CELEBRATING 20 YEARS

SMSF Association

2023 Annual Report

Registered office

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Adelaide SA 5000

P: 08 8205 1900

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

2003

2004

2008

January 7

SMSF Professionals' Association of Australia (SPAA) established

SPAA held first National Conference

SMSF Specialist Adviser (SSA) Accreditation program launched

SMSF Specialist Auditor (SSAud) Accreditation program launched

Contents

2015
2017
2023
SPAA renamed the SMSF Association
National Conference exceeds 1,700 attendees
January 7
SMSF Association celebrates 20 years

Chair Report

Dear members

In our 20th year, I believe it is worth reflecting on just how viable our superannuation sector is – the foundation stone on which our specialist advice is built – and why it appeals to so many Australians as their preferred retirement savings vehicle.

As you have often heard your Association say, SMSFs are not for everyone. That's as true today as it was 20 years ago. But for those that opt for an SMSF, who are attracted to the choice and control it offers them, these funds are an excellent way to manage their superannuation, both in the accumulation and retirement phases of their lives. No one knows that better than you.

Choice and control. These two critical features help define our super sector. SMSFs provide choice on how superannuation funds are invested. They enable trustees to have discreet control over how the fund is invested. This can be the type of investments, level of exposure, and timing on when to enter or exit the market.

> Control has been a long-held attraction for SMSFs, and this is never changing.

Yes, managing an SMSF comes with responsibilities and obligations, but the flip side of that coin is greater engagement and understanding on how your fund is invested and performing, and greater controls and options for a wide range of trustee decisions.

To these two critical words, I would add advice – the opportunity for trustees to access the specialist SMSF services our members provide. Never has specialist advice been more important, and never have specialist advisers found themselves in such demand.

That demand can only grow. The ATO data on new fund establishments shows that the SMSF sector is seeing a higher rate of growth in the 35-44 age bracket and more women becoming members of SMSFs. In the March 2023 quarter, 33.8% of members for all new SMSF establishments were aged 35-44.

With this new cohort will come new demands for services. For example, ethical and sustainable investing are likely to be an important consideration for this generation. And simply because they are entering at a time in their lives when they have work and family responsibilities, it's logical to assume they will need professional help.

No doubt some have been encouraged down this path by the two pieces of research we commissioned. First, the Rice Warner research that demonstrated that SMSFs with balances of $200,000 or more are cost-competitive with APRA-regulated funds and SMSFs with balances of $500,000 or more are typically the cheapest alternative.

Second, University of Adelaide research examined investment returns, using the model that allowed direct sector comparison for the first time. Two reports have been published, the first examining the 2017-19 period and again for 2020-21, showing that an SMSF with the balance of $200,000 or more has a comparable performance compared with the much larger funds.

The upshot of both these reports – and the subsequent media coverage they attracted – was for ASIC to remove the suggested $500,000 benchmark for establishing an SMSF – a notable win for our sector.

None of this is to say that it will be plain sailing in the months and years ahead. Your CEO, Peter Burgess, will touch on some of the issues we are currently grappling with, and no doubt others will arise. As we all know, in our industry change is the only constant.

> But I remain fully confident of this organisation's capacity to handle any challenge. We have done so in the past and will continue to do so in the future.

Finally, let me say that since stepping into the role of CEO during this year, Peter is providing the excellent leadership the Board fully expected of him when appointed, and we look forward to working with him and his dedicated staff in the coming year.

I would like to take this opportunity to again thank his predecessor, John Maroney, who among other notable achievements, safely guided the Association through COVID – an unprecedented crisis.

To you and your families. I wish you a merry Christmas and a prosperous New Year.

Scott Hay-Bartlem
Chair | SMSF Association

CEO Report

Dear members

It has been a momentous year for your Association. In our 20th year as an organisation, we can rightfully celebrate two decades of achieving excellent outcomes for our superannuation sector while eagerly anticipating an exciting future. Over this period, we have emerged as the pre-eminent body for our sector, working effectively with governments of both political persuasions, regulators, and wider industry.

From embedding the SSAud designation in legislation, the complete reversal of the 2010 Cooper Review's negative perception of SMSFs, to removing ASIC's $500,000 threshold for establishing an SMSF, our achievements have been many. They have gone hand in glove with a growing SMSF sector that boasts more than 1.1 million adherents in over 600,000 funds and with funds under management fast closing in on $1 trillion.

None of this should surprise. It comes from having a very clear vision consistently articulated over this time – for Australians to be able to take control of their own financial well-being through a sustainable SMSF community. And this can only be achieved by continually improving the professional standards of those advising SMSFs, and the critical role education plays in this. It's engrained in our DNA along with our SSA/SSAud designations, that have enormous cache in the industry.

Certainly, it's why our relationship with our education partners is so valued, as it's a gateway to increasing the number of SMSF Specialist Advisers. As any Specialist can tell you, they cannot meet the growing demand for their services, so increasing their number is critical to ensuring the integrity of the SMSF sector. And, for those advisers who go down this specialist path, it makes sound commercial and professional sense.

> Over the years we have made our National Conference the centrepiece of the SMSF year, with this year's Melbourne event no exception and with every expectation of shooting the lights out in Brisbane in 2024.

Our valued sponsors welcome the opportunity to participate, while our members use the Conference to enhance their professional skills and network with their peers. On a smaller scale, the annual Technical Summits achieve the same goals.

But challenges keep coming, both for your Association and for you as practitioners in this space. The Federal Government's proposal to impose a higher tax on balances above $3 million is demanding our full attention. We have taken our case to Canberra, strongly arguing that the proposal, in particular, to tax unrealised capital gains, is both iniquitous and flawed.

The Quality of Advice Review, which was handed down in February, makes many recommendations. Michelle Levy, who headed the Review, has taken significant steps to make financial advice more accessible and affordable for Australians. But in our opinion, there is a missing link –the important role of suitably qualified accountants in advising SMSFs and have said so publicly.

The recent announcement of a threefold increase in the ASIC levy for financial advisers is a heavy blow for the advice industry, and we are urging ASIC and the Federal Government to rethink this decision.

Finally, let me end on a personal note. I took the reins as CEO earlier this year, and, while always aware of our members' commitment to our organisation, have now enjoyed experiencing it firsthand.

As I said at the 20th anniversary dinner, the secret of our success is simple: it lies with our members and their unwavering quest for knowledge, their dedication and enthusiasm, and their desire to keep on improving - values that are shared by the Board and our team. It's why we fervently believe that we can grow the organisation in the years ahead, building on the firm foundation that has been laid over the past 20 years.

Peter Burgess
CEO | SMSF Association

Membership

Quality Professionals

SMSF Association Specialist Members are recognised for their SMSF expertise and knowledge and considered to be at the peak of their profession in the SMSF sector. Our members receive a range of different benefits, depending on their membership type. Fellow, Specialist & Associate Members have direct access to our Resource Library which houses Go-To-Guides, Technical Papers, videos and White Label Documents amongst other valuable resources.

Following the board's approval of our updated strategic plan from 1 July 2023 we look forward to communicating with you the professional advantages that being a member will afford you into the future.

Member Type as at 30 June '23

Affiliate	2%
Associate	36%
Retired	2%
Fellow	3%
Specialist	57%

Member Primary Occupation as at 30 June '23

Accountant	43%
Auditor	6%
Corporate	1%
Financial Planner	38%
Lawyer	2%
Other	7%
SMSF Administration	3%

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 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 our professional members.

NATURE OF COMPLAINT	2023/24	2022/23
Criminal Conviction	—	—
Statutory offence bringing discredit to member, association or profession	1	1
Failure to observe proper standard of professional care, skill and competence	—	—
Breach of Association Branding policy	—	—
Breach of Association Code of Conduct and Rules	—	11
Other	—	—

ACTION TAKEN BY THE SMSF ASSOCIATION	2023/24	2022/23
Cancellation of Membership	1	10
Suspension of Specialist designation or Membership for a defined period	—	—
Reprimand	—	—
Practice Review	—	—
No action required	—	—
Other	—	—
Investigation ongoing	—	2

Recognising our Members

Each year, at the annual SMSF Association National Conference, we celebrate our members who have made a significant contribution to the Association in recent times and our members who have achieved the top score in our accreditation programs.

Chair and CEO Awards

Chair Award
Daniel Butler FSSA

CEO Award
Tim Miller FSSA

Specialist Achiever Awards

The following members have achieved the top score in our accreditation programs for the 2022 year.

Top SSA® Achiever

William Fettes

Top SSAud® Achiever

Jincheng Zhao

Congratulations

SMSF FELLOW
Fellow
SMSF Association
Specialist

Our newest Fellow Members

Katrina Fletcher FSSA, FSSAud
Richard Smith FSSA, FSSAud
Tim Miller FSSA
Con Gotsis FSSA , FSSAud

15 Year Member Milestones

Congratulations to the following SMSF Association members who are celebrating their 15 year membership milestone during 2023.

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

Anna Agati SSA
Peter Alvarez SSA
Christopher Arnold SSA
Richard Asquith-Charlton SSA
Jenni Attard SSAud
Karen Barnes SSA
Paul Barsden SSA
Michael Beddoes SSA
Craig Benham SSA
Mark Berry SSA
Marcello Blasi
Peter Burke SSA
Lisa Cahill SSA, SSAud
Mark Caldwell SSA
Tony Capicchiano SSA
Christopher Carra SSA, SSAud
Paul Chalmers SSA
Jacqui Chellew SSA
Elizabeth Christodoulou SSAud
Joseph Cilmi SSA
Damien Clancy
Vincent Collins SSA
Richard Collins SSAud
Joseph Cox SSA
Brett Cribb
Roger Cumming
Simon Curtain SSA
Neal Dallas SSA
Tim Davidson SSAud
Tim Deamer SSA
Jonathan Dixon SSA
Odelia D'Silva SSA
Joanne Edwards SSA
Kathy Evans
Glenn Fairbairn SSA
Brent Fairhead SSA
Stuart Fitzpatrick SSA
Matt Fogarty SSA
Andrew French SSA
Janet Gill
Jane Gun SSA
Mai Ha
Glenn Hampton SSA
Matthew Hansen SSAud
Shane Harding SSA
Chris Harris SSA
James Harrison
Andrew Hayes SSA
Andrew Hewison SSA
Phillip Hey SSA
Nadine Hill SSA
Kieran Hoare SSA
Christine Hornery SSA
Elsa Howarth SSA
Pauline Howatson SSA, SSAud
Cameron Howlett SSA
Dean Hutchins SSA
Brenda Hutchinson
John Hypatidis SSA
Megan Kelly SSA
Glen Klein SSAud
Frank Kleinig SSAud
Shaun La Motte SSA
Clifford Lake SSA
Nathan Lear SSA
Wayne Lucerne SSA
Tim Mackay SSA
Gordon Mackenzie
Hari Maragos SSA
Debbie Martin SSA
Christine McCormack SSA
Leanne McGinty SSA
Craig Medlow SSA
Felicity Melican SSAud
Delyse Mercer
Tracey Milne SSA
Paul Money
Paul Moran SSA
Chris Morcom SSA
Luke Morris
Alexander Morris SSA
Shari Neagle SSA
Jennifer Newport SSA
Kimani Nganga SSAud
Shane Nicholas SSA
Michael Oates
Andy O'Meagher
Louie Papadakos SSA
Thanasis Papoulias
Sarah Parsons
Nathan Pech SSA
Salvatore Pietropaolo
John Randall SSA
Garry Ransome SSA
Clinton Reid
Benjamin Reynolds SSA
Kerri Reynolds SSA
Melissa Robertson SSA
Megan Ryan SSA, SSAud
Phillip Scandizzo
Juanita Sharp SSA
David Shirlow
Liam Shorte SSA
Adrian Sibbick
Phillip Sieber SSA
Kristy Smith (nee Purdon) SSA
Jimmy Son
Alan Spicer SSA
Matthew Stevenson SSA, SSAud
May Tang SSA
Lara Taylor SSA
Janine Tempone SSA
Thomas Thuijs SSAud
Katie Timms SSA
Anthony Trovato SSA
Mukundkumar Unadkat SSA
Andrew Unterweger
Michelle van Lier SSA
Phillip Whiteley SSA
Brian Wibberley SSA
Matthew Williams SSAud
James Williamson SSA
James Willis SSA
Anne Marie Wilson
Rebecca Winnell SSA
Toby Winten SSA
Darren Withers SSA
Andrew Yee
Kevin Zhang SSA

Newly accredited members

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

SMSF Specialist Advisor (SSA®)

Alex Abeyasinghe
Morris Alexander
Joyce Bai
Angelo Baronessa
Murteza Behrami
Peter Beins
Timothy Boxsell
Paul Bronson
Leslie Brown
Krista Brunton
Peter Burke
Warren Burt
Bobby Byrne
Rebecca Cameron
Clay Cameron
Tyrone Cammaroto
Diego Carrasco
Thomas Cavicchia
Brooke Charity
Helen Cheng
Michael Chettle
Joynivee Chua
Jeric Clemente
Julian Coleman
Alison Comafay
Daniel Conroy
Helen Cowhan
Asher Cribb
David Cuff
Matthew Daniells
Greg Davis
Lisa Dawson
Jessica Deamer
Luke Dean
Bianca Douglas
Justin Doyle
Nikhil Dsouza
Gavin Du Buisson Perrine
Luke Edwards
Dharshani Fernando
Miriam Flores
Nader Gariban
Olivia Grant
Louise Greig
Ratana Hak
Matthew Hams
Andrew Hanna
Cameron Harris
Mattika Haynes
Sejoon Heo
Richard Hinch
Lili Hong
Peter Humble
Jason Hurst
Michelle Ignacio
Adam James
Wendy Jimenez
Elizabeth Johnson
Jason Kenna
Shane Kennealy
Vikas Khanna
Britt Kingsley
Kean Kong
Yan Li

Accredited SMSF Association Specialist

Yanyi Li
Amy (Fang) Li
Yang Liu
Margaret Luckman
Caleb Ludlow
James Malcolm
Teresa Maroske
Jobish Mathew
Veronica McAlister
Hannah McCready
Kieran McErlean
Graham McLauchlan
James Miller
Dharmesh Mistry
Jake Muras
Carson Natkunarajah
Alexander Naylor
Amanda Neuendorff
Matthew Nicolas

Jeanette Niebling
Joshua Nixon
Christopher Overton
Robert Parente
Stephanie Patrick
Amelia Paullo
Christa Pawlowski
Paul Pellegrino
Jing Peng
Salvatore Pizzuto
Amanda Pollock
Will Powis
Adam Roth
James Rurenga
Megan Ryan
David Scolla
Nalini Shanmugan
Richard Shaw
Michael Sheppard

Larisa Sheptitsky
Anusha Silva
Sigo Siriphokha
Grant Sloggett
Damian Smith
Vanessa Smith
James Smith
Stephanie Stacey
Leesa Swain
Leong Tang
Peter Telenko
Liana Tenggara
Gregory Thornton
Vincent Ting
Darren Tomasini
Vince Tran
Thayne Turley
Rohith Vaikkattil Haridas
Timothy Velasco

Luke Vincent
Sally Wang
Robert Watson
Shannon Webb
Mathew White
Tim White
Marc Wierzbicki
Adam Williams
Katharine Wilson
Katie Withers
Alex Ka Ip Wong
Matthew (Chi Ming) Wu
Wen Xing
Jane Yao
Shiyuan (Leo) Zhang
Linhui Zhao

SMSF Specialist Auditor (SSAud®)

Jincheng Zhao
Meenaz Visram
Emily Williams
Manbeena Sandhu

Ekta Dham
Michael Wilson
Tianyu Li
Haylee Cox

Yang Sun
Harry Boghossian


SMSF
ASSOCIATION
NATIONAL
CONFERENCE

Our Board, Association and Advisory Committees

Board Committees

Finance, Risk and Audit Committee

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

Governance, Nomination and Remuneration Committee

Robyn FitzRoy – Chair
Scott Hay-Bartlem
Dr Deborah Ralston
Bryan Ashenden
Peter Burgess

Public Policy Committee

Dr Deborah Ralston – Chair
Hon. Bernie Ripoll
Bryan Ashenden
Robin Bowerman
Jeremy Cooper
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
Wayne Bolin
Vivi Chen

National Conference Program Committee

Mary Simmons – Chair
Scott Hay-Bartlem
Mark Ellem
Shelley Banton
Belinda Aisbett
Julie Steed
Dan Butler
Jo Hurley

Professional Standards Committee

David Saul – Chair
Tracey Scotchbrook
Fiona Hinrichsen
Nathan Baker
Lisa Papachristoforos
Rebecca Edwards

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 approves the purpose and strategy of the Association which is monitored on a regular basis. The Association's Vision, Mission and Strategic Plans 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 and mission 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 Charter sets out the roles, responsibilities and authorities of how the Board functions.

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 approved 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.

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.

Board members are confirmed by resolution 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.

All new Directors receive a comprehensive induction program including information outlining their duties and responsibilities as directors. The Board is committed to the continual learning and development of Directors so they can contribute to the highest standards of governance and leadership of the Association. The GNRC is charged with ensuring ongoing Board development through various briefings, internal and external presentations and strategic presentations with the senior executive.

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 (FRAC) 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.

The Board approves an annual budget for the Association which the FRAC regularly reviews against actual performance and provides reports to the Board.

Remuneration for the CEO which may include a performance based component, is recommended by the GNRC 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 GNRC.

The Board monitors the performance of the CEO through a range of agreed performance measures and targets reflecting the Association's 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 GNRC. Any changes to Board remuneration are subject to approval at the AGM in accordance with the Constitution.

The FRAC 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 FRAC 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 GNRC.

10. Culture

It is recognised that the Board and its Directors play a critical role in shaping culture which significantly influences the Association's ability to achieve its purpose.

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 Board is committed to modelling these values and behaviours.

The Association conducts frequent surveys of staff to monitor culture as well as a regular performance management cycle. Board and Association culture forms part of the annual Board performance review.

The Association has a 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 at least an annual basis against industry benchmarks to ensure it is in line with market expectations.

Our Directors

Scott Hay-Bartlem

Qualifications
Bachelor of Laws (Hons), Bachelor of Business (Accy), 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.

Special responsibilities

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

Michael Houlihan

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.

Special responsibilities

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

Robyn FitzRoy

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.

Special responsibilities

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

William Shorte (Liam)

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 is Managing Director of Sonas Wealth and has been providing strategic advice on superannuation, trusts, retirement, insurance, estate planning, investment, and tax strategies for the past 30 years with experience and knowledge gained from working in banking, insurance, accounting and financial planning firms. Liam was awarded SMSF Adviser of the Year 2021 in the IFA Excellence Awards

Special responsibilities

- Director
- Chair of the National Membership Committee

Bernard Ripoll

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. Shadow Minister for Financial Services and Superannuation, and Small Business and Sport. 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. 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). A non-executive and executive Director on a number of private and public sector boards.

Special responsibilities

- Director
- Member of the Public Policy Committee

Dr Deborah Ralston

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.

Special responsibilities

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

Bryan Ashenden

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.

Special responsibilities

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

Geoff Rooney

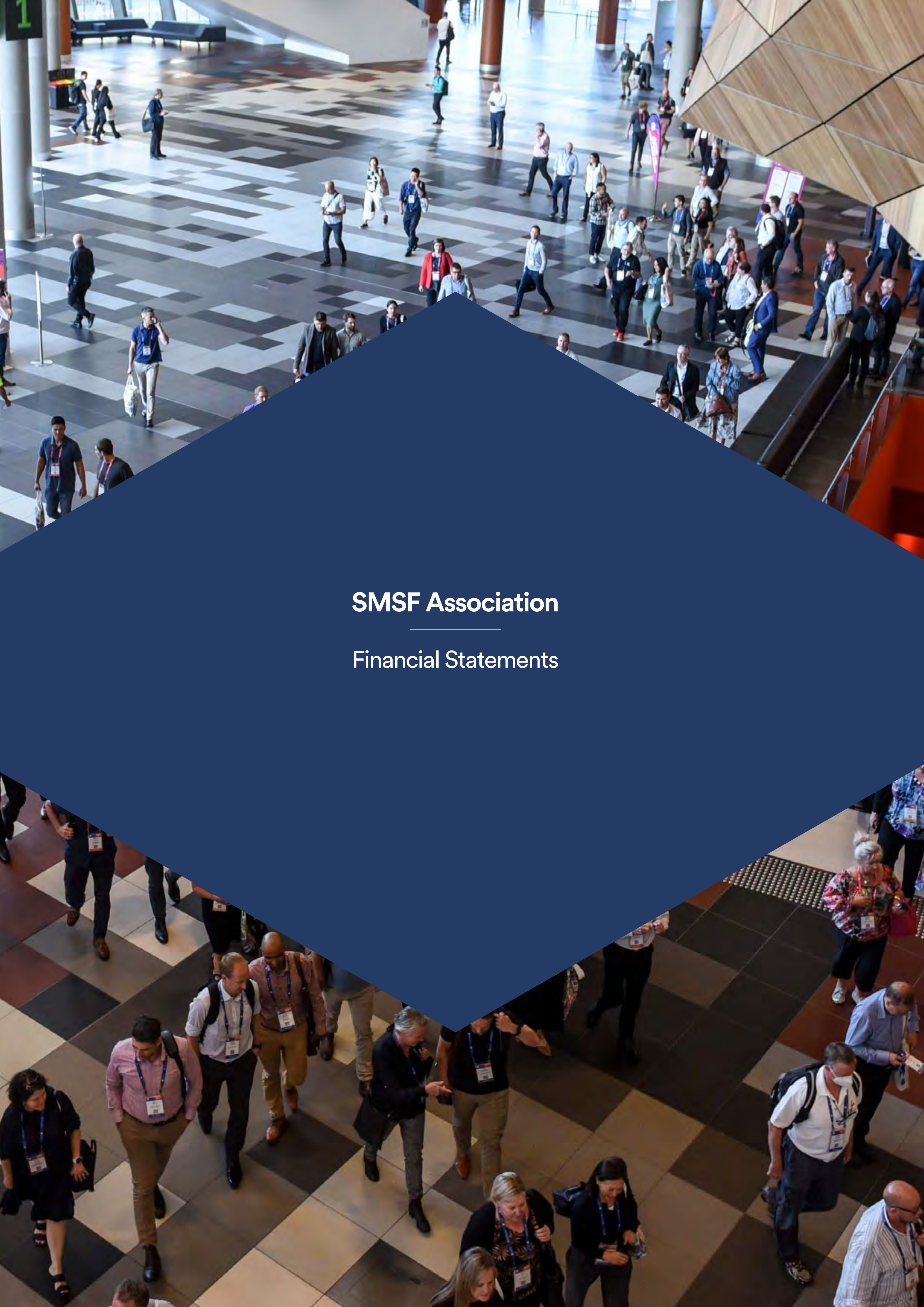
Qualifications
Bachelor of Commerce, Degree qualified RG146 compliant financial planner, ASIC registered SMSF Auditor, Registered Company Auditor.

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.

Special responsibilities

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


ASSOCIATION
GROWING EXPERTISE
40% increase in online technical resources
Specialist accreditations to enhance quality of SMSF advice
CELEBRATING 20 YEARS
Demonstrated SMSFs achieve critical mass at $200K (2022)
Advocated against ALP's franking credit proposal (2018)
ADVANCING THE SECTOR
FOSTERING CONNECTIONS
16 Active Local Communities
SMSF Association Members have exclusive access to:
ASSOC



SMSF Association

Financial Statements

SMSF Association Ltd
Directors' report
30 June 2023

The Directors present their report on the SMSF Association Ltd (the Association) for the financial year ended 30 June 2023.

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

Review of Operations

The Association achieved total comprehensive income of $195,863.

The result for the year saw an increase in education revenue, with a return to pre-Covid attendance levels at in-person events.

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 Board approved an updated Strategic Plan outlining the below as the Association's strategic objectives.

1) Advocacy and Sector Leadership – to ensure a healthy and sustainable SMSF sector through advocacy, building awareness, taking policy positions and promoting the sector.
2) Trusted Specialists – SMSF Association Specialists play a pivotal role in our vision of enhancing the quality of SMSF advice and maintaining a sustainable SMSF community.
3) Membership Value – a commitment to providing high quality events and services to our membership.
4) Foundations – ensuring we are financial sustainable, have great people in a modern workplace and have lasting strategic partnerships.

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 2023 there were 2,888 members. A member is defined in accordance with clause 5.1 of the constitution.

At 30 June 2023 the potential liability of members was $28,880.

SMSF Association Ltd
Directors' report
30 June 2023

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 2023 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 2023, and the number of meetings attended by each director were:

	Number eligible to Attend	Number Attended
Scott Hay-Bartlem	5	5
Michael Houlihan	5	5
Robyn FitzRoy	5	5
Liam Shorte	5	5
Bernie Ripoll	5	5
Deborah Ralston	5	4
Bryan Ashenden	5	5
Geoff Rooney	5	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 2023. No insurance premiums have been paid for the auditor.

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

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

20 September 2023

Nexia Edwards Marshall
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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 2023, 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

20 September 2023

Advisory. Tax. Audit.

SMSF Association Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue	3	5,848,559	5,102,511
Expenses			
Education Expense		(1,587,762)	(1,401,292)
Employee benefits expense		(2,546,709)	(2,804,689)
Depreciation and amortisation expense	4	(242,011)	(240,446)
Other expenses	5	(1,196,460)	(1,025,118)
Finance costs		(48,211)	(9,506)
Surplus/(deficit) before income tax expense		227,406	(378,540)
Income tax expense	6	(31,543)	(1,678)
Surplus/(deficit) after income tax expense for the year attributable to the members of SMSF Association Ltd		195,863	(380,218)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of SMSF Association Ltd		195,863	(380,218)

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 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	7	2,626,158	2,653,205
Trade and other receivables	8	26,419	80,326
Financial assets at fair value through profit or loss	9	441,567	409,746
Other assets	10	289,313	179,761
Total current assets		3,383,457	3,323,038
Non-current assets			
Property, plant and equipment	11	851,472	1,033,383
Intangibles Assets	12	77,254	118,124
Deferred tax assets	13	26,433	57,976
Total non-current assets		955,159	1,209,483
Total assets		4,338,616	4,532,521
Liabilities			
Current liabilities			
Trade and other payables	14	178,915	482,609
Contract liabilities	15	1,702,042	1,503,566
Lease liabilities	16	148,951	141,252
Employee benefits	17	216,030	317,671
Total current liabilities		2,245,938	2,445,098
Non-current liabilities			
Lease liabilities	16	638,954	787,906
Employee benefits	17	22,998	64,654
Total non-current liabilities		661,952	852,560
Total liabilities		2,907,890	3,297,658
Net assets		1,430,726	1,234,863
Equity			
Foundation Subscriptions		60	60
Retained surpluses		1,430,666	1,234,803
Total equity		1,430,726	1,234,863

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 2023

	Founding Subscriptions $	Retained Earnings $	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	1,234,863

	Founding Subscriptions $	Retained Earnings $	Total equity $
Balance at 1 July 2022	60	1,234,803	1,234,863
Surplus after income tax expense for the year	-	195,863	195,863
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	195,863	195,863
Balance at 30 June 2023	60	1,430,666	1,430,726

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from members and non-mutual income		6,589,359	5,559,673
Payments to suppliers and employees		(6,444,669)	(5,426,208)
Net cash from operating activities		144,690	133,465
Cash flows from investing activities			
Interest received		48,281	8,083
Payment for property, plant and equipment		(38,067)	(5,751)
Payments for intangible assets		(14,485)	(44,472)
Proceeds from investments		-	90,974
Net cash from/(used in) investing activities		(4,271)	48,834
Cash flows from financing activities			
Repayment of lease liabilities		(167,466)	(177,461)
Net cash used in financing activities		(167,466)	(177,461)
Net increase/(decrease) in cash and cash equivalents		(27,047)	4,838
Cash and cash equivalents at the beginning of the financial year		2,653,205	2,648,367
Cash and cash equivalents at the end of the financial year	7	2,626,158	2,653,205

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 2023

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.

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.

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.

Note 1. Significant accounting policies (continued)

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 Association 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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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:

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.

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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.

SMSF Association Ltd
Notes to the financial statements
30 June 2023

Note 2. Critical accounting judgements, estimates and assumptions (continued)

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

	2023 $	**2022 $**
Revenue from contracts with customers		
Membership subscriptions	1,710,238	1,766,764
Education programs	3,859,228	3,206,828
Other mutual and non-mutual income	167,338	128,201
Rental income	31,653	25,500
	5,768,457	5,127,293
Other revenue		
Government grant - Jobkeeper	-	15,000
Interest Received	48,281	8,083
Dividend revenue	13,173	22,566
Net gain / (loss) on revaluation of investments	18,648	(61,805)
Loss on sale of investments	-	(8,626)
	80,102	(24,782)
Total Revenue	5,848,559	5,102,511

Note 4. Depreciation and Amortisation

	2023 $	**2022 $**
Depreciation and Amortisation		
- Property, plant and equipment	44,889	68,111
- Computer software, other	55,355	67,656
- Right of use asset - Pirie Street	163,154	148,677
- Lease incentive	(21,387)	(43,998)
Total Depreciation and Amortisation	242,011	240,446

SMSF Association Ltd
Notes to the financial statements
30 June 2023

Note 5. Other Expenses

	2023 $	2022 $
Lease expense - short term leases	9,700	16,200
Marketing	263,793	215,617
Travel	79,049	53,419
IT expenses	266,153	225,329
Consulting and professional fees	27,669	11,892
Superannuation expense	233,548	227,793
Other expenses	316,548	274,868
Total Other Expenses	1,196,460	1,025,118

Note 6. Income tax expense

	2023 $	2022 $
(a) The major components of tax expense comprise:		
Current tax expense		
Income tax - current period	31,543	1,678
(b) Reconciliation of income tax to accounting profit:		
Prima facie tax payable / (benefit) on operating profit / (loss) before income tax at 25% (2022: 25%)	56,852	(94,636)
Add:		
Tax effect of:		
- expense subject to principle of mutuality	908,833	916,385
- non-deductible items	4,505	1,958
- income tax losses to be recognised in future periods	59,265	194,807
- reduction in opening deferred taxes resulting from reduction in tax rate	-	2,690
	972,603	1,115,840
Less:		
Tax effect of:		
- non-assessable items subject to principle of mutuality	1,001,991	1,025,790
- other non-assessable items	1,170	5,470
	1,003,161	1,031,260
Recoupment of prior year tax losses not previously brought to account	(240)	11,011
Adjustment for current tax of prior periods	4,515	723
	4,275	11,734
Income tax expense	31,543	1,678

SMSF Association Ltd
Notes to the financial statements
30 June 2023

Note 7. Cash and cash equivalents

	2023 $	2022 $
Current assets		
Cash at bank in hand	2,151,921	2,159,570
Deposits	474,237	493,635
	2,626,158	2,653,205

Note 8. Trade and other receivables

	2023 $	2022 $
Current assets		
Trade receivables	25,420	65,034
Membership receivables	-	15,292
GST receivables	999	-
	26,419	80,326

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 9. Financial assets at fair value through profit or loss

	2023 $	2022 $
Current assets		
Exchange Traded Funds - designated at fair value through profit or loss	441,567	409,746

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

	2023	2022
Opening fair value	409,747	562,525
Additions	13,173	22,566
Disposals	-	(113,539)
Revaluation increments / (decrements)	18,647	(61,805)
Closing fair value	441,567	409,747

Note 10. Other assets

	2023 $	2022 $
Current assets		
Prepayments	289,313	179,761

SMSF Association Ltd
Notes to the financial statements
30 June 2023

Note 11. Property, plant and equipment

	2023 $	2022 $
Non-current assets		
Leasehold improvements - at cost	300,073	300,073
Less: Accumulated depreciation	(255,178)	(228,130)
	44,895	71,943
Furniture & equipment- at cost	148,522	157,016
Less: Accumulated depreciation	(73,478)	(90,263)
	75,044	66,753
Right-of-use assets - leased buildings - at fair value	1,563,124	1,563,124
Less: Accumulated depreciation	(831,591)	(668,437)
	731,533	894,687
	851,472	1,033,383

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 2022	66,753	71,943	894,687	1,033,383
Additions	38,067	-	-	38,067
Disposals	(11,325)	-	-	(11,325)
Depreciation expense	(18,451)	(27,048)	(163,154)	(208,653)
Balance at 30 June 2023	75,044	44,895	731,533	851,472

Note 12. Intangibles Assets

	2023 $	2022 $
Non-current assets		
Patents, trademarks and other rights - at cost	27,546	27,546
Computer Software and website - at cost	595,947	581,462
Accumulated amortisation and impairment	(546,239)	(490,884)
Net carrying value	49,708	90,578
Total intangibles	77,254	118,124

Note 12. Intangibles Assets (continued)

Movements in carrying amounts of intangible assets

	Patents, trademarks and other rights $	Computer software and website $	Total $
Balance at 1 July 2022	27,546	90,578	118,124
Additions	-	14,485	14,485
Amortisation expense	-	(55,355)	(55,355)
Balance at 30 June 2023	27,546	49,708	77,254

Note 13. Deferred tax assets

	2023 $	2022 $
Non-current assets		
Deferred tax asset	26,443	57,976

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 $2,832,709 (2022: $2,590,311)

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

Note 13. Deferred tax assets (continued)

	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	21,243	(22,060)	-	817	-
Balance at 30 June 2022	21,243	(22,060)	-	817	-
Prepayments	-	8,450	-	-	8,450
Balance at 30 June 2023	-	8,450	-	-	8,450
Deferred tax assets on:					
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
Provisions and accruals	42,809	(18,724)	-	-	24,085
Investment - unrealised gain/loss	15,167	(4,369)	-	-	10,798
Balance at 30 June 2023	57,976	(23,093)	-	-	34,883
Net deferred tax asset					
Balance at 30 June 2022					57,976
Balance at 30 June 2023					26,433

Note 14. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	101,090	367,491
Other payables	77,825	92,647
GST payable	-	22,471
	178,915	482,609

SMSF Association Ltd
Notes to the financial statements
30 June 2023

Note 15. Contract liabilities

	2023 $	2022 $
Current liabilities		
Membership Subscription	1,297,752	1,236,775
Sponsorship Income	22,660	90,498
Education Income	381,630	176,293
	1,702,042	1,503,566

Note 16. Lease liabilities

	2023 $	2022 $
Current liabilities		
Lease liability	148,951	141,252
Non-current liabilities		
Lease liability	638,954	787,906
Total Lease Liability	787,905	929,158
Future lease payments		
Future lease payments are due as follows:		
Within one year	188,607	167,466
One to five years	705,026	893,634
More than five years	-	-
less Future Finance Charges	(105,728)	(131,942)
	787,905	929,158

The Association leases one property for its office space. The property lease is on a five-year lease term. The Association sub-leases a portion of the leased area. The Association has provided a bank guarantee at 30 June 2023 of $51,101 as security to its landlord.

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

Note 17. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	123,330	176,553
Long service leave	92,700	91,114
Bonus	-	50,004
	216,030	317,671
Non-current liabilities		
Long service leave	22,998	64,654
	239,028	382,325

SMSF Association Ltd
Notes to the financial statements
30 June 2023

Note 17. Employee benefits (continued)

	Employee Benefits
Analysis of provision	
Opening balance at 1 July 2022	382,325
Additional provisions raised during the year	159,290
Amounts used	(302,587)
Balance at 30 June 2023	239,028

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 18. 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:

	2023 $	2022 $
Aggregate compensation	1,706,428	1,712,095

Remuneration for the Board commenced during the 2016 financial year. No change to Board remuneration rates occurred during 2023.

Note 19. Remuneration of auditors

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

	2023 $	2022 $
Audit services -		
Audit of the financial statements	12,000	10,500

Note 20. Related party transactions

(a) The Association main related parties are as follows:
Key management personnel refer to note 18.

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. Related party transactions (continued)

The following transactions occurred with related parties:

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 21. Contingencies

The Association has provided a bank guarantee at 30 June 2023 of $51,101 as security to its landlord (30 June 2022: $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 $413,919, 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 22. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 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 2023

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 2023 and of its performance for the financial year ended on that date; and

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

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

On behalf of the directors

20 September 2023

Nexia Edwards Marshall

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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 2023, 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 2023 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 2023 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.

Advisory. Tax. Audit.

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

Other information (cont)

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.

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.

Advisory. Tax. Audit.

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

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

- 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.
- 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

20 September 2023

Advisory. Tax. Audit.

SMSF ASSOCIATION

CELEBRATING 20 YEARS