



Buildcorp

Buildcorp Group Pty Ltd

2021 Tax Transparency Report

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Summary

Buildcorp Group Pty Limited ("Buildcorp") is a family owned commercial construction business specialising in new build, refurbishment, remedial and workplace fit-outs.

This aim of this report is to outline how Buildcorp has contributed to the Australian tax base in the 2021 financial year

Introduction

Buildcorp is a family-owned business with construction being the core business for the past 30 years.

At Buildcorp there is a strong emphasis on the business' values which are core to the business and key to its success. The values developed by Buildcorp and its people are centered around the business' "We're with you" promise. The values include:

- ▼ Passion: desire to find a better way, be different, make it happen and put the team first, and to prove that we're with you.
- ▼ Social responsibility: more than just a business, we harness the collective giving power of our staff, business partners, friends and families, through their time, talent, dollars or influence to make an impact in the community.
- ▼ Fair play: a 'one team' mentality means we can be the best possible long-term partners for our clients, our people and our community.
- ▼ Preparedness: Buildcorp is prepared to get in and pull our weight as part of the team, adding value and finding solutions regardless of the challenge.
- ▼ Teamwork: Buildcorp builds high performance teams and prides itself on being a teammate you can count on.
- ▼ Continual learning: embracing the 'why' and doing something with the lesson is our continual learning approach to safety, quality, sustainability and risk management.

Buildcorp's approach to tax governance is in line with our approach to business, with social responsibility and fairness being part of our key values.

This report has been prepared on a voluntary basis and in accordance with the Board of Taxation's Voluntary Tax Transparency Code.

Buildcorp's approach to tax governance

Buildcorp has a Board endorsed Tax Governance Framework which has been prepared based on Australian Taxation Office's ("ATO") guidance.

Buildcorp's Tax Governance Framework is supported by strong policies and procedures to ensure Buildcorp pays the correct amount of tax, complies with taxation legislation and any tax risks are managed appropriately.

Buildcorp's low tax risk appetite is reflected in the following general principles that it has adopted in its Tax Governance Framework:

- ▼ Is open and honest in tax disclosures and dealings with tax authorities.
- ▼ Seeks to pay the correct amount of tax determined by legislation.

- ▼ Enters only into transactions or structures based on the commercial outcomes without relying on the tax impact for their viability.
- ▼ External advice will be sought where tax risk is assessed as material in number or nature.
- ▼ Protect the reputation of Buildcorp at all times.

Tax planning activities that go beyond supporting genuine commercial activities or optimisation of shareholder's returns are not undertaken by Buildcorp, nor does it engage in any aggressive tax planning activities.

Our low appetite for tax risk is exhibited through our utilisation of external tax advisers who assist and provide us with strong internal controls and mechanisms to limit tax risk. Our risk tolerance is also demonstrated through our clear and honest engagement with the ATO.

Engagement with the Australian Tax Office

Buildcorp is committed to open and transparent dealings with the ATO to ensure the professional and efficient resolution of any tax matters or reviews.

The relationship between Buildcorp and the ATO (or any other relevant tax authority) is managed through representatives of Buildcorp or its external advisor.

Contribution to the Australian tax base

As a building contractor, Buildcorp primarily receives income from construction contracts. Buildcorp strives to receive commercial returns from these contracts, as such these returns are taxable in Australia. From the generation of taxable income in Australia, Buildcorp generates franking credits which can be distributed to its shareholders.

For the 2021 financial year, Buildcorp produced a taxable income of \$16,495,762 which resulted in a contribution to the Australian tax base of \$4,948,728.60.

Reconciliation of accounting profit to income tax paid

The Table below reconciles the consolidated revenue as published in Buildcorp's 2021 Annual Report, to the tax paid by Buildcorp.

Year ended 30 June 2021	\$ AUD
Accounting profit before income tax expense	\$15,316,557
Prima Facie tax at 30%	\$4,594,967
Other assessable income	\$245,811
Non-deductible expenses	\$18,687,170
Deduction for decline in value of depreciating assets	-\$2,543,823
Immediate deduction for capital expenditure	-\$357,978
Other income not included in assessable income	-\$11,042

Year ended 30 June 2021	\$ AUD
Other deductible expenses	-\$14,840,933
Taxable income	\$16,495,762
Income tax at 30%	\$4,948,729
Current year tax instalments paid	\$4,022,562
Income tax payable upon lodgement	\$926,167

Our Tax contribution

In addition to the contribution to the Australian tax base through company income tax payments, Buildcorp also paid a variety of state and federal taxes for the year ended 30 June 2021 outlined in the table below.

Year ended 30 June 2021	\$ AUD	Description
Corporate income taxes	\$4,948,729	Company income tax at 30%
Withholding taxes	\$15,698,852	Tax withheld from salary and wages
Payroll tax	\$2,688,725	State taxes payable on salary and wages
Fringe benefits tax	\$689,277	Tax on benefits provided to employees
Total Tax Contributions	\$24,025,583	

International related party dealings

Buildcorp's business is solely operational in Australia. Therefore, there are no corresponding international related party dealings or potentially tax sensitive cross-border transactions that would impact Buildcorp's tax contributions to the Australian tax base.

ATO tax transparency disclosures

The ATO publishes limited data taken from tax returns for resident private companies with total income of \$200 million or more.

The data disclosed by the ATO includes:

- ▼ Total income: is the total income generated within the period before deduction of expenses.
- ▼ Taxable income: is calculated from total income less expenses and adjusted for taxable differences. Tax is calculated on the taxable income.
- ▼ Tax payable: is tax calculated at the corporate income tax rate (30%) of taxable income and reduced by available tax offsets.

	30 June 2021 *	30 June 2020
Total income	\$521,760,129	\$524,956,151
Taxable income	\$16,495,762	\$14,019,455
Tax Payable	\$4,948,729	\$4,205,836

* Information relating to Buildcorp's tax obligations for the year ended 30 June 2021 are yet to be published.

Further Information

Further information in relation to Buildcorp is available at <https://buildcorp.com.au/>