



Tax Transparency Report – 2021

Eclix Group Limited

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1. Introduction

Eclix Group Limited (“Eclix”) publish this Tax Transparency Report to provide users with information about the organisations’ tax activities. This report provides information on the approach to tax governance and strategy, and details tax-related payments made for the year ended 30 September 2021. Eclix has chosen to voluntarily disclose this information, consistent with the Australian Government’s efforts to promote tax transparency.

2. Our business

Eclix is an established leader in vehicle fleet leasing, fleet management, heavy commercial vehicle commissioning and management, salary packaging, and novated leasing. Eclix support businesses of all sizes to acquire, finance, and effectively manage their company vehicles. We also help employees to maximise their salary by administering salary packaging benefits including novated leasing.

Eclix has formed an Australian tax consolidation group for its 100% owned Australian tax resident subsidiaries. Eclix also own subsidiaries in New Zealand. The overseas subsidiaries comply with the respective tax legislation of those countries.

3. Tax Governance and Strategy

Eclix has a Board approved Tax Risk Management Policy (“Tax Policy”). The Tax Policy is reviewed and updated as required. All updates are endorsed by the Audit and Risk Committee and approved by the Board.

The Tax Policy ensures that Eclix has a framework in place to allow for the effective management of tax risks in an appropriate and consistent manner, with consideration for tax authority expectations.

Eclix strategic objectives for tax are:

- to comply with all relevant tax laws and meet tax compliance obligations in a timely manner;
- to protect the reputation of Eclix in relation to tax matters;
- not to participate in, facilitate, or promote tax evasion;
- to maintain an open and transparent relationship with tax authorities;
- to be considered by tax authorities to present a low risk of misreporting our tax obligations due to our tax governance arrangements; and
- to maximise after tax returns in support of commercial business activities within the boundaries of our tax risk appetite.

4. Income Tax Disclosures

Effective Tax Rate (ETR)

Eclix calculates the ETR by dividing the Group's income tax expense by the accounting profit before tax, noting that this report is based on the Eclix Group Limited Annual Report which includes overseas entities which are not part of the Australia tax consolidated group.

ETR is calculated by reference to corporate income tax and does not include other types of taxes such as GST, payroll tax, FBT, stamp duties, superannuation contributions, and PAYG withholding remitted to the ATO on behalf of Eclix employees/eligible personnel. For 2021, the Group's ETR is 29% (see table below).

The ETR is a concept based on accounting tax expense divided by accounting profit rather than tax payable over taxable income. The ETR differs from a corporation's income tax liability, which is calculated based on Australian tax legislation reflective of government policies and intent with respect to the taxation of corporations. In most cases, the difference between tax expense and tax payable are of a temporary nature, as the tax and accounting concepts align over time.

All amounts disclosed in the tables are for the year ended 30 September, unless otherwise stated.

Income Tax Expense from the 2021 Eclix Accounts:

	2021 \$'000	2020 \$'000
Current Tax	5,616	3,531
Deferred Tax	25,975	4,604
Total Income Tax Expense	31,591	8,135

Reconciliation of accounting profit to income tax expense

The ETR of Eclix is below the Australian corporate tax rate of 30% due to the items set out below:

	2021 \$'000	2020 \$'000
Profit before income tax from continuing operations	107,541	42,392
Loss before income tax from discontinued operations	-	(16,054)
Profit for the year before income tax expense	107,541	26,338
Tax at Australian corporate rate – 30%	32,262	7,901
New Zealand tax rate differential of subsidiaries	(711)	(372)
Non-deductible capital loss on disposal of subsidiaries	-	328
Carried over capital losses applied to capital gains on disposal of subsidiaries	-	(429)
Non-deductible transaction costs	-	617
Other	40	90
Total Income Tax Expense	31,591	8,135
ETR	29%	31%

Reconciliation of income tax expense to income tax payable

The table below reconciles income tax expenses as per the Financial Statements to the income tax payable for the Australian tax consolidated group. Temporary differences represent the differences between the timing of when transactions are recognised for accounting and tax purposes.

	2021 \$'000	2020 \$'000
Total Income Tax Expense	31,591	8,135
Exclude tax expense relating to New Zealand subsidiaries	(9,998)	(5,818)
Temporary differences		
Intangible assets	924	1,003
Property, plant and equipment	(55,083)	(7,913)
Prepayments and accruals	(492)	1,328
Provisions	(2,113)	(2,188)
Section 40-880* deductions	(1,465)	(1,338)
Share based payments	1,287	1,667
Share based payments through equity	(10,780)	-
Other	(216)	233
Current year Australian Income Tax Loss	(46,345)	(4,891)

* Section 40-880 of the Income Tax Assessment Act 1997 (Cth) broadly provides a deduction over five income year for capital expenditure incurred where that expenditure is i) not otherwise taken into account or denied deduction by some other provision and ii) was incurred by a business carried on or proposed to be carried on for a taxable purpose

5. Tax Contribution Summary

The following is a List of Tax Payments and Collections Eclipx Group makes on behalf of governments within Australia:

Taxes and Duties Paid	2021 \$m	2020 \$m
Income Tax	-	-
Payroll Tax (1 July – 30 June)	2.2	3.6
Fringe Benefits Tax (1 April – 31 March)	0.6	0.9
Total	2.8	4.5
Taxes Collected on Behalf of the Australian Government	2021 \$m	2020 \$m
PAYG Withholding	9.9	12.6
GST	29.2	29.5
Total	39.1	42.1

6. International Related Parties

Eclipx Group Limited (ECX) is an Australian public company, listed on the Australian Stock Exchange. The Group has subsidiaries in New Zealand. None of the related party dealings between the Australian Group and its New Zealand subsidiaries have a material impact on the Australian taxable income of the Group.