

Friendly Society Medical Association Limited

ABN 69 088 347 602

VOLUNTARY TAX TRANSPARENCY CODE

Friendly Society Medical Association Limited (FSMA) has chosen to provide additional disclosure of tax information as recommended by the Board of Taxation's Voluntary Tax Transparency Code ("TTC"). FSMA is currently classified as a 'medium business' for the purposes of the TTC (i.e. The Company's aggregated Australian turnover is between A\$100 million and A\$500 million).

FSMA has chosen to disclose the following tax information in our annual report and below:

- A reconciliation of accounting profit to tax expense and to income tax paid or income tax payable. This information is disclosed in note 5(a) to the Financial Statements of our annual report.
- Identification of material temporary and non-temporary differences. This information is disclosed in note 5(a) to the Financial Statements of our annual report.
- The effective company tax rate for Australian operations for the year ended 30 June 2022 is 0% (30 June 2021:0%). This effective tax rate is lower than the Australian company tax rate because the principle of mutuality applies to FSMA as we are a member based organisation. This means when members transact with us, the income is not taxable, however the costs of deriving this income are not deductible.
- Our Taxation policy sets out FSMA's approach to tax risk management and governance. In summary, FSMA's approach to tax risk management and governance is as follows:
 - The organisation complies with all relevant State and Commonwealth Taxation legislation;
 - Taxation liabilities are paid as they fall due;
 - Records are maintained accurately and in accordance with taxation legislation;
 - Taxation administration and the preparation of tax returns shall be performed by persons that are qualified and competent to do so. All workers must be aware of their obligations with respect to the administration of taxation, this principally involves their obligations with respect to the Goods and Services Tax and Fringe Benefits Tax.
- Our total revenue for the 2022 financial year was \$295.2 million. From this, we paid all the operating costs of the business including the following tax payments:
 - Payroll tax (approximately \$1,722,000)
 - Land tax (approximately \$246,000)
 - Fringe benefits tax (approximately \$95,000)

Through our membership model we provided benefits to members of \$28.3 million.

National Pharmacies successfully provided uninterrupted services in the year in spite of Government restrictions, social changes, and staff availability caused by the COVID pandemic. Additionally, we maintained our support to nearly 41 local community organisations throughout South Australia, Victoria and New South Wales with financial contributions through the year.

As a foundation partner and sponsor of the South Australian Children's charity "KickStart For Kids" National Pharmacies once again collected and pledged donations of over \$20,000.

- FSMA has no international related party dealings