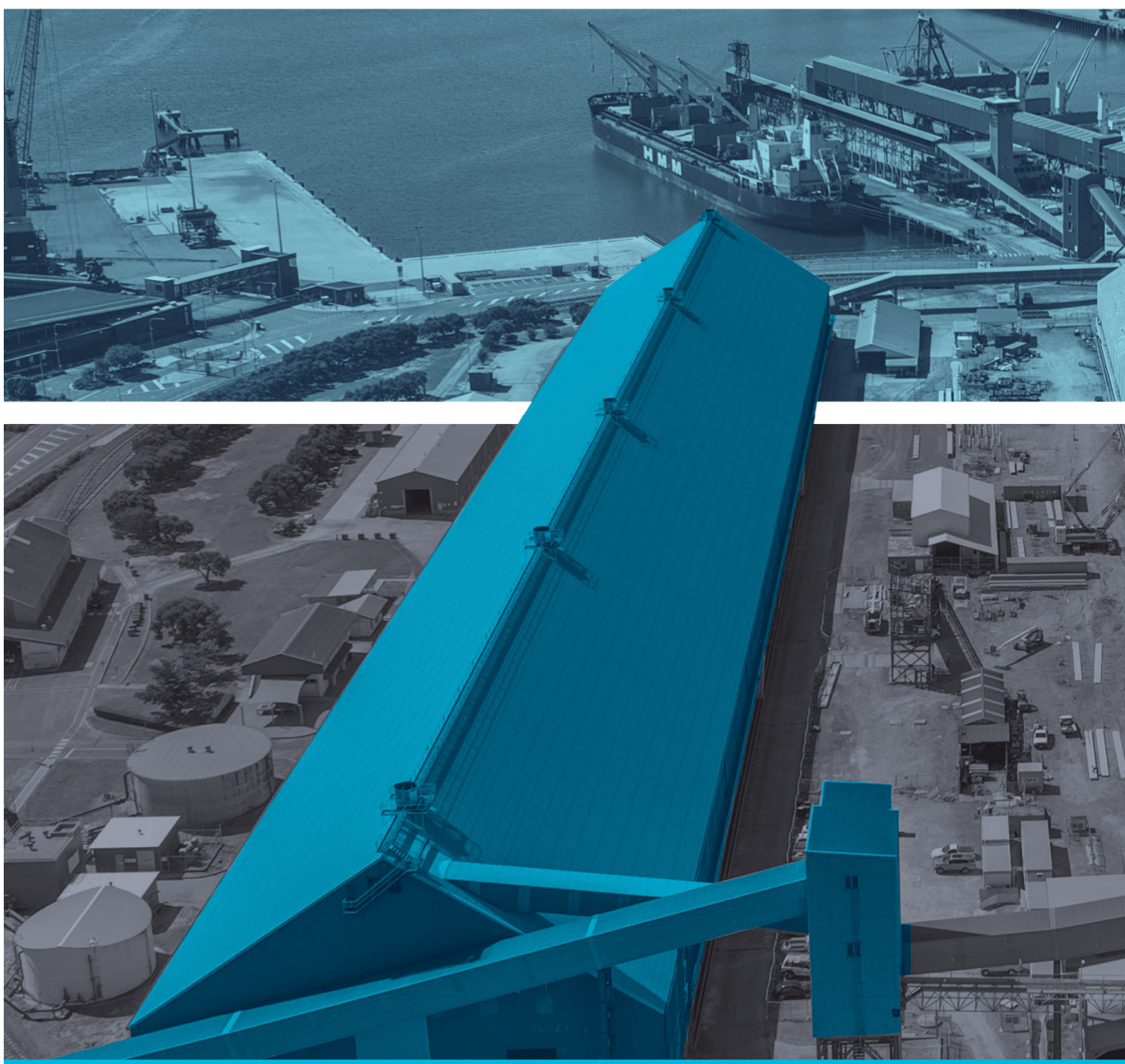




# Tax Transparency Report

## 2023

Sugar Terminals Limited ABN 17 084 059 601



## Introduction

STL recognises the importance of contributing to the Australian economy and the communities within which we operate by fully complying with our regulatory tax obligations. In FY23 STL paid more than \$16 million in Australian tax.

In alignment with our Company values, which include being equitable and honest and acting with integrity this Tax Transparency Statement outlines STL's tax information for the year ended 30 June 2023 as recommended by the Tax Transparency Code (TTC).

The TTC was developed by the Australian Government Board of Taxation as a set of principles and minimum standards to guide businesses on the disclosure of their tax information.

Adoption of the TTC is voluntary, however businesses of STL's scale are encouraged to report in line with the TTC's requirements.



Bulk storage of sugar at STL's Mourilyan terminal.



### **Tax strategy and governance**

It is STL's objective to meet its tax obligations in an effective and efficient manner. This is achieved by

- complying with taxation laws and reporting standards in Australia
- lodging all taxation returns and documentation on time
- collecting and remitting the calculated amounts of Federal, State, and local taxes, levies, duties and rates when they fall due
- seeking independent tax advice from reputed organisations on complex tax matters where necessary
- ensuring documentary evidence is maintained for regular tax control testing
- continuously monitoring updates to changes in tax law and effect on STL
- maintaining, with each revenue authority, STL's standing as an organisation of integrity

In the course of its normal business STL may be entitled to tax concessions but has no appetite for any transaction that is motivated by the avoidance of tax.

STL's tax policy outlines a structured approach to assessing tax risk, overall ensuring appropriate assessment through obtaining external advice followed by internal review per the tax risk threshold, which is aligned to the Company risk management standard.



STL's bulk sugar terminal in Mackay is STL's only terminal that receives sugar by both road and rail.

**Income tax reconciliations****a) Reconciliation of accounting profit to income tax expense**

Adoption of the TTC requires a medium business to disclose reconciliation of STL's accounting profit to income tax expense as disclosed in STL's financial statements for FY23. The reconciliation, including calculation of the effective tax rate, is as follows:

	<b>\$'000</b>
Profit from continuing operations before income tax expense	41,982
Income tax calculated at the Australian tax rate of 30%	12,594
Tax effect of permanent differences:	
Non-deductible depreciation	238
Sundry items	-
Income tax expense	<u>12,832</u>
Effective Tax rate (income tax expense as a percentage of profit before tax)	30.6%

**b) Reconciliation of income tax expense to income tax paid**

The TTC also requires a medium business to disclose reconciliation of the above income tax expense to actual income tax paid during FY22. The reconciliation is as follows:

	<b>\$'000</b>
Income tax expense	12,832
Balance of FY22 income tax payable paid in FY23	1,924
Balance of FY23 income tax asset to be paid in FY24	396
<b>Temporary differences recognised in deferred income tax expense</b>	
Property, plant & equipment	(2,656)
AASB16 Lease liabilities	4
Other payables & provisions	78
Income tax paid in FY23	<u>12,578</u>

**c) Summary of taxes paid in Australia**

During FY23 STL paid the following amounts of tax in Australia:

	<b>\$'000</b>
Australian corporate income tax	12,578
GST	4,225
Fringe benefits tax	4
Payroll tax	<u>35</u>
	16,842