in which we find ourselves, is, in no small part, due to his leadership. We wish John all the best in his future endeavours. Peter, now in his second stint at the Association, needs no introduction to members. We have complete confidence he is the ideal person to take the Association forward.

Finally, on behalf of the Board, I want to thank all the committees and valued members for their ongoing and unwavering support. It is something we greatly value.

Scott Hay-Bartlem
Chair | SMSF Association

CEO Report

As the SMSF Association approaches its 20-year anniversary in 2023, it is rightly recognised as the pre-eminent organisation in the SMSF sector by government, policymakers, regulators, educators, and the industry. We have also been a driving force in building collaboration across the financial sector.

It should not surprise our members that we have achieved this position. Our industry events, research, educational pathways, and effective representation to government and regulators on issues germane to our superannuation sector are all testimony to the Association's achievements.

Major events have always been a critical part of the Association's DNA. Just how critical was clearly demonstrated this year when we were able to transition from entirely virtual events back to being in-person with a hugely successful National Conference in Adelaide in April to be followed by our inaugural Technical Summit on the Gold Coast in July.

The latter event, while on a smaller scale to the National Conference, elicited a positive response from those attending, especially the focus on the Quality of Advice Review and the latest regulatory and practice developments. Michelle Levy, who is heading the Review, offered valuable insights into her thinking during the *Quality of Advice: a new horizon* panel session on possible regulatory improvements.

> Virtual events were a necessity due to COVID. And they worked well.

However, as we discovered, they are a poor substitute for an in-person event, with the overwhelming feedback from delegates, presenters, and sponsors being that they are thrilled to be back together, relishing the opportunity to learn, network, and socialise.

On the research front, we collaborated with the University of Adelaide's International Centre for Financial Services to publish the report, titled *Understanding self-managed super fund performance*, in February. In his report to members, Peter Burgess elaborates on this research, which demonstrates that once the fund balance of a typical SMSF exceeds $200,000, the investment returns are comparable with those of APRA-regulated superannuation funds.

Our educational partnerships with Kaplan Professional and Deakin University continue to reinforce our mantra that SMSF advice must be underpinned by specialist education. Under this agreement with the two institutions, it allows students to complete the SMSF Specialist Advisor (SSA®) designation as an elective unit in their respective Master of Financial Planning degrees. Students successfully completing this elective may be eligible to have their SMSF Association membership upgraded to Specialist Member status.

The success in the modularisation of the SSA® courses has prompted the same approach with our SMSF Specialist Auditor (SSAud®) courses. We will continue to offer flexible learning opportunities for our members to ensure they have every opportunity to gain these well-regarded designations. In a similar vein, we appreciate the ongoing support of our volunteers to help us provide ongoing CPD opportunities and other resources tailored to professional development to all our members.

COVID is slowly receding. Although it remains a health threat, as a society we are learning to cope with it much better. Nevertheless, as we all remember, the pandemic posed a myriad of challenges over the past two years and continues to do so.

I believe your Association responded well to those challenges, and, from all the anecdotal evidence I have heard, so too did our members by supporting their clients through these troubled times.

> For my part, I want to thank our staff for their amazing commitment during COVID, with a special mention to our events team for delivering two major in-person events in the past year and many virtual events during the past two years.

As you would know, my tenure as CEO ends on 28 February. It has been an absolute pleasure to be CEO of the Association for the past five years, weathering the storms of regulatory change and COVID while making our way back to hosting major industry events.

I am immensely proud of my time spent with the Association, which I leave in excellent hands with Peter Burgess's appointment as the next CEO.

I am certain the members will welcome his appointment as Peter is both fully committed to the SMSF sector and understands the issues members face in running their businesses.

Finally, I wish to thank the Board, committees, staff members and volunteers who have given me nothing but total support during my time at the Association. Any success we have enjoyed over the past five years is because of the collaborative approach of all involved – a hallmark of this Association over the past 19 years.

John L Maroney

John Maroney
CEO | SMSF Association

Strategic Objectives

The SMSF Association Strategic Plan, established on 1 July 2019, outlines our commitment to our core focus of:

Leading the Sector

The premier SMSF voice with Government, Regulators, policy makers and media to ensure a healthy and sustainable sector.

Quality Professionals

SMSF Specialists who provide appropriate, accurate and timely advice and support services to SMSF trustees.

Engaged Trustees

Who receive relevant, accurate and timely information and resources to help them achieve quality of life in retirement.

Our Foundations

- People and Culture: a skilled, engaged and passionate workforce
- Technology, Systems and Data: robust and efficient systems
- Financial Capacity: create and maintain the financial capacity to pursue goals and objectives
- Partnerships: grow and maintain strong commercial Strategic Partnerships while maintaining independence

Key projects completed under the Strategic Plan in 2022:

- Presented a hugely successful hybrid National Conference in April. Over 1000 in-person delegates attended the Convention Centre in Adelaide, while 300+ attended virtually. This included achieving an overall delegate satisfaction score of 91% – the highest ever.
- Achieved previous financial year target of increasing Specialist accreditation program enrolments by 30%.
- Made key sector advocacy developments, particularly as part of our Quality of Advice Review Submissions.
- Published our national 'Understanding SMSF performance' research in conjunction with the University of Adelaide, which establishes a new threshold at which an SMSF becomes competitive with APRA regulated funds, and shows for suitable individuals, an SMSF can be a viable option for individuals with lower superannuation balances than previously thought.
- Delivered a successful in-person Technical Summit on the Gold Coast in July.
- Additional guides released under our Specialist Showcase Series which was launched in 2021; as part of our work to continue delivering more benefits for our Specialist Members.

Our key projects and targets for 2023:

- Deliver another successful hybrid National Conference in Melbourne during February 2023, combining face-to-face with a virtual, online experience.
- Continue to deliver more technical content tailored to SMSF Specialists and increase member-only benefits.
- Promote strong uptake of SMSF electives available via Kaplan Professional and Deakin University Master of Financial Planning degrees.
- Grow new professional members by 30% and grow the number of individuals entering our Specialist accreditation programs by 15%.
- Continue to develop relevant strategic partnerships to deliver on our core objectives and overarching Strategic Plan.

SMSF Association
5 year Strategic Plan

VISION

To enable Australians to take greater control of their own destiny through a sustainable SMSF community

FOCUS AREAS

Leading the Sector	Quality Professionals	Engaged Trustees

STRATEGIC GOALS

Leading the Sector	Quality Professionals	Engaged Trustees
Premier SMSF voice with Govt, Regulators, policymakers and media	A community for likeminded and trusted professionals	A trusted SMSF community
	Grow and maintain your knowledge	
Ensure a healthy and sustainable sector	SMSF technical tools	Be reliably informed

FOUNDATIONS

- People & Culture
- Technology, Systems & Data
- Financial Capacity
- Partnerships

What do we do for our Members?

Lead the Sector

- Premier voice with Government, regulators, policymakers and media.
- Promote a healthy and sustainable sector.
- Demonstrate adaptive strategic planning as the external environment changes.
- Uphold specialisation and consumer confidence around quality of advice.
- Identify opportunities to shape the SMSF ecosystem.
- Engage stakeholders to work collaboratively to influence change.

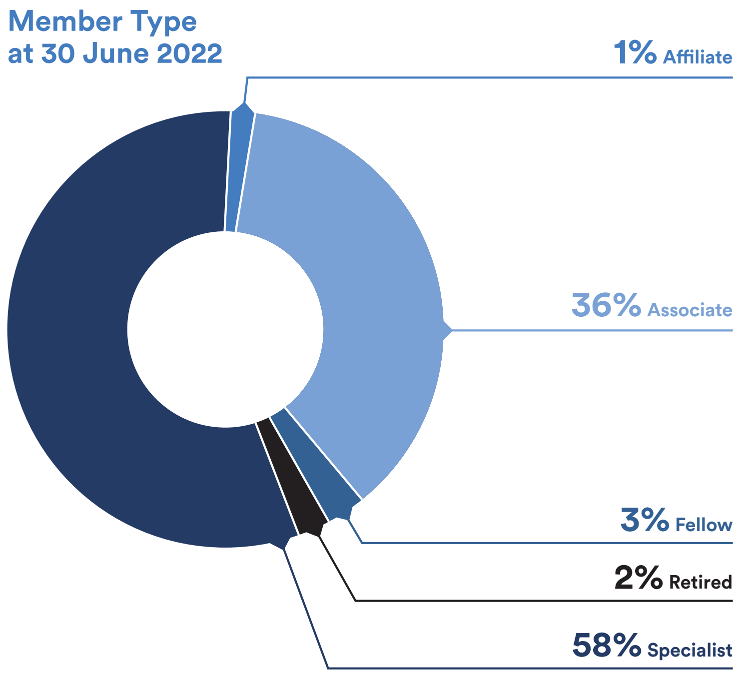
Grow Expertise

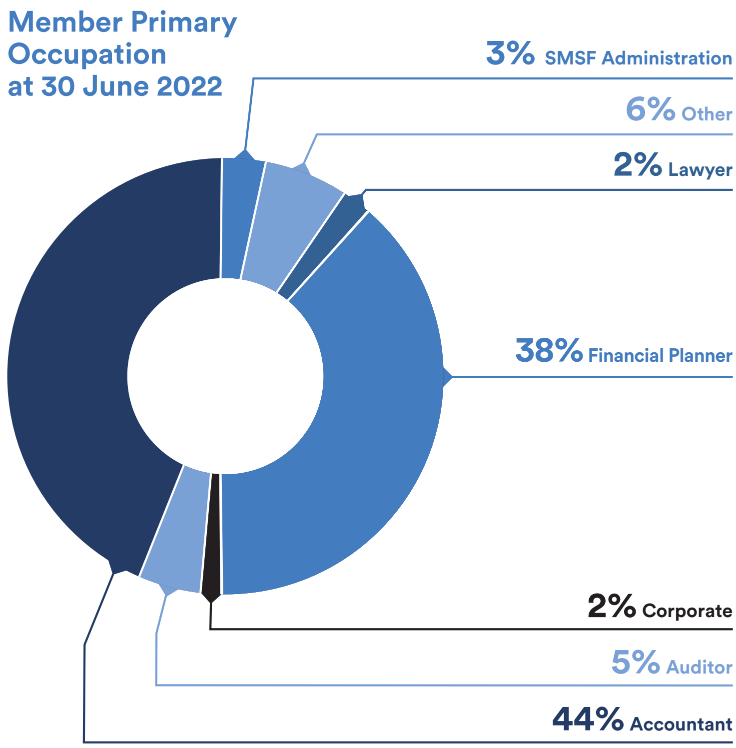
- Ongoing improvement of the knowledge of SMSF professionals (and trustees).
- Grow and maintain a high standard of knowledge (deliver quality events & CPD content).
- Build a credible and vibrant SMSF sector of like-minded professionals.
- Protect, enhance and promote the Specialist designations (SSA® and SSAud®).
- Promote a culture of continuous learning with mentoring and scholarship initiatives.

Foster Connections

- Foster and build communities for members to engage and belong to.
- Develop networking opportunities for Specialists to connect and work collaboratively.
- Grow membership of engaged, passionate and loyal members.
- Strengthen brand engagement.

Quality Professionals





SMSF Association Specialist Members are recognised as being at the peak of their profession throughout the sector. Our members receive a range of different benefits depending on their membership type. Fellow, Specialist & Associate Members have access to our Resource Library which houses a range of Go-To-Guides, White Label Documents and Technical articles.

Our SMSF Specialist Toolbox is an extension of our previously released Specialist Showcase Series, which contains a selection of assets and guides to assist members in showcasing their Specialist designation, to peers and prospective clients alike.

> We are committed to providing all of our valued Members with benefits that support them professionally.

In the past year, based on feedback in our 2021 Member Survey, we implemented:

- The modularisation of the SMSF Specialist Auditor (SSAud®) program to provide a flexible and revitalised approach to gaining the SSAud® designation.
- The revitalised and refreshed SMSF Knowledge Compass, an online diagnostic tool to assist SMSF professionals in determining their professional development requirements.
- An expanded and improved Technical Research Service to better support members.

Disciplinary actions against SMSF Association members failing to uphold professional standards

The SMSF Association is a self-regulating professional Association whose members voluntarily agree to be bound by various professional, ethical and technical standards at all times, as part of their ongoing membership.

In order to uphold the level of professional conduct that we require of all of our members, we keep up-to-date records of complaints and the action taken by the Association, as determined by our Professional Standards Committee. These Conduct and Disciplinary Procedures are the expected minimum requirements of all of our professional members.

Nature of Complaint	2021/2022	2020/2021
Criminal conviction		
Statutory offence bringing discredit to member, association or profession	1	1
Failure to observe proper standard of professional care, skill and competence	2	1
Breach of Association Code of Conduct and Rules	8	7
Breach of Association Branding policy		

Action taken by the SMSF Association	2021/2022	2020/2021
Cancellation of Membership	8	3
Suspension of Specialist designation or Membership for a defined period	2	5
Reprimand		
Practice review		
No action required		1
Investigation ongoing	1	

Fellow Members

SMSF Association Fellow Member status recognises Specialist Members for both their significant commitment and contribution to the SMSF Association and SMSF sector at large, over a number of years.

Fellow Member status also highlights the extensive Specialist SMSF knowledge and expertise Fellow Members have as practitioners. We are proud of the wide range of professional backgrounds and roles that our Fellow Members come from across the SMSF sector.

It's Fellow Members' voluntary commitment to ongoing professional development and continuous learning that sets them apart and positions them as industry leaders. SMSF Association Fellow Members have been able to demonstrate key leadership capabilities in the SMSF, superannuation and financial services industry, as evidenced by their work and employment responsibilities. They have also played an active and key role in shaping the profession and wider SMSF sector for future generations.

Being acknowledged as an SMSF Association Fellow Member is a significant milestone that embodies our core beliefs to lead the professionalism, integrity, and sustainability of the SMSF sector while enabling all Australians to take greater control of their financial future through a sustainable SMSF community.

Congratulations to our newest Fellow Members!

Stephen Bourke FSSA
Stephen Degiovanni FSSA
Tino Di Battista FSSA
Andrew Hamilton FSSA
Wayne Lear FSSA
Olivia Maragna FSSA
Tracey Scotchbrook FSSA
Susie Thearle FSSA , FSSAud
Anna Wong FSSA

Fellow
SMSF Association
Specialist

> "Being a Fellow is a milestone in my career. Becoming a Specialist put me at the forefront of my industry – I wanted to have the best possible qualifications that I could. The dual accreditation made me not only stand out from my peers, but stand up to be a thought leader in the industry, invest in myself and education to make me better at what I do to service my clients."

Jo Hurley, FSSA™, FSSAud™
General Manager – Growth, Class

Recently accredited SMSF Association Specialists

SMSF Specialist Advisor (SSA®)

Mario Andrado
Shaun Backhaus
Sonali Bhatia
Tim Bower
Jennifer Brookhouse
Ainslie Brown
Sara Bryant
Chris Buckley
Mark Cadiao
Andrew Carozza
Peter Carter
Sharon Carter
Dean Cartwright
Michelle Chaffey
Raymond Chen
Jo-anne Davis
Matt Dawson
Michael Degtyar
Dean Doctor
Michael Driessen
Lily Duan
Clint Ducat
Amber Dundon
Belinda Eldridge
Edward Eyles
William Fettes
Elijah Fieg
Francis Filler
Seigo Fukuyama
Karthik Ganapathy Sivashanmugham
Jamie Gibson
Alexander Gillespie
Sarah Glendinning
Morgana Gore
Li Guo
Ella Guzman
Tawfiq Hassan
Brigitta Hembrow-Gersey
Matthew Henry
Alexander Herbert
Michelle Higgerson
Yasser Jaunbocus
Romulae Jr Gadaoni
James Kang
John Khamis
Chanphirum Kouy
Robert Kruit
Peggy (Bi-Chun) Liang
Heliang Liu
Diem Ly
Moiz Mandani
Charity Mannar
Tim Manwaring
Ryan McGrath
Stuart McKenzie
Matthew Morrow
Jessica Nesbitt
Hai Nguyen
Joel Nicol
Lionel O'Mally
Rebecca Orchard
Anthony Paige
Lisa Philip
Bernadet Prihadi
Darshik Raman
James Randall
Damian Reed
Grant Robinette
Hamish Rogers
Benjamin Sayers
Toni Scott
Zhe Shi
Qin Shu
Nurchia Sim
Craig Stone
Ryan Sullivan
Glenn Swane
Matthew Timms
Ya Wang
Stuart Webster
Harrison Weld
Andrew Williams
Karen (Jingwei) Zhao
Weiwei Zhuang

SMSF Specialist Auditor (SSAud®)

Samuel Arnott
Julie Barton
Sunil Chawla
Renee Cousins
Michael Harvey
Umesh Manek
Narelle McLean
Shane Morgan
Lacey Nicholson

Congratulations to all SMSF Association members who have completed their Specialist accreditation with us over the past year!

Top SSA® Achiever

Bernadet Prihadi

Top SSAud® Achiever

Kristine Go

15 Year Membership Milestones

Congratulations to the following SMSF Association members who are celebrating their 15 year membership milestone during 2022.

We thank these members in particular for their ongoing and unwavering support of the SMSF Association and the wider sector over many years.

Matthew Allan
Nicholas Ali SSA
Thomas Almond SSA
Ryan Ansell SSA
Mari Ashted SSA
Ian Baker
Shelley Banton SSA, SSAud
David Baruffi SSA
David Baumgartner
Paul Begley SSA
Warren Blackman SSA
Tony Borg SSA
Derek Bouman SSA
Chemere Brown SSA
Andrew Buchan SSA
Leanne Bull SSA
Damien Burke
David Burrows SSAud
Di Caldwell-Smith
Christopher Campbell SSA
Jonathan Carswell SSA
Larry Cavallo SSA
Karen Conlon SSA
Peter Connolly SSA
Adrienne Costello SSA
Peter Cottell
Richard Cousins SSA
Jo-anne Davis SSA
Vito Di Gregorio SSA
Kornel Domonji SSA
Brad Eppingstall SSA
Darryn Fellowes SSA
Katrina Fletcher SSA, SSAud
Peter Fowler SSA
Ian Fox SSA
Robert Fuss
Alistair Galbraith SSA
James Garnsey SSA
Con Gotsis SSA, SSAud
Damian Grech SSA
Brett Hansen SSA
Samantha Harrison
Ben Hatcher SSA
Scott Hay-Bartlem SSA
Phillip Henderson
Stuart Hollman SSA
Anne-Marie Humphries SSA
Marian Inverarity SSA
Darren Johns SSA
Rakesh Joshi SSA
David Kelsey SSA
Hercules Koustas
David Laanemaa
Vaughan Liddelow
Bruce Lundstrom
Catherine Maguire SSA
Russell Mann
Christopher Marrinan
Brad Martyn SSA
Robert Marzol SSA
Chris McKnight SSA
Jason McLaren SSA
Craig Meldrum SSA
Michael Mercurio SSA
Tim Miller SSA
Gary Mitchell
Harry Moustakas SSA
Raj Muker
Lynette Newman
Richard Nicholls SSA
Renae Nicholson SSA
Katerina Nicolakopoulos SSA
Stephen Noble SSA, SSAud
Simon Nuttall SSA
Graeme Obst SSA
Denis O'Callaghan
Lisa Papachristoforos SSA
Anthony Pearson SSA
Noelia Pinto SSA
Paul Rafton SSA
Peter Roan SSA
David Robson SSA
Mark Rogerson SSA
Peter Ryan SSA
Stephanie Sankey
Ross Schoeffel
Stefanie Seco SSA
Tony Seymour
Paul Sharkey
Richard Smith SSA, SSAud
Ben Smythe SSA
Darryn Snooks SSA
Brian Sully
Neil Sutcliffe SSA
Myles Thornton SSA
Leanne Walker SSA, SSAud
Dirk Werner SSA
Peter Whitehead SSAud
Christine Whybrow
Linda Wilson SSA
Tina Wilson SSA

Education Pathways

As leaders in developing SMSF expertise and knowledge, our core focus is to raise the standard of advice provided by all SMSF professionals to better enable trustees to make informed decisions for their retirement. This culminates in the SMSF Association's independently awarded SMSF designation.

Accredited SMSF Association Specialists are independently recognised for their SMSF expertise and knowledge. The Specialist designation is the cornerstone of everything the SMSF Association stands for.

Accredited SMSF Association Specialist

Associate Membership

With Associate membership, you can achieve the coveted SMSF Specialist Advisor (SSA®) or SMSF Specialist Auditor (SSAud®) designation through successful completion of all the relevant SMSF Modules and examination.

Affiliate Membership

Affiliate membership is an ideal stepping stone for SMSF practitioners who are new to the industry, or other professionals who have an interest in the SMSF sector.

Other Pathways

The SMSF Association is thrilled to be partnering with Kaplan Professional and Deakin University to further enhance education standards and professionalism in the SMSF sector.

The SMSF Regulations and Taxation unit developed by the SMSF Association for its SSA® accreditation program, is now available as an elective unit in Kaplan Professional's Master of Financial Planning. Holders of the SSA® designation, who successfully complete the SMSF Association's 2,000 word assignment, are also eligible for a one elective unit credit towards Deakin University's Master of Financial Planning.

Leading the Sector

It has been an active – and demanding – year on the policy front for your Association in 2022, with the Quality of Advice Review the most critical to the future of our members, their clients, and our superannuation sector. With this Review we have the potential to restructure the advice industry in a way that puts the customer at the epicentre, and we have devoted much time and effort to achieve this end.

We have urged the Review to "set in stone" the need for specialist training for those advising the more than 1.1 million SMSF members. In our detailed submission, we recommended that professionals providing SMSF advice should be required to have completed specialist education – in line with the Productivity Commission's 2018 Superannuation report, FASEA's Financial Planners & Advisers Code of Ethics 2019 Guide and ASIC's Report 575.

The Association supported the freeze on the ASIC levy on advisers that applied until June 2022 and urges the Federal Government to continue it until the Review has concluded. The Review process has also allowed us to deepen our relationships with like-minded organisations as we work towards the common goal of having a consumer-focused advice industry not burdened with excessive regulation.

The sector's transition to the new SuperStream standards for SMSF rollovers, which were introduced in October 2021, has presented some challenges for the sector. The Association continues to meet regularly with the Australian Taxation Office and key service providers to the APRA-regulated super sector to discuss and resolve issues which may prevent funds being transferred between our respective sectors in an efficient manner.

The Association remains confident that the introduction of these new SuperStream standards will ultimately enable SMSF rollovers to be processed faster, more efficiently and with fewer errors.

The Federal Budget is typically a newsworthy event for the Association. Not so this year. While Policy Manager Tracey Scotchbrook attended the 2022-23 Budget lock-up in Canberra in April and provided a timely summary of the budget, it was a quiet night for SMSFs.

Sometimes no news is good news!

The NALE rules have much broader implications for the superannuation sector than was originally intended. In some circumstances, all the fund's income could be taxed at 45%. The former Government had announced plans to amend the NALE rules to ensure they operated as intended, an announcement we welcomed. We look forward to a bipartisan approach to this issue to ensure the rules work as intended.

The *Understanding self-managed super fund performance* research report explored the relationship between fund size and investment performance. Historically, comparisons between SMSFs and APRA funds have been difficult to make due to the different formulas applied to measure their performance and the different methods used to calculate the data.

This study overcame many of these differences by using SMSF financial statement data (rather than data from SMSF annual returns) and a calculation methodology that is directly comparable with the way APRA funds returns are calculated.

It provides a more realistic picture of the minimum capital required for an SMSF to achieve comparable investment returns with much larger funds, and how a diversified asset allocation can contribute to overall performance.

> Although SMSFs are not for everyone, this research is good news for individuals wanting more control over how their super savings are managed and invested.

For individuals who have the time and expertise to manage their own super fund, this research suggests SMSFs with balances of $200,000 or more can achieve comparable investment returns with much larger funds. When coupled with research by the actuarial firm Rice Warner in late 2020, which found SMSFs with balances of $200,000 or more were cost effective compared with APRA-regulated funds, it mounts a compelling argument for the competitiveness of SMSFs.

Let me conclude on a personal note. As you would know, I have been appointed CEO of our Association, taking over in March 2023. First, let me thank John, who has been a steady hand at the tiller for the past five years. Aside from all the regulatory and policy issues, he has had to deal with COVID. That the organisation is in such good shape today is largely due to him.

Second, I am indeed humbled by the number of members who have congratulated me on my appointment. Let me say I am fully committed to our superannuation sector and the Association, and I am confident we can continue growing both as we enter our third decade since our founding in 2003.

Peter Burgess
Deputy CEO /
Director of Policy & Education

Foundations

Financial Capacity: creating and maintaining the financial capacity to pursue goals and objectives.

Financial Results for 2022

A planned loss of:

$380,218

Compared to $55,296 surplus in 2021.

Revenue

$5.1M

Compared to $4.73 million in 2021.

Operating Expenses

$5.48M

Compared to $4.67 million in 2021.

People and Culture: a skilled, engaged and passionate workforce

We continue to promote an inclusive and supportive working environment spread across two offices in Adelaide and Sydney, as well as some staff members working remotely across Australia.

In the latest SMSF Association staff survey, 100% of staff agree communication between offices is good, 88% are satisfied with their role and a majority feel supported to balance their work and life responsibilities effectively.

Technology, Systems and Data: robust and efficient systems

We are continually looking at ways to reinvest in the SMSF Association and SMSF Connect websites to ensure a seamless, engaging and efficient experience for our valued members. During 2022 we continued to roll out enhancements to our respective websites. These centered around making the event registration process a more streamlined experience. From our recent Member Survey, 79% of our members rated the SMSF Association website as good and/or excellent.

Partnerships: grow and maintain strong commercial Strategic Partnerships while maintaining independence

The SMSF Association continues to maintain strong relationships with Regulators and Government. We work together with the Australian Taxation Office (ATO) to deliver timely updates and additional CPD hours through our 'In conversation with the ATO' series and blog updates as part of our Statement of Intent.

We also work with a wide variety of key stakeholders across the SMSF and superannuation industries to ensure the ongoing vibrancy and health of the sector. These include the SMSF Association Accredited Educators, other peak industry bodies, our loyal sponsors and a range of other corporates and key influencers.

We thank all of our industry partners, members and sponsors for their incredible support over the last couple of years of upheaval and uncertainty in the community.

Our Board, Association and Advisory Committees

The SMSF Association has a number of Board and Association Committees which support the management and administration of the Association. We appreciate the contribution and assistance of each committee member to achieve our objectives.

Board Committees

Finance, Risk and Audit Committee

Michael Houlihan – Chair
Geoff Rooney
John Maroney
Peter Burgess
Joshua Geers
Cassandra De Conno

Governance, Nomination and Remuneration Committee

Robyn FitzRoy – Chair
Scott Hay-Bartlem
Dr Deborah Ralston
Bryan Ashenden
John Maroney

Public Policy Committee

Dr Deborah Ralston – Chair
Hon. Bernie Ripoll
Bryan Ashenden
Robin Bowerman
Jeremy Cooper
John Maroney
Peter Burgess
Tracey Scotchbrook

Association and Advisory Committees

National Membership Committee

Liam Shorte – Chair
Michael Houlihan
Megan Kelly
Con Gotsis
Doug McBirnie
Katrina Hancock
Julie Steed
Brooke Hepburn-Rogers
Vivi Chen
Craig Montgomery

National Conference Program Committee

Peter Burgess – Chair
Mary Simmons
Mark Ellem
Daniel Butler
Julie Steed
Belinda Aisbett
Shelley Banton
Scott Hay-Bartlem
Peter Crump

Professional Standards Committee

Tracey Scotchbrook – Chair
David Saul
Fiona Hinrichsen
Nathan Baker
Craig Montgomery

Corporate Governance Statement

The SMSF Association Ltd follows the AICD Not-For-Profit Governance Principles promoting good governance for Not-for-Profit Organisations.

1. Purpose and Strategy

The Board determines the purpose and strategy of the Association which is monitored on a regular basis. The Association's Vision, Mission and Strategic Plans are set for a period of five years and are reviewed at least annually by the Board and executive team. As part of the Board's decision-making process consideration is given to the impact and alignment with the Association's strategy. The Association's vision, mission and beliefs are made available via the Association's website.

2. Roles and Responsibilities

The Board of Directors is the principal body responsible for the corporate governance of the Association and has primary oversight of its performance and the development and approval of long-term strategy.

The Board has a management framework, risk management process and system of controls and established ethical standards. The Board is responsible for:

- Determining and reviewing the Association's short and long-term strategies
- Approval of budgets
- Appointment and evaluation of the CEO
- Risk oversight
- Integrity in financial reporting
- Monitoring of the activities and reputation of the Association

In accordance with the Association's delegation authorities, the Board has delegated to the CEO responsibility for the day-to-day management of the Association. The detailed delegations are reviewed regularly and are also reviewed by the Board.

3. Board Composition

The Board is comprised of up to nine non-executive Directors who are appointed to three-year terms. Directors may seek re-election for a maximum of two additional terms. The CEO is invited to attend Board meetings as an observer and has speaking rights. This ensures that the decisions of the Board and the background to decisions are clearly communicated to the Executive team.

The Governance, Nomination and Remuneration Committee (GNRC) meets regularly to review the Board's composition and uses a skills matrix to review the needs and skills of the Board and any potential nominations for new Directors.

The Board is committed to an inclusive, diverse culture in the belief that this approach will enhance an egalitarian culture and improve overall governance. As part of the consideration of potential directors the committee looks for continuity of expertise, broad experience, representation across regions and different sectors, demographic, cognitive, and skills diversity within the Board.

3. Board Composition (continued)

The Association adopts two approaches to fill vacant director positions; an Expression of Interest process is conducted within the membership to ensure that members with appropriate skill sets are represented at a Board level; direct appointment using a fit-for-purpose approach is also adopted to ensure the selection of the most appropriate skillsets within the Association's resource constraints where a specific skill requirement exists.

The GNRC must include at least two Board nominated independent non-executive Directors, and the Board may appoint one or more external non-Board members provided they have suitable qualifications and experience.

All new Directors receive a comprehensive induction program including information outlining their duties and responsibilities as directors. Further education is provided to the Board through internal and external presentations and strategic presentations with the senior executive.

Board members are approved at the Annual General Meeting following their appointment.

4. Board Effectiveness

The Board meets a minimum of five times each calendar year and undertakes annual Board performance reviews. The Board also reviews its effectiveness at the conclusion of each Board meeting and follows up recommendations for improvement. Where required circular resolutions may be used to ensure decisions are made in an effective and timely manner.

To maximise Board effectiveness, some of the detailed work of the Board is considered by a number of Board committees. Each committee has clear terms of reference and major issues and action items are tabled at each Board meeting.

Minutes and action items are taken by the minute secretary and approved as an accurate record of the meeting at the subsequent meeting.

5. Risk Management

The Board has an established risk management framework to recognise and manage risk including risk culture. The Board is responsible for the setting of the Association's risk appetite, risk monitoring and oversight of risk. This is reviewed regularly by the Board as part of the monitoring of the Association's strategy.

Risk management is shared across all levels of the Association. The executive team identifies, assesses, monitors and manages current and emerging risks using the risk framework. This is reviewed regularly by the Finance, Risk and Audit Committee and at Board meetings.

6. Performance

Organisational performance is assessed against several financial and non-financial performance indicators that are determined as part of the strategic planning process. To ensure a balanced approach to performance management these are categorised against the Focus areas within the strategic plan and the foundations of the Association, being, People and Culture, Partnerships, Technology, Systems & Data and Financial Capacity.

The Board approves an annual budget for the Association which the Finance, Risk and Audit Committee regularly reviews against actual performance and provides reports to the Board.

Remuneration for the CEO is recommended by the Governance, Nomination and Remuneration Committee which assists the Board in its duties relating to remuneration, CEO performance review and remuneration policy and strategy.

Remuneration of the CEO is regularly reviewed to ensure it is in line with relevant market rates, expectations of members and based on the independent advice received by the Governance, Nomination and Remuneration Committee.

The CEO is eligible for a bonus payment subject to Board approval against a range of agreed performance indicators including the overall performance of the Association and key targets reflecting strategic objectives.

7. Accountability and Transparency

All the key documents outlining the governance of the Association and its expectations of members are available on the Associations website or via Membership Services. The Board regularly communicates to the membership on any relevant outcomes of Board meetings and regularly consults with the Membership Committee on decisions or issues impacting on the Membership.

Remuneration for the Board is recommended by the Governance, Nomination and Remuneration Committee. Any changes to Board remuneration are subject to approval at the AGM in accordance with the Constitution.

The Board's Finance, Risk and Audit Committee is responsible for assisting the Board in ensuring integrity in the Association's financial reporting. Committee members must include two independent non-executive Directors who have an appropriate level of financial literacy. The Board may appoint additional non-Board members provided they have suitable qualifications and experience.

All financial reports that are provided to the Board are reviewed by the Finance, Risk and Audit Committee for integrity and completeness.

The Association engages an external Auditor whose performance is reviewed on an annual basis.

8. Stakeholder Engagement

As part of the annual strategic planning process, the Association identifies its key stakeholders. Active engagement plans are developed for each category to maximise communication and build relationships.

9. Conduct and compliance

Board policy requires that if there is, or could be, a conflict of interest for Directors the relevant Directors do not participate in those discussions or vote on that issue and also absent themselves from the meeting room when those discussions are held. The policy provides for a register of interests and Directors are required to notify of any changes to conflicts of interest as a standing item at each Board meeting.

The Board delegates authority to the Professional Standards Committee to manage the process and investigate any complaints of misconduct or other compliance issues involving the Association's members. Complaints relating to the Association's corporate governance, operational procedures and accountability or services offered are dealt with by the CEO and/or the Governance, Nomination and Remuneration Committee.

10. Culture

The Board through the strategic planning process has developed and oversees a set of clear values that align with the strategy and the culture of the Association. The Association conducts twice yearly surveys of staff to monitor the culture as well as a six-monthly performance management cycle.

The Association has an annual salary review process for all staff. The remuneration framework is in line with market rates and is linked to the delivery of key performance measures. Review of remuneration is conducted on an annual basis against industry benchmarks to ensure it is in line with market expectations.

Our Directors

Scott Hay-Bartlem

- Chair
- Member of the Governance, Nomination and Remuneration Committee
- Member of the National Conference Committee

Qualifications
Diploma of Superannuation Management, Foundation Diploma of Financial Planning, Chartered Tax Adviser, Trust and Estate Practitioner, SMSF Association SMSF Specialist Advisor.

Experience
Scott is a lawyer, specialising for more than 20 years in assisting clients and their other advisers including accountants and financial planners with tax and superannuation (particularly SMSFs) advice; estate planning, administration and disputes; family businesses, business structuring; business succession arrangements; asset protection and restructuring. Scott has a particular interest in how these areas intersect with self-managed superannuation funds and the impact of and on these structures.

Michael Houlihan

- Vice Chair
- Chair of the Finance, Risk and Audit Committee
- Member of the National Membership Committee

Qualifications
Diploma of Superannuation Management, Graduate Certificate of Business Administration, Member of Australian Institute of Company Directors, SMSF Association SMSF Specialist Advisor, Justice of the Peace.

Experience
Michael's professional experience includes more than 30 years of senior leadership in superannuation and financial services, holding roles including Head of Product and Technical Services at both JBWere Investment Management and Vanguard Investments Australia, Senior Consultant and Administration Manager at Buck Consultants and Senior Administrator at Australian Eagle Insurance. Up to December 2018, Michael was the CEO of Mainstream Group subsidiary Mainstream Superannuation Services since 2010, incorporating the role of CEO of Combined Super, an industry fund for independent schools. Michael is currently Joint Managing Director of Strategic Wealth Services.

Robyn FitzRoy

- Director
- Chair of the Governance, Nomination and Remuneration Committee

Qualifications
Bachelor of Arts, Master of Arts, Master Coach, International Coaching Federation (USA); Diploma Information Technology Business Application (Harvard University USA); Diploma Marketing Management. Fellow of the Australian Institute of Company Directors.

Experience
Robyn has over twenty years' experience in the financial services industry and is a former Executive Director of Macquarie Bank. She is also a non-executive director of Gateway Bank and Football Federation of Australia. Robyn is a management consultant specialising in governance and has held non-executive director positions on the boards of CUSCAL, Diversa Trustees, MLC School Burwood, Habitat for Humanity Australia and WealthPortal Pty Ltd.

William Shorte (Liam)

- Director
- Chair of the National Membership Committee

Qualifications
Bachelor of Business in Accounting & Economics; Advanced Diploma Financial Services (Financial Planning); ASX Accredited Listed Products Adviser (ALPA); SMSF Association SMSF Specialist Advisor.

Experience
Liam has been providing strategic advice on superannuation, retirement, insurance, estate planning, investment and tax strategies for the past 28 years with experience and knowledge gained from working in banking, insurance, accounting and financial planning firms.

Hon. Bernie Ripoll

- Director
- Member of the Public Policy Committee

Qualifications
Bachelor of Business (Mkt); Electrical fitter and mechanic by trade.

Experience
Bernie was a member of the Federal Parliament from 1998 to 2016, in government serving as the Parliamentary Secretary to the Treasurer with responsibility for Financial Services and Corporations, the Australian Securities and Investments Commission, the Australian Bureau of Statistics, and other agencies in the Treasury portfolio. He was the Shadow Minister for Financial Services and Superannuation, and Small Business and Sport. Bernie represented the Commonwealth Government in an international capacity as the alternate delegate to the Asian Development Bank and lead on a number of official parliamentary and government delegations. He also chaired the Parliamentary Joint Committee on Corporations and Financial Services leading the delivery of many reforms and in particular work that led to the Future of Financial Advice legislation (FoFA). He is a non-executive and executive Director on a number of private and public sector boards.

Dr Deborah Ralston

- Director
- Chair of the Public Policy Committee
- Member of the Governance, Nomination and Remuneration Committee

Qualifications
Master of Economics; Doctor of Philosophy in financial regulation, Fellow of CPA Australia; Fellow of Australian Institute of Company Directors.

Experience
Dr Deborah Ralston has more than 25 years of board-level experience across commercial and public sectors. She is currently a member of the Future Fund Board of Guardians and the Reserve Bank of Australia Payments System Board, and is a non-executive director with SuperEd, an innovative digital advice company. Deborah is a Professorial Fellow at Monash University and is a member of the Steering Committee for the Mercer CPA Global Pension Index. In 2019 Deborah was appointed by the Treasurer Josh Frydenberg to the 3-member panel for the Retirement Income Review.

Bryan Ashenden

- Director
- Member of the Governance, Nomination and Remuneration Committee
- Member of the Public Policy Committee

Qualifications
Bachelor of Law; Bachelor of Commerce; Graduate Diploma Financial Planning; SMSF Association SMSF Specialist Advisor.

Experience
Bryan Ashenden leads the BT Tech Services team at BT – a group of professionals committed to supporting the adviser community with technical, regulatory, and policy support. Bryan has many years' experience in leading and delivery comprehensive technical solutions to advisers and their clients, the last 20 spent with BT and Asgard. Prior to that, he spent six years with KPMG in their taxation consulting division. Bryan is a frequent presenter and facilitator at many industry events, lectures in financial planning subjects and regularly contributes to trade and consumer publications.

Geoff Rooney

Joined January 2022

- Director
- Member of the Finance, Risk and Audit Committee

Qualifications
Bachelor of Commerce, Degree qualified RG146 compliant financial planner, ASIC registered SMSF Auditor, Registered Company Auditor.

Experience
Geoff Rooney is a Sydney based Partner within the Financial Services Audit practice. Geoff provides audit and assurance services to the financial services industry, including wealth management, funds management, superannuation, retail and investment banking, leasing and insurance clients. Prior to BDO, Geoff was a Director in a global accounting firm's Financial Services advisory and audit practice.

Andrew Hamilton

Retired 25 February 2022

- Director

Qualifications
Diploma of Financial Services, SMSF Association SMSF Specialist Advisor, Graduate and Member of Australian Institute of Company Directors.

Experience
Andrew has a wealth of knowledge and experience, gained from more than 30 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 is now providing consulting services to business owners and professionals.

SMSF Association

Financial Statements

SMSF Association Ltd
Directors' report
30 June 2022

The Directors present their report on the SMSF Association Ltd (the Association) for the financial year ended 30 June 2022.

General Information

Information on Directors

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

Scott Hay-Bartlem
Michael Houlihan
Robyn FitzRoy
William Shorte
Bernard Ripoll
Deborah Ralston
Bryan Ashenden
Geoff Rooney (Commenced 1 January 2022)
Andrew Hamilton (Retired 25 February 2022)

Review of Operations

The Association achieved a net loss after tax of $380,218 (2021: $55,296 profit after tax), which was better than budgeted.

The result for the year saw an increase in education revenue, with the ability to return to the delivery of large in person events although attendance and revenues remain significantly below pre-Covid levels. The Association continues to pursue cost reduction strategies and new initiatives with the target of a reduced net loss for the 2023 financial year and a breakeven position or better for the 2024 financial year.

Principal Activities

As the peak body for the Self-Managed Super Fund (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; to advance the knowledge of the members, trustees, Government, service providers and the public; and to continue to build consumer confidence in the SMSF sector.

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

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

Strategic Objectives

The Association's strategic objectives are:

1) Leading the Sector – The premier SMSF voice with Government, Regulators, policy makers and media to ensure a healthy and sustainable sector.
2) Developing Quality Professionals – SMSF Specialists who provide appropriate, accurate and timely advice and support services.
3) Educating and Informing Trustees – Who receive relevant, accurate and timely information and resources to help them achieve quality of life in retirement.

As part of achieving the above strategic objectives the Board and the Executive have committed to a Strategic Plan to 2024.

Members' Guarantee

The Association 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 Association. At 30 June 2022 there were 2,656 members. A member is defined in accordance with clause 5.1 of the constitution.

At 30 June 2022 the potential liability of members was $26,560.

Payments and other benefits

In accordance with the Association's constitution section 22.3 the Directors of the Association received remuneration in their capacity as Directors of the Association.

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 matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

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

As the Association is a company limited by guarantee, the entity is unable to pay a dividend following amendments to the Corporations Act 2001, effective 28 June 2010.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Number eligible to Attend	Number Attended
Scott Hay-Bartlem	6	6
Michael Houlihan	6	6
Andrew Hamilton	4	4
Robyn FitzRoy	6	6
William Shorte	6	6
Bernard Ripoll	6	5
Deborah Ralston	6	6
Geoff Rooney	3	3
Bryan Ashenden	6	5

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 2022. No insurance premiums have been paid for the auditor.

SMSF Association Ltd
Directors' report
30 June 2022

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.

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

21 September 2022

Nexia Edwards Marshall

AUDITOR'S INDEPDENDENCE DECLARATION UNDER SUBDIVISION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SMSF ASSOCIATION LTD

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of SMSF Association Ltd.

As lead audit partner for the audit of the financial statements of SMSF Association Ltd for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

Damien Pozza
Partner

Adelaide
South Australia

21 September 2022

Nexia Edwards Marshall
ABN 38 238 591 759
Level 3
153 Flinders Street
Adelaide SA 5000
GPO Box 2163
Adelaide SA 5001
p +61 8 8139 1111
f +61 8 8139 1100
w nexiaem.com.au

SMSF Association Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue	3	5,102,511	4,733,473
Expenses			
Education Expense		(1,401,292)	(529,615)
Employee benefits expense		(2,804,689)	(2,719,428)
Depreciation and amortisation expense	4	(240,446)	(294,156)
Other expenses		(1,025,118)	(1,110,971)
Finance costs		(9,506)	(18,815)
Surplus/(deficit) before income tax expense		(378,540)	60,488
Income tax expense	5	(1,678)	(5,192)
Surplus/(deficit) after income tax expense for the year attributable to the members of SMSF Association Ltd		(380,218)	55,296
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of SMSF Association Ltd		(380,218)	55,296

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

SMSF Association Ltd
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	6	2,653,205	2,648,367
Trade and other receivables	7	80,326	69,642
Financial assets at fair value through profit or loss	8	409,746	562,525
Other assets	9	179,761	146,293
Total current assets		3,323,038	3,426,827
Non-current assets			
Property, plant and equipment	10	1,033,383	428,255
Intangibles Assets	11	118,124	164,237
Deferred tax assets	12	57,976	59,654
Total non-current assets		1,209,483	652,146
Total assets		4,532,521	4,078,973
Liabilities			
Current liabilities			
Trade and other payables	13	482,609	346,994
Contract liabilities	14	1,503,566	1,510,570
Lease liabilities	15	141,252	198,359
Employee benefits	16	317,671	277,525
Total current liabilities		2,445,098	2,333,448
Non-current liabilities			
Lease liabilities	15	787,906	123,856
Employee benefits	16	64,654	6,588
Total non-current liabilities		852,560	130,444
Total liabilities		3,297,658	2,463,892
Net assets		1,234,863	1,615,081
Equity			
Foundation Subscriptions		60	60
Retained Surpluses		1,234,803	1,615,021
Total equity		1,234,863	1,615,081

The above statement of financial position should be read in conjunction with the accompanying notes.

SMSF Association Ltd
Statement of changes in equity
For the year ended 30 June 2022

	Founding Subscriptions $	Retained Surpluses $	Total equity $
Balance at 1 July 2020	60	1,559,725	1,559,785
Surplus after income tax expense for the year	-	55,296	55,296
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	55,296	55,296
Balance at 30 June 2021	60	1,615,021	1,615,081

	Founding Subscriptions $	Retained Surpluses $	Total equity $
Balance at 1 July 2021	60	1,615,021	1,615,081
Deficit after income tax expense for the year	-	(380,218)	(380,218)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(380,218)	(380,218)
Balance at 30 June 2022	60	1,234,803	1,234,803

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SMSF Association Ltd
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from members and non-mutual income		5,537,107	4,974,795
Payments to suppliers and employees		(5,426,208)	(4,585,602)
Net cash from operating activities		110,899	389,193
Cash flows from investing activities			
Interest received		8,083	9,775
Proceeds from sale of property, plant and equipment		-	300
Fund Distributions received		22,566	52,844
Payment for property, plant and equipment		(5,751)	(24,105)
Payments for intangible assets		(44,472)	(111,210)
Proceeds from investments		90,974	(52,790)
Net cash from/(used in) investing activities		71,400	(125,186)
Cash flows from financing activities			
Repayment of lease liabilities		(177,461)	(208,392)
Net cash used in financing activities		(177,461)	(208,392)
Net increase in cash and cash equivalents		4,838	55,615
Cash and cash equivalents at the beginning of the financial year		2,648,367	2,592,752
Cash and cash equivalents at the end of the financial year	6	2,653,205	2,648,367

The above statement of cash flows should be read in conjunction with the accompanying notes.

SMSF Association Ltd
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies

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

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

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

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

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

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation
The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001,* as appropriate for not-for-profit oriented entities.

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

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Income Tax
The tax expense (income) 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 income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Note 1. Significant accounting policies (continued)

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Group in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from 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).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.
Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Revenue recognition
The company recognises revenue as follows:

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue arises mainly from the provision of membership services, education services, conferences and sponsorships.

Note 1. Significant accounting policies (continued)

To determine whether to recognise revenue, the Association follows a 5-step process:
• Identifying the contract with a customer
• Identifying the performance obligations
• Determining the transaction price
• Allocating the transaction price to the performance obligations
• Recognising revenue when/as performance obligation(s) are satisfied.

The Association often enters into transactions involving a range of the Association's products and services, for example for the provision of memberships and education. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Association satisfies performance obligations by transferring the promised goods or services to its customers.

The Association recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Association satisfies a performance obligation before it receives the consideration, the Association recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

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

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

Subscriptions, conferences, and sponsorship
Revenue from the provision of membership subscriptions are recognised over time as members simultaneously receive and consume the benefits of membership as the Association performs the performance obligations.

Conference and sponsorship revenue linked with an identifiable event is recognised at a point in time (on completion of the event). Other sponsorships are recognised when the Association has satisfied the performance obligations under the contract with the customer.

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

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

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

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

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1. Significant accounting policies (continued)

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

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

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

Investments and other financial assets
Financial assets are subsequently measured at:
- amortised cost; or
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.
The Association initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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

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

Note 1. Significant accounting policies (continued)

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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.

(i) Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present, refer to Note 1 for details of impairment.

The cost of fixed assets constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Right-of-use assets are measured at the fair value of the asset at lease inception, including:
- the initial measurement of the lease liability
- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs incurred by the lessee
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

(ii) Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset’s useful life to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in profit or loss.

The depreciation rates used for each class of depreciable assets are based on useful life:

SMSF Association Ltd
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

Fixed asset class	
Office furniture & equipment	12.5% - 66.67%
Leasehold improvements	10% - 20%
Right-of-use assets	20% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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 (computer software 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.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

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

Note 1. Significant accounting policies (continued)

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

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

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

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

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

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

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

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The company 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. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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

Note 3. Revenue

	2022 $	2021 $
Revenue from contracts with customers		
Membership subscriptions	1,766,764	1,758,739
Education programs	3,206,828	1,945,328
Other mutual and non-mutual income	128,201	399,719
Rental income	25,500	45,597
	5,127,293	4,149,383
Other revenue		
Government grant - Jobkeeper	15,000	506,400
Interest Received	8,083	9,775
Dividend revenue	22,566	52,844
Net gain / (loss) on recognition of investments	(61,805)	15,071
Profit on sale of investments	(8,626)	-
	(24,782)	584,090
Revenue	5,102,511	4,733,473

SMSF Association Ltd
Notes to the financial statements
30 June 2022

Note 4. Result for the year

Expenses included in Administration or Other expenses

	2022 $	2021 $
- Property, plant and equipment	58,426	68,827
- Computer software, other	33,343	23,793
- Right of use asset - Pirie Street	148,677	201,536
Total Depreciation and Amortisation	240,446	294,156

	2022 $	2021 $
Lease expense - short term leases	16,200	4,050
Marketing	198,596	300,678
Travel	53,419	40,243
IT expenses	225,329	228,339
Consulting and professional fees	11,892	13,500
Superannuation expenses	227,793	224,323

Note 5. Income tax expense

	2022 $	2021 $
(a) The major components of tax expense comprise:		
Current tax expense		
Income tax - current period	1,678	5,192

(b) Reconciliation of income tax to accounting profit:

	2022 $	2021 $
Prima facie tax payable / (benefit) on operating profit / (loss) before income tax at 25% (2021: 26%)	(94,636)	15,942

	2022 $	2021 $
Add:		
Tax effect of:		
- non-deductible items	916,385	558,063
- temporary differences	1,958	5,529
- income tax losses to be recognised in future periods	194,807	201,167
- reduction in opening deferred taxes resulting from reduction in tax rate	2,690	-
	1,115,840	764,759

Note 5. Income tax expense (continued)

	2022 $	2021 $
Less:		
Tax effect of:		
- non-assessable items subject to principle of mutuality	1,025,790	787,270
- other non-assessable items	5,470	1,979
	1,031,260	789,249
Recoupment of prior year tax losses not previously brought to account	11,011	-
Adjustment for current tax of prior periods	723	(13,740)
Income tax expense	1,678	5,192

Note 6. Cash and cash equivalents

	2022 $	2021 $
Current assets		
Cash at bank in hand	2,159,570	2,280,359
Deposits on call	493,635	368,008
	2,653,205	2,648,367

Note 7. Trade and other receivables

	2022 $	2021 $
Current assets		
Trade receivables	65,034	69,272
Membership receivables	15,292	370
Financial Assets classified as Trade and Other Receivables	80,326	69,642

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.

Note 8. Financial assets at fair value through profit or loss

	2022 $	2021 $
Current assets		
Exchange Traded Funds - designated at fair value through profit or loss	409,746	562,525

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2022 $	2021 $
Opening fair value	562,525	506,194
Additions	22,566	52,789
Disposals	(113,539)	-
Disposals	(61,805)	3,542
Closing fair value	409,747	562,525

Note 9. Other assets

	2022 $	2021 $
Current assets		
Prepayments	179,761	146,293

Note 10. Property, plant and equipment

	2022 $	2021 $
Non-current assets		
Leasehold improvements - at cost	300,073	300,073
Less: Accumulated depreciation	(228,130)	(178,587)
	71,943	121,486
Furniture & equipment- at cost	157,016	164,522
Less: Accumulated depreciation	(90,263)	(81,380)
	66,753	83,142
Right-of-use assets - leased buildings - at fair value	1,718,596	898,859
Less: Accumulated depreciation	(823,909)	(675,232)
	894,687	223,627
	1,033,383	428,255

Movement 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:

	Furniture & Equipment $	Leasehold Improvements $	Right-of-use assets $	Total $
Balance at 1 July 2021	83,142	121,486	223,627	428,255
Additions	3,252	-	819,737	822,989
Disposals	(1,073)	-	-	(1,073)
Depreciation expense	(18,568)	(49,543)	(148,677)	(216,788)
Balance at 30 June 2022	66,753	71,943	894,687	1,033,383

Non-current assets - right-of-use assets

There were additions of $819,737 to the right-of-use asset during the year with a 5 year option being exercised on the property lease and depreciation charged to profit or loss was $148,677.

Note 11. Intangibles Assets

	2022 $	2021 $
Non-current assets		
Patents, trademarks and other rights - at cost	27,546	27,546
Computer Software and website - at cost	581,462	563,205
Accumulated amortisation and impairment	(490,884)	(426,514)
Net carrying value	90,578	136,691
Total intangibles	118,124	164,237

SMSF Association Ltd
Notes to the financial statements
30 June 2022

Note 11. Intangibles Assets (continued)

Movements in carrying amounts of intangible assets

	Patents, trademarks and other rights $	Computer Software and website $	Total $
Balance at 1 July 2021	27,546	136,691	164,237
Additions	-	18,257	18,257
Amortisation expense	-	(64,370)	(64,370)
Balance at 30 June 2022	27,546	90,578	118,124

Note 12. Deferred tax assets

	2022 $	2021 $
Non-current assets		
Deferred tax asset	57,976	59,654

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account:
- tax losses: operating losses $2,590,311 (2021: $1,769,685)

The benefits of the above unused tax losses will only be realised if the conditions for deductibility set out in Note 1 occur. These amounts have no expiry date.

	Opening balance	Charged or credited to profit or loss	Charged or credited directly to equity	Changes in tax rate	Closing balance
NON-CURRENT					
Deferred tax liability on:					
Right of use assets	46,678	(28,483)	-	3,048	21,243
Balance at 30 June 2021	46,678	(28,483)	-	3,048	21,243
Right of use assets	21,243	(22,060)	-	817	-
Balance at 30 June 2022	21,243	(22,060)	-	817	-
Deferred tax assets on:					
Provisions and accruals	44,989	(4,153)	-	8,998	49,834
Lease liabilities	66,535	(37,196)	-	1,724	31,063
Balance at 30 June 2021	11,524	(41,349)	-	10,722	80,897
Provisions and accruals	49,834	(8,942)	-	1,917	42,809
Lease liabilities	31,063	(32,258)	-	1,195	-
Investment – unrealised gain/loss	-	15,167	-	-	15,167
Balance at 30 June 2022	80,897	(26,033)	-	3,112	57,976

Net deferred tax asset	
Balance at 30 June 2021	**59,654**
Balance at 30 June 2022	**57,976**

SMSF Association Ltd
Notes to the financial statements
30 June 2022

Note 13. Trade and other payables

	2022 $	2021 $
Current liabilities		
Trade payables	367,491	270,561
Other payables	92,647	71,105
GST payable	22,471	5,328
	482,609	346,994

Note 14. Contract liabilities

	2022 $	2021 $
Current liabilities		
Membership Subscription	1,236,775	1,248,813
Sponsorship Income	90,498	32,174
Education Income	176,293	229,583
	1,503,566	1,510,570

Note 15. Lease liabilities

	2022 $	2021 $
Current liabilities		
Lease liability	141,252	198,359
Non-current liabilities		
Lease liability	787,906	123,856
Total Lease Liability	929,158	322,215
Future lease payments		
Future lease payments are due as follows:		
Within one year	167,466	221,459
One to five years	893,634	112,041
More than five years	-	-
less Future Finance Charges	(131,942)	(11,285)
	929,158	322,215

The Association leases one property for its office space. The property lease is on a five-year lease term. The Assoication sub-leases a portion of the leased area. The Association has provided a bank guarantee at 30 June 2022 of $94,667 as security to its landlord.

The Association does not recognise leases which are low value or short-term leases.

Note 16. Employee benefits

	2022 $	2021 $
Current liabilities		
Annual leave	176,553	155,578
Long service leave	91,114	78,947
Bonus	50,004	43,000
	317,671	277,525
Non-current liabilities		
Long service leave	64,654	6,588
	382,325	284,113

	Employee Benefits $
Analysis of provision	
Opening balance at 1 July 2021	284,113
Additional provisions raised during the year	262,228
Amounts used	(164,016)
Balance at 30 June 2022	382,325

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. based on past experience, the Association does not expect full amount of annual leave or long service leave balances classified as current liabilities since the Association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

Note 17. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2022 $	2021 $
Aggregate compensation	1,712,095	1,746,984

Remuneration for the Board commenced during the 2016 financial year. No change to Board remuneration rates occurred during 2022.

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the company:

	2022 $	2021 $
Audit services -		
Audit of the financial statements	10,500	10,000

Note 19. Related party transactions

(a) The Association main related parties are as follows:
Key management personnel refer to Note 17.

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

Note 20. Contingencies

The Association has provided a bank guarantee at 30 June 2022 of $94,667 as security to its landlord (30 June 2021: $94,667 as security to its landlord).
As part of the Association's response to the adverse trading conditions caused by COVID-19, a 5-year SME Recovery Loan Scheme facility with Westpac was opened in November 2021, as a risk mitigation option to protect the Association's working capital position, if necessary. As at signing, date this facility remains undrawn with an available credit limit of approximately $500,000, which will decrease on a monthly basis for the remainder of the 5-year term. The Association has provided security by way of a General Security Agreement and a term deposit of $120,000. There is no intention to draw upon that loan facility, in the foreseeable future.

Note 21. Events after the reporting period

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

SMSF Association Ltd
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

____

21 September 2022

Nexia Edwards Marshall

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SMSF ASSOCIATION LTD

Opinion

We have audited the financial report of the SMSF Association Ltd (SMSF Association), which comprises the Statement of Financial Position as at 30 June 2022, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the accompanying financial report of SMSF Association Ltd, is in accordance with the *Corporations Act 2001*; including:

(i) giving a true and fair view of the SMSF Association's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(ii) complying with the *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the SMSF Association in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the SMSF Association Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors of SMSF Association are responsible for the other information. The other information comprises the Directors' report for the year ended 30 June 2022 but does not included the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Nexia Edwards Marshall
ABN 38 238 591 759
Level 3
153 Flinders Street
Adelaide SA 5000
GPO Box 2163
Adelaide SA 5001
p +61 8 8139 1111
f +61 8 8139 1100
w nexiaem.com.au

Nexia Edwards Marshall

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SMSF ASSOCIATION LTD (CONT)

Directors' responsibility for the financial report

The directors of SMSF Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with the accounting policies described in Note 1 to the financial report and the *Australian Accounting Standards –Simplified Disclosures* and the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the SMSF Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the SMSF Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SMSF Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SMSF Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SMSF Association to cease to continue as a going concern.

Nexia Edwards Marshall
ABN 38 238 591 759
Level 3
153 Flinders Street
Adelaide SA 5000
GPO Box 2163
Adelaide SA 5001
p +61 8 8139 1111
f +61 8 8139 1100
w nexiaem.com.au

Nexia Edwards Marshall

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SMSF ASSOCIATION LTD (CONT)

Auditor's responsibility for the audit of the financial report (cont)

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

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

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

Damien Pozza
Partner

Adelaide
South Australia

21 September 2022

Nexia Edwards Marshall
ABN 38 238 591 759
Level 3
153 Flinders Street
Adelaide SA 5000
GPO Box 2163
Adelaide SA 5001
p +61 8 8139 1111
f +61 8 8139 1100
w nexiaem.com.au