



annual report 2013



A close-up photograph of a wooden puzzle. One piece is missing, revealing a bright orange surface underneath. The word "engagement" is written in white, cursive script across the orange area. The puzzle pieces are a light blue color and are arranged in a grid pattern around the missing piece. The lighting is soft, creating gentle shadows and highlights on the wood grain.

engagement

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Strata Community Australia (NSW) Limited
ABN 74 001 767 997
www.nsw.stratacommunity.org.au

Platinum Sponsors



President's report



I am very happy to present to Strata Community Australia (NSW) members the 2012-2013 Annual Report, which again has recorded a financial surplus, growth in membership and well attended events.

Major activity for this year, and the theme of our Annual Report, is community engagement and the New South Wales strata law review. SCA (NSW) has been heavily involved in consulting with members, the Minister for Fair Trading, the Department, key industry stakeholders and the wider community. There are a number of issues that we hope will be addressed in both the white paper due in the second half of 2013 and the new legislation when it is introduced sometime in the first half of 2014.

A large issue for those living and working in strata is that around the replacement of aging building stock. SCA (NSW) produced a policy which formed a large part of our submission to the government. This is a controversial policy and was formed following a study tour to Singapore, which we highlighted in the 2012 Annual Report. The premise of the Community Renewal policy is that owners corporations would no longer need 100 percent agreement to wind up an old strata scheme.

New building stock is badly needed to replace buildings that now cost more to maintain than to wind up, demolish and rebuild. Plus with land on the outskirts of the city becoming increasingly scarce with limited infrastructure, it makes sense to rebuild medium to high density in areas that already support this type of housing.

Under the policy, which we hope the NSW Government will incorporate into the new legislation, there is also support for replacing older buildings that are more sustainable and support the new digital infrastructure that's coming in the form of the National Broadband Network. As you can see there is a lot going on in the strata sector.

Many other things happened this year including the launch of my vision for a three day NSW Convention. For the first time SCA (NSW) offered courses in accordance with the new accreditation program providing the necessary tools for members to gain that first step on the accreditation ladder. We achieved this within six months of me launching accreditation as a National Director and working party member at the National Convention in Adelaide, and well ahead of any of our other state counterparts.

People from all over Sydney attended the one day session on the Saturday and the anecdotal feedback was that the sessions, especially Flat Chat live hosted by the Sydney Morning Herald's Jimmy Thomson, were informative, relevant and entertaining.

Thank you to all the SCA (NSW) staff – Suresh Manickam, Lucy Byers, Joanna McAndrew, Jessica Boyden, Rachel Lynn and Kelly Denmeade for your hard work in supporting the Board and committees as well as ensuring our members are kept informed, have access to the best events and receive assistance where needed.

Year-in year-out both the SCA (NSW) Board and Secretariat have aimed to provide the best service to our membership and 2012-2013 was yet another great year. I hope you all enjoy reading through this Annual Report and I look forward to seeing you at the 2013 Annual General meeting.

David Ferguson
President
SCA (NSW)

Executive Officer's report



Welcome to the 2012-2103 SCA (NSW) Annual Report and what a year it has been as we have played an integral and central role in the strata law review that still has some way to run. Our theme for the year has been around engagement and has provided SCA (NSW) members with a chance to reflect on the issues in the industry that need attention.

In drafting the SCA (NSW) submission to the NSW Government's Strata Law review I had the good fortune to engage with a lot of people in the industry and some from outside. Most of the comments made by the industry came as no surprise and our final submission to the NSW Government should have come as no surprise. It provides a good blueprint for where the industry should be now and into the future.

Now we await the NSW Government's white paper which may or may not have been released by the time this report is published. We will have to wait and see. But what this is all leading up to is the introduction of legislation in early 2014. We should expect a bit of change ahead.

Nearly two years will have passed since the initial online consultation but all good things take time and I acknowledge that the government wants to get this right for NSW as it will likely be sometime before another review this comprehensive takes place again.

Each year, apart from advocacy on behalf of members, SCA (NSW) aims to provide members with the best networking and social events.

Right from the word go we produced a highly successful Gold Sponsors event, then the Principal's Retreat on Hamilton Island and these were followed by the three day NSW Strata Convention at the Sofitel Wentworth in Sydney's CBD. Members wanted a central location for the Convention and we delivered. This also was successful and boosted by a very well-attended lot owners day.

At the Christmas Party, which attracted a very festive crowd, SCA (NSW) was also delighted to have the Minister for Fair Trading, the Hon Anthony Roberts, MP, attend to receive a copy of our submission to the strata law review. This was almost 12 months to the day that the Minister launched the first stage of the review.

The sporting days – Sailing Day and the Golf Day – attracted more attendees and lots of them were new faces, which is fantastic to see. We have started to see some of our lot owner members attend events such as the Christmas Party and the Consumer Awareness Seminars as well as the Lot Owners Day at the NSW Convention.

Lot owners have also joined the organisation in droves and as at 30 June 2013 we had a membership of 1,517, which far exceeded our expectations. SCA (NSW) therefore is truly representative of those who live and work in the strata sector making our organisation unique in that it represents both consumers and professionals.

As a result we have boosted our communications sending out a regular e-newsletter to members in the Strata Owners Chapter. This year also saw an increased take up of Strata and Community Living and we are still producing our fortnightly version of Around the Grounds. While NSW no longer has control of Inside Strata we still retain pages dedicated to SCA (NSW).

Summing up we have had an excellent year, made a profit, grown membership and engaged with the community, government and members through various touchpoints.

Thank you to my dedicated and hardworking team – Lucy, Jessica, Rachel and Kelly and best wishes to Joanna who left us to pursue another role. Thank you also to sponsors and to the numerous volunteers, without whom we could not do what we do.

Suresh Manickam
Executive Officer
SCA (NSW)

SCA (NSW) Operations

Sponsors

Sponsors make an important in-kind and financial contribution to SCA (NSW).

At 30 June 2013, SCA (NSW) had the following sponsors:

Platinum Sponsors:

- Bannermans Lawyers
- CHU Underwriting Agencies Pty Ltd
- Macquarie Bank Limited

Gold Sponsors:

- Body Corporate Services (BCS)
- Demlakian Strata and Remedial
- Havencab
- Whitbread Insurance Brokers

Silver Sponsors:

- Magnatex
- Strata Max

During the year XLR8'd Solutions ceased their sponsorship with SCA (NSW) while Strata Max was welcomed as a new Silver Sponsor.

Bronze Sponsors:

- Commercial Cleaning and Caretaking
- Express Glass
- Grace Lawyers
- Kelly+Partners
- Sinking Fund Plans (Aust) Pty Limited
- Windowline

SCA (NSW) would like to thank all tiers of sponsors for their contributions - professionally, financially and in-kind. Without the continued and valued support of all our Sponsors the organisation would not be able to provide members and other stakeholders with the range of services and benefits that is currently provided.



Events

The social events for 2012/2013 were some of the best attended we've ever had.

SCA (NSW) started with the Gold Sponsors event which was held at The Ivy in July, where 160 members and guests enjoyed a comedy routine from well-known comedian and a recent star on The Apprentice, Mr Vince Sorrenti, who gave the crowd great communications tips and tricks. This was the first Gold Sponsors event in a few years and it was a great success thanks to Body Corporate Services (BCS), Demlakian Strata and Remedial and Havencab.

This year the NSW Convention was held over three days from 18 to 20 October at the Sofitel Wentworth Hotel in Sydney's CBD. It was a convention of firsts. For the first time it included accreditation sessions for strata managers wishing to get on the accreditation pathway, the Strata Awards for Excellence and a full lot owners day.



Over the three days more than 500 people attended the event with day one exclusively for the strata managers.

On day two SCA (NSW) had the Honourable Anthony Roberts, MP, Minister for Fair Trading open the event and regale us with his own tales of living in strata. He also shared his vision for the industry in the years ahead. Following him was Todd Sampson from the Gruen series on ABC TV and Channel Ten's The Project as the first of the keynote speakers. Todd wowed everyone with his thoughts on creativity and overcoming fear.

The second keynote speaker was Professor Trevor Waring who had recently retired as Chancellor at Newcastle University. The audience went away with Professor Waring's humorous accounts on dealing with difficult people.



“The social events for 2012/2013 were some of the best attended we’ve ever had.”

SCA (NSW) Operations

Day three we welcomed lot owners and for the first time ever we hosted the Sydney Morning Herald's Jimmy Thomson and Flat Chat live, a question and answer session that was very popular.

This event was then followed by the Platinum Sponsors Christmas Party – thanks to Bannermans Lawyers, CHU and Macquarie Bank. It was also at The Ivy in George Street and sold out quickly with 250 revellers getting into the Christmas spirit.

A special guest appearance was made by the Minister for Fair Trading, the Honourable Anthony Roberts, MP, who was handed a Christmas present from SCA (NSW) in the form of his very own copy of our submission to the government on the Strata and Community Title Law Reform discussion paper.

The popular annual sailing day and networking event took place again this year at Middle Harbour Yacht Club in February with 10 yachts competing in a race around Sydney Harbour, with the CHU spectator boat following the regatta. The race was a close finish with Strata Engineering Solutions coming in first. Joining the happy sailors post-race was the land lubbers for the networking event, with nearly 250 people filling the main bar at the Yacht Club. Finlease and 3 Colours were sponsors of this event.

Golfers came from near and far for the annual golf day held at Kogarah Golf Course. Over 110 SCA (NSW) members and stakeholders attended. This year's winning team was Aqua Fire Protection Pty Ltd whose members were:

- Michael Haines
- Shawn Thompson
- Wayne Hampton
- Peter Compton



The Putting Competition winner was Glenn Goodacre from CHU.

Thanks to ElectraLift, Premier Painting Company and Strata Engineering Solutions for their sponsorships of the golf day.

All up it was a successful year for events with even more exciting things planned for 2013/2014.

Education

SCA (NSW) again offered the Certificate of Registration course running 7 programs with 100 students completing it in the past year – that's an average of 14 students per class. All classes were held at our training facilities in North Sydney.

Continuing Professional Development (CPD) roadshows continued in earnest this year with 212 members attending 9 roadshows held across Sydney, Parramatta, Wollongong, Cronulla, Canberra and Tweed Heads. SCA (NSW) also ran 5 CPD Direct sessions with 265 members participating. In addition, the 2012 Convention offered members a full suite of CPD points.

CPD distance attracted 35 participants with 11 completing to date.

Consumer Awareness was also offered throughout the year, with 151 attending the various sessions. Topics included Common Property, Levies, Concrete Cancer, The Executive Committee and the Strata Manager.

The free training course for executive committee members continued and during the year, approximately 2990 lot owners completed the course.



“All up it was a successful year for events with even more exciting things planned for 2013/2014.”

SCA (NSW) Operations

Committees

SCA (NSW) has seven committees – Strata Manager Chapter, Strata Services Chapter, Education, Events, Risk and Finance, Ethics and Strata Owners Chapter. Following are some of the major outcomes the committees have achieved this year.

The Strata Manager Chapter Committee continued with its review of the fact sheets and best practice guides to update and rebrand them. It also completed a review of the Who's responsible? guide and the Strata Services Agreement.

The Strata Services Chapter began the process of determining how it could offer accreditation to strata services members, which would bring them in line with the accreditation being offered to strata managers.

The Education Committee provided guidance on content for the Convention after considering the feedback from the 2012 Convention as well as working on getting strata manager members to sign up for accreditation.

The Education Committee also provided guidance on the 2012/2013 CPD topics and had some input into the program for the consumer awareness seminars.

The Events Committee had another successful year with well-attended events including the sailing day, golf day and Annual Convention, which for the first time ran over three days.

Between 1 July 2012 and 30 June 2013, the Ethics Committee received 37 new complaints, closed 31 complaints and has 6 complaints remaining open. This committee remains at the front line in respect of maintaining and raising the collective bar.

The Strata Owner Chapter is a category of membership for people who own one or more lots in a strata or community title scheme. It can especially be beneficial for those who sit on the executive committee of their scheme.

The Strata Owner Chapter was launched in April 2012 and by 30 June 2013 it had exceeded our expectations growing to 434 members. We look forward to the growth and involvement of this chapter.

The Principals Retreat was held on Hamilton Island and while idyllic it was also an opportunity for principals to get together, share experiences and hear from experts on a range of issues that directly affect them. Participation in the workshops is always high and conversation spirited; and at the end of the day the location is a reward for lots of hard work.

Government Relations

Our warm relationship with the NSW Government continued providing SCA (NSW) with access to the Minister and the Department to discuss issues as they arose.

Following the completion and the handover of the submission, SCA (NSW) then participated in roundtable events organised by the government to discuss issues within the sector. The feedback from these sessions along with the submission is being analysed and co-ordinated by NSW Fair Trading into a white paper that is expected to be released in the second half of 2013. New legislation may then be introduced in the first half of 2014.

Media Relations

SCA (NSW) continues to be sought out by media keen to hear from the industry association on various matters, especially anything to do with the strata law review.

The challenge this year was in re-establishing contacts at some of the major news outlets following large scale redundancies, which saw some of our regular contacts leave.

We have met with the new reporters and played a big part in a number of stories over the past year.





Financial Report
2013

Financial Report 30 June 2013

Directors' Report

The Directors present their report together with the annual financial statements of the Strata Community Australia (NSW) Limited for the year ended 30 June 2013.

Directors

The Directors of the company in office during the financial year and until the date of this report are:

Name	Occupation	Date Appointed
D Ferguson (President)	Company Director	26/10/2006
S Machin (Snr Vice President)	Company Director	Resigned
P Keating (Vice President)	Company Director	Resigned
A Robinson (Vice President)	Company Director	Resigned
D Bannerman	Company Director	26/10/2007
G Haywood	Company Director	08/11/2007
C Duggan (Snr Vice President)	Company Director	09/10/2009
C Chapman	Company Director	22/10/2010
B Coles (Vice President)	Company Director	22/10/2010
D Marchand	Company Director	21/10/2010
A Foreshew	Company Director	Resigned
D Linders (Vice President)	Company Director	19/10/2012
G Chia	Company Director	30/08/2012
G Grace	Company Director	19/10/2012
M Truscott	Company Director	19/10/2012
H McCormack	Company Director	20/06/2013

Directors' meetings and executive committee meetings

The Board of Directors met on five occasions, the attendance at the board meetings was as follows:

Name	Meetings Eligible to Attend	Meetings Attended
D Ferguson	6	6
S Machin	1	1
P Keating	1	1
A Robinson	1	0
D Bannerman	6	6
G Haywood	6	6
C Duggan	6	6
C Chapman	6	5
B Coles	6	6
D Marchand	6	5
A Foreshew	5	1
D Linders	5	4
G Chia	5	5
C Grace	5	3
M Truscott	5	5
H McCormack	1	1

Principal Activities

The principal continuing activities of SCA (NSW) include:-

- (a) The promotion of a high standard of expertise and integrity in the management of group title properties and provision of services to group title properties.
- (b) The promotion of education, discourse and instruction about any matter relating to the management of group title properties.
- (c) The promotion of ethical standards of conduct in dealings by members of SCA (NSW) with their clients or the general public.
- (d) The provision of assistance and information about management of group title properties to its members and to members of the general public.
- (e) The enhancement of recognition by the public of SCA (NSW) and of its members in their management of and provision of services to group title properties, including representation of the views of SCA (NSW) and its members to government and other bodies.
- (f) The performance of any regulatory, educational or supervisory function of SCA (NSW) according to the requirements of government.
- (g) The promotion of professional relationships with persons practicing group title management or providing other services to group title properties in other states and territories of Australia and other countries.
- (h) The performance of all such other things as are necessary, incidental or conducive to the attainment of these objects.
- (i) To represent the interests of and provide information to strata lot owners and their executive committees.

Number of Members

The number of members at 30 June 2013 was 1,517 (2012 – 1,248), in the following categories:

Life	14
Corporate Strata	100
Corporate Supplier	136
Licensed Manager Chapter	299
Associate Chapter	242
Supplier Chapter	229
Associate Member	19
Strata Owners Chapter	434
Students	44
Total	1,517

Results

	2013	2012
	\$	\$
Operating Profit for the Year After Income Tax	74,919	32,237

Dividends

SCA (NSW)'s Constitution does not permit the payment of dividends to members.

Review of Operations

A review of operations for the year is set out in the Executive Officer's Report.

Events subsequent to balance date

No matters or circumstances have arisen since 30 June 2013 which significantly affected or may significantly affect the SCA (NSW)'s operations, the results of those operations or SCA (NSW)'s state of affairs in financial years subsequent to 30 June 2013.

Likely Developments

SCA (NSW) expects to maintain the present status and level of operations and hence there are no likely known developments in future financial years.

Directors' Benefits

David Ferguson received a President's honorarium of \$14,545.

David Bannerman, while a director of SCA (NSW), his legal firm, Bannermans Lawyers, entered into a sponsorship contract with SCA (NSW) for the relevant period. The sponsorship fee has been paid to SCA (NSW).

Paul Keating, while a director of SCA (NSW), his employer CHU, entered into a sponsorship contract with SCA (NSW) for the relevant period. The sponsorship fee has been paid to SCA (NSW).

Greg Haywood, while a director of SCA (NSW), his employer Body Corporate Services (BCS), entered into a sponsorship contract with SCA (NSW) for the relevant period. The sponsorship fee has been paid to SCA (NSW).

Bill Coles, while a director of SCA (NSW), his company Commercial Cleaning and Caretaking, entered into a sponsorship contract with SCA (NSW) for events held during the relevant period. The sponsorship fee has been paid to SCA (NSW).

Christopher Chapman, while a director of SCA (NSW), received an allowance of up to \$6,000 to assist with the development of the Strata Owners Chapter.

Colin Grace, while a director of SCA (NSW), his legal firm, Grace Lawyers, entered into a sponsorship contract with SCA (NSW) for the relevant period. The sponsorship fee has been paid to SCA (NSW). Colin Grace is also a guest trainer for the NSW Certificate of Registration (Cert III) course and receives remuneration for this service.

Directors' Indemnity

The company has paid premiums totalling \$916 (2012 \$6,610) during the year for Directors and Officers liability insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$10 million any one claim and \$20 million in the aggregate arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers of the company.

Staffing

The Directors wish to express their thanks to Suresh Manickam (Executive Officer), Lucy Byers (Manager, Marketing and Events), Rachel Lynn (Manager, Finance & Administration), Jessica Boyden (Co-ordinator, Events & Administration), Joanna McAndrew (Member Services Manager) and Kelly Denmeade (Education Administrator & PA) for their valued contributions.

Auditors

Foster Raffan continue to act as auditors in accordance with Section 327 of the Corporations Act, 2001. The auditors Independence Declaration as required by section 307C of the Corporations Act 2001 is set out on page 4 and forms part of the Directors' Report for the year ended 30 June 2013.

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



Director - D Ferguson

Director - G Haywood

North Sydney, 15 September, 2013

Directors' Declaration

In accordance with a resolution of the Board of Directors of Strata Community Australia (NSW) Limited in the opinion of the Directors the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the company declare that:-

- (a) the financial statements and notes as set out as pages 16 to 21 are in accordance with the Corporations Act, 2001 and
 - (i) give a true and fair view of the company's financial position as at 30 June, 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements, and
 - (ii) comply with Accounting Standards.
- (b) In the Directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Director - D Ferguson

Director - G Haywood

North Sydney, 15 September, 2013

Independent Declaration by the Auditor

We declare that, to the best of our knowledge and belief, during the year that ended 30 June 2013 there have been:

- (i) no contraventions of the auditor independence requirement as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

FOSTER RAFFAN
Chartered Accountants



G D Wood, FCA
Partner

North Sydney, 14 August, 2013.

Independent Audit Report to the Members

Scope

We have audited the financial report being a special purpose financial report of the Institute of Strata Community Australia (NSW) Limited for the year ended 30 June, 2013 as set out on pages 15 to 21. The company's directors are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement whether due to fraud or error. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Standards and statutory

requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act, 2001.

Audit Opinion

In our opinion, the financial report of the Institute of Strata Community Australia (NSW) Limited is in accordance with the Corporations Act, 2001 including:-

- (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

FOSTER RAFFAN
Chartered Accountants



G D Wood, FCA
Partner

North Sydney, 14 August, 2013.

Statement of Comprehensive Income

for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue			
Certificates of registration		54,421	57,600
Convention		-	284,246
Publications		52,304	334,186
Events and education		479,735	131,430
Interest		6,497	7,120
Membership and sponsorship		961,084	938,275
Professional development		-	17,189
Other		11,131	13,144
		1,565,172	1,783,190
Less Expenses			
Certificates of registration		-	27,810
Convention		225,144	243,047
Consultancies		-	2,078
Corporate overheads		1,146,503	955,949
Publications		27,544	352,079
Events and education		91,062	139,326
Membership and sponsorship		-	30,664
		1,490,253	1,750,953
Operating profit before income tax (page 12)		74,919	32,237
Income tax expense	2	-	-
Profit for the year		74,919	32,237
Other comprehensive income for the year		-	-
Total comprehensive income for the year		74,919	32,237
Retained Earnings- 1 July 2012		97,548	65,311
Retained Earnings- 30 June 2013		172,467	97,548

The accompanying notes form part of these financial statements

Statement of Financial Position

30 June 2013

	Note	2013 \$	2012 \$
Current Assets			
Cash and cash equivalents	3	345,311	326,287
Receivables	4	272,234	159,249
Other	5	147,044	125,900
Total Current assets		764,589	611,436
Non-Current Assets			
Plant and equipment	6	12,534	20,473
Intangible assets	7	-	11,204
Due from associate		31,742	31,742
Total Non-Current assets		44,276	63,419
Total Assets		808,865	674,855
Current Liabilities			
Trade and other payables	8	86,836	77,210
Provision- annual leave		42,324	31,837
Income in advance	9	507,238	468,260
Total Current Liabilities		636,398	577,307
Total Liabilities		636,398	577,307
Net Assets		\$172,467	\$97,548
Shareholders' Equity			
Retained earnings		172,467	97,548
Total Shareholders' Equity		\$172,467	\$ 97,548

The accompanying notes form part of these financial statements

Statement of Cash Flows

for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from Operating Activities			
Receipts from members and sponsors		1,445,690	1,654,445
Payments to suppliers and employees		(1,427,932)	(1,576,442)
Interest paid		(849)	(888)
Interest received		7,346	8,008
Net cash inflow from Operating Activities	11	24,255	85,123
Cash flows from Investing Activities			
Purchase of fixed assets	6	(5,231)	(16,096)
Purchase of SCA branding		-	(22,408)
Net cash outflow from Investing Activities		(5,231)	(38,504)
Net increase in cash held		19,024	46,619
Cash- 1 July 2012		326,287	279,672
Cash- 30 June 2013	3	345,311	326,287

The accompanying notes form part of these financial statements

Notes to the Financial Report

30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report has been prepared in accordance with the relevant Accounting Standards and the disclosure requirements of Australian Accounting Standard 1034.

The financial report is prepared in accordance with the historical cost convention. The accounting policies adopted are consistent with those of the previous year.

(a) Membership Income

Membership fees rendered on from members are brought to account on invoice date. The membership year is a calendar and not financial year. The membership fees paid in advance set out in Note 9 represents the period 1 July to 31 December 2013.

(b) Income Tax

Income tax is payable only on income by the company from non-members after deduction of related expenditure. The income tax payable on any assessable income for the year is calculated at the current rate of tax. Due to the lack of virtual certainty of recoupment no deferred tax asset is established for the tax losses set out in Note 2.

(c) Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost of each item of equipment over its expected useful life. Furniture and fittings are depreciated over 4 years (25%) and office equipment over 5 years (20%).

2. INCOME TAX

The aggregate amount of income tax attributable to the financial year differs from the amount prima facie payable on operating profit. The difference is reconciled as follows:

	2013 \$	2012 \$
Operating profit before income tax	74,919	32,237
Income tax at 30%	22,476	9,671
Tax effect of permanent differences:		
Adjustment for mutual income net of expenses	(20,527)	(29,495)
Write down of intangible assets	3,361	16,291
Prima facie income tax expense/(credit)	5,310	(3,533)
Timing differences during the year:		
Other items- provisions	7,046	7,274
Tax losses (utilised)/carried forward	(12,356)	(3,741)
Income tax payable	-	-
Tax losses carried forward	738,075	750,431

Notes to the Financial Report

30 June 2013 continued

CURRENT ASSETS

3. CASH AND CASH EQUIVALENT

	2013	2012
	\$	\$
Cash on hand	526	28
Macquarie Bank Limited Cash Management Account Deposit Account	223,067 121,718	210,559 115,700
	345,311	326,287

4. CURRENT ASSETS- RECEIVABLES

Trade receivables	242,643	106,269
Less: Provision for impairment	(23,000)	(10,000)
	219,643	96,269
Due from Associate – SCA P/L	52,591	62,980
	272,234	159,249

5. CURRENT ASSETS- OTHER

Security deposit	50,608	50,358
Prepayments: - Convention	23,576	32,913
- Venues	66,738	27,879
- Insurance	6,122	14,750
	147,044	125,900

6. NON-CURRENT ASSETS- PLANT AND EQUIPMENT

Office furniture and equipment- at cost	110,440	105,209
Less: Accumulated depreciation	(97,906)	(84,736)
	12,534	20,473

7. NON-CURRENT ASSETS- INTANGIBLE ASSETS

SCA Branding- at cost	22,408	22,408
Less: Accumulated impairment	(22,408)	(11,204)
	-	11,204

Notes to the Financial Report

30 June 2013 continued

8. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2013 \$	2012 \$
Trade payables	45,602	60,947
Accrual - PAYG	9,458	8,768
- GST	31,776	7,495
	86,836	77,210

9. CURRENT LIABILITIES- INCOME IN ADVANCE

Income in advance		
Membership	397,150	333,802
Events	69,472	85,653
Sponsorship	30,966	22,360
Other- publications/education	9,650	26,445
	507,238	468,260

10. LEASE COMMITMENTS – OPERATING

Non-cancellable operating leases (office and photocopier) contracted for but not recognised in the financial statements:

Payable- minimum lease payments:

Not later than 12 months	118,505	114,464
Between 12 months and 5 years	44,440	162,945
	162,945	277,409

11. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit after income tax

Profit after income tax	74,919	32,237
Non-cash flows in profit:		
Depreciation (Note 6)	13,170	11,678
Write-down to recoverable amount (Note 7)	11,204	54,304
Changes in assets and liabilities:		
Decrease/(increase) in receivables	(112,985)	(73,080)
(Increase)/decrease in other assets	(21,144)	(36,090)
(Increase) in due from associate	-	(31,742)
(Decrease)/increase in payables	48,604	108,568
(Decrease)/increase in provisions	10,487	19,248
Net cash inflow/(outflow) from operating activities	24,255	85,123

12. COMPANY DETAILS

The registered office and principal place of business of the company is:

Level 8/99 Mount Street
North Sydney NSW 2060

Profit & Loss Statement

for the year ended 30 June 2013

	2013 \$	2012 \$
Income		
Membership	729,755	752,869
Sponsorship	231,329	185,406
Events and Education	479,735	131,430
Professional development	-	17,189
Convention	-	284,246
Publications	52,304	334,186
Certificates of registration	54,421	57,600
Interest	6,497	7,120
Other	11,131	13,145
Total Income	1,565,172	1,783,190
Expenses		
Consultancies	-	2,078
Events and education	91,062	139,326
Convention	225,144	243,047
Publications	27,544	352,079
Certificates of registration	-	27,810
Training	-	1,479
Industry briefing sessions	-	7,625
Travel and accommodation	-	19,010
Focus group- Governance	-	2,550
Total Expenses	343,750	795,004
Gross Profit (55% v 55%)	1,221,422	988,186
Expenditure		
Accountancy fees	-	4,953
Advertising, branding and design	44,987	11,371
Auditors remuneration	8,500	8,000
Bank and merchant charges	13,194	8,772
Board and meeting costs	4,554	5,412
Computer- IT support	10,304	15,963
Consultancy/Speakers	68,509	20,004
Depreciation	24,374	65,982
Equipment lease	15,977	10,346
General	3,841	6,171
Honorarium	14,545	17,327
Insurance	15,209	7,950
Legal	39,719	8,335
Postage and freight	12,214	17,389
Printing and stationary	27,288	24,659
Public relations- J. Ross	45,500	37,200
Rent and on-costs	50,837	69,472
Salaries and wages	490,580	452,039
Staff recruitment	225	508
Staff training and welfare	-	7,991
Subscriptions	107,945	86,849
Superannuation	42,769	37,161
Telephone	20,773	18,432
Travel and accommodation	79,993	7,442
Website	4,666	6,221
Total	1,146,503	955,949
Operating profit before income tax	\$74,919	\$32,237

A close-up photograph of a wooden puzzle. One piece is missing, revealing a bright orange surface underneath. The word "engagement" is written in white, cursive script across the orange area. The puzzle pieces are a light blue color and are arranged in a grid pattern around the missing piece. The lighting is soft, creating a slight shadow on the orange surface.

engagement



engagement



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