

ANNUAL REPORT

2019



PLATINUM SPONSORS



BANNERMANS
LAWYERS

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ANNUAL REPORT

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President's Report

I was honoured to have been re-elected as SCA (NSW) President for a second term and continue the focus on the key areas of education, government relations, events and delivering benefits to members.

Early on in this Board term it quickly became apparent that the building defects and combustible cladding were issues that were going to shape the coming year.

Building defects are a feature of most buildings and strata managers have generally learned how to deal with them. The Opal Towers and subsequent Mascot Towers catastrophes were on another level and attracted a great deal of media attention.

While it was an awful experience for the owners and residents to be uprooted from their homes or seeing their investments devalued, it was the start of the wake-up call that the NSW Government finally had to face.

Years of poor regulation, poor workmanship, corner cutting, and little consumer protection were now in the public domain thanks to the media coverage and significant effort from SCA (NSW) to progress the narrative and necessity of restoring consumer confidence.

As a result of pressure from the public and media the NSW Government is holding Parliamentary Inquiry into the building industry during 2019-2020.

During the year SCA (NSW) made multiple representations to the Minister and NSW government departments and agencies on behalf of the strata industry. While it has been a busy year there is still much more to do. In addition to pursuing equitable solutions that address building defects, we have also made representations to the NSW Government on these matters and we will continue to keep up the pressure for the rest of 2019 and into 2020.

SCA (NSW) continues to enjoy a positive and collaborative relationship with NSW Fair Trading, which is reported further in the Government Relations section of this Annual Report. It is a relationship that we value greatly and I want to thank Commissioner Rose Webb and Executive Director Peter Dunphy and his team for their input, information and support for the NSW strata sector.

It hasn't been all defects and gloom and SCA (NSW) continues to offer a comprehensive education program for our members. Upcoming licensing and qualification reforms means that NSW strata managers will need to complete a Certificate IV in Strata Community Management during the next four years if they wish to be able to practice. To address this SCA (NSW) developed a training program with a registered training organisation to enable members to undertake this additional training.

Our social events program has been as popular as ever with members enjoying a range of opportunities including the Annual Convention and record attendance at our Awards Gala evening, Principals Retreat and Golf and Sailing Days.

This year we also said thank you and goodbye to two individuals who embody the values, dedication and friendship that are part of the SCA (NSW) organisation. Both Greg Haywood and Bill Coles have spent many years giving up their time to serve on the Board as members and office holders as well as devoting time to committees. They both have supported me as a Board member and as President and I thank them for this and their many years of service to the SCA (NSW) membership.

Thank you to the NSW Board and welcome to two new members – Anne-Maree Paull and Kirsten Terry. Both bring great experience and insight and have made their marks on the Board and in committees since joining.

Finally thank you to the Secretariat which is very capably led by Rachel Lynn as General Manager. The team continue to provide education and events opportunities, support the committees and provide assistance to members and the Board. They are a great positive team and their focus and enthusiasm is much appreciated.

To our members, there is so much more to be done but we are making significant inroads and that's due to your continual support for SCA (NSW) to represent you and the NSW strata industry.

A handwritten signature in black ink, appearing to read 'Chris Duggan'.

Chris Duggan
President
SCA (NSW)



General Manager's Report

It is with pleasure that I present the 2018-2019 Annual Report which sees an increase in profitability for SCA (NSW) and an increase in membership. All of this is as a result of a combination of a Board with a strong focus on the NSW strata sector and a dedicated team in the Secretariat.

Over the year we have increased membership by 6.5 percent overall to 3,371 (3,165 in 2018). Looking back we have seen a 120 percent increase in membership since 2013 when we had 1,517 members.

Financially the operating profit after tax was \$146,810 (2018 \$74,417) an increase of 97 percent. This can be attributed to an increase in membership, highly successful events and the continued support of our sponsors.

During the year SCA (NSW) introduced some new initiatives including a focus on new education offerings such as webinars and Masterclasses which have been extremely well-received by members. As well they are presented by members who have a good depth of knowledge of certain topic areas all related to the strata sector.

During 2019 SCA (NSW) also developed core policy positions that were shared with government and others in the sector. A seven-point plan covering defects and cladding was presented to the Minister for Better Regulation and Innovation and representatives from Fair Trading as well as with others in the sector.

The events calendar continues to offer something for everyone from a High Tea supporting International Women's Day to the Silver Sponsors event (whiskey and champagne tasting) to those perennial favourites – the golf day and the sailing day.

Both the annual awards gala dinner and the annual convention were extremely popular with large attendance numbers.

Education programs during 2018-2019 included our always well-attended CPD roadshows, CPD direct sessions, CPD online and the new webinar and Masterclasses already mentioned. Members also attended Strata Industry Briefing Sessions on a number of topics including "Protection in business" and "Building bonds and defects".

The revised Strata Title Committee Training course was well received by strata owners with all sessions sold out. Strata Owners were kept up to date via the monthly Strata Owner e-newsletter and quarterly Strata and Community Living newsletter.

SCA (NSW) continues to enjoy a collegiate relationship with NSW Fair Trading as Chris Duggan outlined in his report. The organisation has also attended meetings this past year with the Department of Finance, Services and Innovation, the Energy and Water Ombudsman NSW, Australian Apartment Advocacy and the Owners Corporation Network.

Thank you to the NSW Board and especially President Chris Duggan for your ongoing support and guidance to the staff in the Secretariat. We have a first-rate relationship demonstrated by the successes we've had over the past year.

I'd also like to take this opportunity to thank all our sponsors for their continued support both financially and in-kind and thank our committee members for volunteering their time in offering their expertise and support to the work done behind the scenes.

And last but not least, thank you to the Secretariat team. We have a close-knit team that works together to deliver outstanding educational, events and networking opportunities for our members. A great job team in 2018-2019 with the next year already looking amazing.

A handwritten signature in black ink that reads "Rachel Lynn". The signature is fluid and cursive, written on a white background.

Rachel Lynn
General Manager
SCA (NSW)

SCA (NSW) Operations

Sponsors

Sponsors make an important in-kind and financial contribution to SCA (NSW). At 30 June 2019, SCA (NSW) had the following sponsors:

Platinum Sponsors:

Bannermans Lawyers
CHU Underwriting Agencies
Macquarie Bank Limited
Express Glass

Gold sponsors:

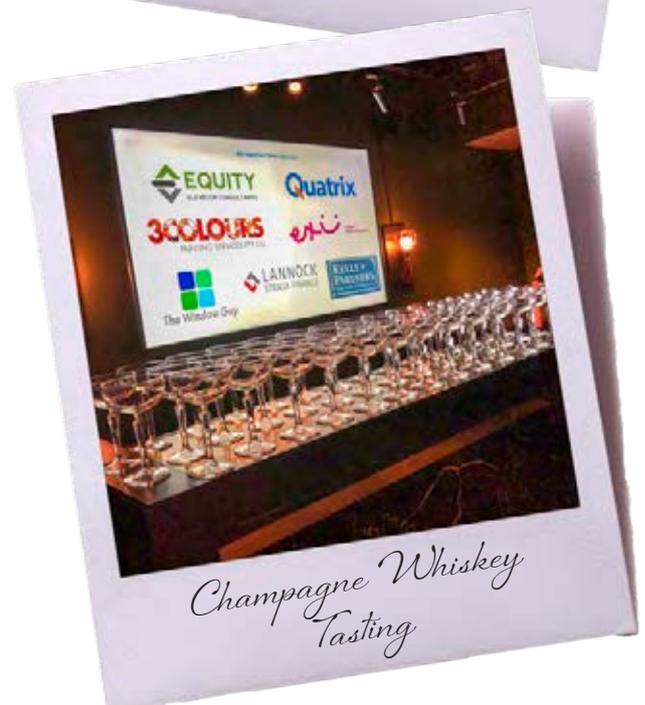
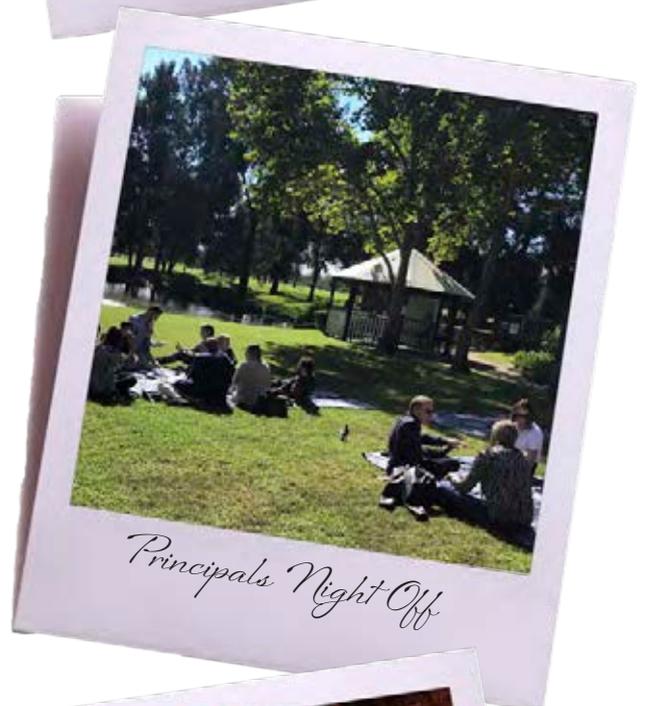
PICA Group
StrataMax
Body Corporate Brokers
Savant Energy
Grace Lawyers (moved from Bronze to Gold level)
Premier Painting Company (moved from Bronze to Gold level)
Longitude Insurance (moved from Silver to Gold level)

Silver sponsors:

Lannock Strata Finance (moved from Gold to Silver level)
Expert Strata Insurance (moved from Gold to Silver level)
Magnatex
Equity Elevator Consultants
Kelly + Partners
The Window Guy
Quatrix
3 Colours Painting Services

Bronze sponsors:

AGC Roof Maintenance
Windowline
Strata Unit Underwriters
Poolwerx
Concise Security Systems
Honan Insurance Group (from 12 July 2018)
REI Super (from 22 August 2018)
WBS Technology (from 1 February 2019)
2020 Fire Protection (from 1 January 2019)



Education

A number of new initiatives were added to the Education program during 2018-2019, to incorporate regulatory changes and meet member needs.

This year SCA (NSW) continued consultation with NSW Fair Trading on matters involving the licensing and training reforms. We worked collaboratively and had significant input on behalf of members ensuring their interests were included in the decision-making processes of the NSW Government. Members have had regular updates through the various communications channels including NSW Fair Trading being invited to speak at the Strata Industry Briefing sessions and to the new Masterclasses, which are two-hour sessions presented by industry experts, which cover a variety of topics.

Over the past 12 months SCA (NSW) prepared for the upcoming changes that the licensing and training reforms will bring in early 2020. From that date, NSW strata managers will need to complete a Certificate IV in Strata Community Management during the next four years if they wish to be able to practice.

SCA (NSW) developed a training program with a registered training organisation to enable members to undertake this additional training. The first course commences in the second half of 2019.

We have been working on the development of a jobs initiative project to attract new talent to the strata industry to fill a shortage. This will be revealed and rolled out in 2019-2020.

As part of the drive to attract new talent to the strata industry, SCA (NSW) showcased strata management as a profession and career choice by attending two major career expos in NSW. These were the HSC and Careers Expo in Moore Park, Sydney which had 16,726 attendees with 72 percent of those recorded as students looking for a career and the Western Sydney Careers Expo held at Sydney's Olympic Park which had 23,334 attendees with 84% of those visitors also students looking for a career option.

The education programs were well attended throughout the year, with registrations strong in both the classroom and online modes. Between July 1, 2018, and June 30, 2019, more than 685 students participated in classroom-based courses throughout NSW.

On top of this, 202 students enrolled in the online programs,

with the total student count for the year coming in at 887.

SCA (NSW) continues to increase its education offerings which is a critical factor in raising both individual skill levels and the overall competency of the strata industry. Improved standards, best practices and effective training all aid towards making strata management a recognised profession.

Events

Each year, SCA (NSW) offers members a variety of events from social events to formal dinners and the Annual Convention, 2018-2019 was no exception with a total of eight major events.

The SCA (NSW) 2018 CHU Strata Community Awards were held at Four Seasons Hotel in August and attracted 490 attendees who turned up in their white night attire. Members received awards across nine categories. This year six of our award categories were aligned with the SCA National awards with NSW award winners becoming finalists in the 2019 National Awards. Thanks to the award category sponsors for their support and to the overall awards sponsor CHU.



A record number of attendees with 46 delegates and 15 partners came along to the 2018 Principals Retreat held in August at the Reef View Hotel on Hamilton Island. Delegates workshopped how to manage sickness and absenteeism; staff retention, progression and costs involved; flexibility in





CHU STRATA
COMMUNITY
AWARDS
strata
community
association



NSW

the workplace and policy and legislative updates.

Three Young Strata Network (YSN) events were also held. We had a great turn out to the Speed Mentoring event in September with 80 young mentees and 20 experience mentors who shared their knowledge and expertise. The March and June YSN events were equally as popular with miniature golf and a second Speed Mentoring night held at the Australian Museum.

The 2018 Annual Convention in October attracted over 330 delegates to the Hilton Hotel, Sydney, and was themed 'Change, Challenge, Opportunity'. We continued with the 2017 format, where suppliers and management companies could purchase day delegate tables and invite up to eight guests across the two days.

Six standout keynote speakers were also welcomed to the program, speaking across a broad range of special interest and personal development topics. The speakers were Heidi Dening, Bernard Salt AM, Annabelle Chauncy, Michelle Bowden, Jules Allen and Anh Do. The Minister for Innovation and Better Regulation, Matt Kean MP, presented the opening address, followed by Peter Dunphy representing NSW Fair Trading.

The Convention Gala Dinner was held on the Friday night, which increased in attendance with over 400 delegates enjoying the evening in their "Here's looking at you kid" Casablanca attire. During the Convention dinner SCA (NSW) awards were presented. The Max Dunn Award was presented to David Edgerton from StrataMax, followed by the Life Member Award which was presented to Bill Coles from Cleaning & Caretaking Corporation and Robert Anderson from Advanced Community Management. Congratulations to those members and thank you also to the convention session presenters, sponsors and trade exhibitors who made the Annual Convention a success.

The 2018 Christmas Party held in late November attracted 300 delegates converging at the Fire House Hotel in North Sydney. All enjoyed the opportunity to let off some steam and celebrate the beginning of the Christmas period. Thank you to event sponsors CHU, Cleaning & Caretaking Corporation, Windowline and Strata Engineering Solutions.

In February, 15 yachts competed in the 2019 Sailing Day which started and finished at the Cruising Yacht Club of Australia at Rushcutters Bay. The winning team, CHU, was cheered on by the 400 delegates in attendance. Thanks to the networking event sponsors AGC Roof Maintenance and REI Super.



The High Tea International Women's Day event partnering with Women in Strata was again an overwhelming success reaching capacity with 160 delegates. The keynote speaker, Jessica Rowe, finished the event off with a bang in the stunningly gorgeous Beta Bar in the CBD. All proceeds were donated to the charity, Share the Dignity.

Strata Owners Day was successfully held at the Swissotel in June with 120 delegates and 17 trade exhibitors. The ever-popular ABC personality James Valentine led the way as facilitator for the day.

The Charity Family Night in April attracted 50 attendees, including children, to ten pin bowling and laser tag for the kids. All proceeds were donated to support the Starlight Children's Foundation.

The always popular SCA (NSW) Express Glass Golf Day was held in May at Moore Park Golf Club. Also, a sold-out event with 136 delegates competing in 34 teams. This year Cleaning & Caretaking Corporation Team won the team event. For those non-golfers who might be converted, 16 individuals participated in the Champagne Putt Putt competition. We again supported the charity Ronald McDonald House and donated \$18,000. Twenty companies sponsored the day from individual holes, to the drinks cart. Thanks to our naming rights sponsor, Express Glass.

Finally, there were three Strata Industry Briefing sessions held with topics focused on Licensing and Training Reforms, Protection in Business and Building Bonds and Defects. All were well attended with 270 attendees across the three events.

Thank you to everyone who attended the events or were sponsors in 2018-2019 and congratulations to those who won competitions or received awards.



Committees

Code of Conduct Committee

The Code of Conduct committee met three times during 2019. It considered and dealt with seven complaints (eleven less than in the previous 12 months) in the below categories:

Complaint Category	2019	2018
Alleged breaches or poor mismanagement by strata manager	1	9
Failure to follow "proper" procedure at meetings	2	8
Failure to provide documents on request (strata roll)	0	3
Poor, inadequate and sometimes rude strata manager communication	2	4
Termination of Agency Agreements	0	2
Alleged fraudulent activity by strata managers	2	5

Where appropriate matters that the committee could not deal with were sent to the SCA (NSW) Board to consider.

Strata Managers Committee

The Strata Managers committee continues to be involved in consultation with NSW Fair Trading regarding licensing and training reforms. The committee worked collaboratively and had significant input on behalf of members. Regular updates with representatives from the industry were provided to members throughout the year.

The committee continues to be updated regarding mediation numbers and issues that arise including the progress of NSW Fair Trading's new online complaints portal.

Value proposition and stakeholder engagement continues to be high on the agenda for the committee with specific deliverables and measurable outcomes assessed when the meetings convene.

Thank you to this year's committee members: *Tony Irvine (Chair), Hugh McCormack, David Wellman, Stephen Brell, Dilber Beattie, Karina Heinz, Olivera Ferguson, Peter Brisbane, Roderick Smith, George Vumbaca and Mite Domazetoski.*

Events Advisory Panel

The panel is pleased that the events this year were well attended with most selling out.

The panel was called on to provide advice in relation to

topics, speakers and event feedback to implement for future events as well it welcomed increased support from current and new sponsors.

Thank you to panel members: *Stephen Brell (Chair), Debbie Barker, Elaine Fin, Grant Taylor, Liza Perera and Tully McGann.*

Strata Services Committee

The Strata Services committee was pleased to note that the Strata Services Specialist course offered in early 2019 had been fully booked as this is a good indicator of the value of this course to members and to consumers. The committee also considered if the course should be compulsory for all new strata service members – this was referred to the SCA (NSW) Board for further consideration.

Thank you to committee members: *Anne-Maree Paull (Chair), Aylie Brutman, David Edgerton, Henk Van Den Heuval, Jason Beckley, Liza Perera, Mark Osborn, Neil Trenwith, Peter Ton, Tony Conway and Vic Reynolds.*

Policy and Legislative Committee

The Policy and Legislative committee worked through a comprehensive agenda over the past year on matters from recommending a convention delegate survey be undertaken to drafting an industry ethical guide to drafting a number of policy positions.

The committee also determined some issues needed to be communicated to members and were instrumental in several communiques being circulated.

Thank you to committee members: *David Bannerman (Chair), Colin Grace, Paul Keating, Russell Young, David Ferguson, Dr Adrian Carr and Katalin Savage.*

Strata Owners Committee

During the year the Strata Owners committee resolved to send a survey to strata owner members to gauge what services they may require over the next few years. This in turn aims to help the committee work on initiatives to build a broader membership base.

The committee also provided support to the Board with government lobbying and legislative issues.

The strata owners online course was updated to be more NSW specific at the request of the committee and owners were issued with information about the revamped course and encouraged to participate.

Thank you to committee members: *Nick Whiley (Chair), Michael Batty, Patricia Sanson, Rick Miller, John Milce and Grant Taylor.*

Government Relations

SCA (NSW) continued its extensive government relations program during 2018-2019 representing members at a number of events, workshops and on committees as well as drafting submissions to government on a variety of matters including one to the ACCC Northern Australia Insurance Inquiry.

NSW went to the polls in a State Election in March 2019 with the government being returned with a reduced majority. SCA (NSW) noted that yet another new Minister for Better Regulation and Innovation was appointed to represent the NSW Fair Trading portfolio which includes all strata legislation and regulation.

What is of most importance is the excellent and ongoing relationship that SCA (NSW) has with representatives from NSW Fair Trading. SCA (NSW) and Fair Trading representatives meet on a quarterly basis to discuss various industry issues. Fair Trading representatives also attend SCA (NSW) committee meetings and have presented at an industry briefing session and at the NSW Annual Convention.

During the year SCA (NSW) was represented at the Real Estate Reference Group, a Community Land Development Bill Roundtable, the Residential Apartments Sustainability Project, and meeting with the Energy and Water Ombudsman (EWON) and the Department of Finance, Services and Innovations Policy team. SCA (NSW) met with various NSW politicians and has sought a meeting with the new Minister for Better Regulation and Innovation.

Media Relations

Two major issues attracted media attention as they involved hardships for consumers. These were the catastrophe that can stem from building defects and the issue of the onerous cost of replacing external combustible cladding.

SCA (NSW) was involved significantly during the year in media comment mainly concerning these matters. In total 14 media releases were distributed during 2018-2019.

The NSW State Election in March was a good opportunity to get some messages out to the Government and Opposition on the need for stronger consumer protections for those who live in or own strata properties and two media releases on the topic of the appointment of a Strata Commissioner were distributed.

Overall, SCA (NSW) was involved in 26 media stories throughout the year in newspapers (print and online), radio, TV news and online specialist sites.





2018 Annual Convention



2018 Annual Convention



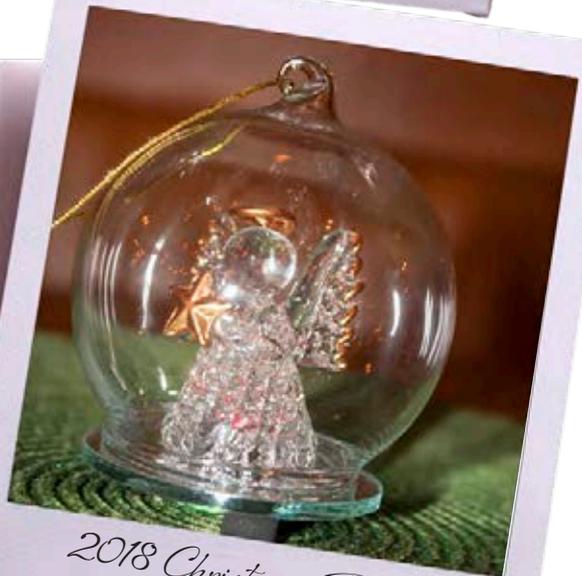
2018 Annual Convention



Strata Industry Briefing



*Strata Industry Briefing
- Breakfast*



2018 Christmas Party



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NSW

FINANCIAL REPORT

2019

Directors' Report

The Directors present their report together with the annual financial statements of the Strata Community Association (NSW) Limited for the year ended 30 June 2019.

Directors

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

Name	Occupation	Date Appointed
C Duggan (Chair; President)	Company Director	09/10/2009
D Linders (Senior Vice President)	Company Director	19/10/2012
A Irvine (Vice President; Treasurer)	Company Director	27/10/2016
A Paull (Vice President)	Company Director	25/10/2018
G Haywood (Resigned 25/10/18)	Company Director	08/11/2007
D Bannerman	Company Director	26/10/2007
B Collaros (Resigned 25/10/18)	Company Director	22/10/2010
H McCormack	Company Director	20/06/2013
C Grace	Company Director	19/10/2012
C Lezer (Resigned 28/11/18)	Company Director	06/11/2015
K Terry	Company Director	25/10/2018
S Brell	Company Director	20/10/2017
D Wellman	Company Director	20/10/2017
O Ferguson (Position ceased 25/10/18)	Alternate Company Director	20/10/2017
N Whiley	Company Director	27/03/2019

Directors' Report (continued)

Board Meetings

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

Name	Chapter represented	Meetings Eligible to Attend	Meetings Attended
C Duggan	Strata Manager (Licensed)	6	6
D Linders	Strata Manager (Licensed)	6	5
A Irvine	Strata Manager (Licensed)	6	6
A Paull	Strata Services	6	5
G Haywood	Strata Manager (Associate)	2	2
D Bannerman	Strata Services	6	5
B Collaros	Strata Services	2	1
H McCormack	Strata Manager (Licensed)	6	6
C Grace	Strata Services	6	4
C Lezer	Strata Owners	3	2
K Terry	Strata Manager (Associate)	6	5
S Brell	Strata Manager (Licensed)	6	6
D Wellman	Strata Manager (Licensed)	6	5
O Ferguson	Strata Manager (Licensed)	2	1
N Whiley	Strata Owners	3	3

Principal Activities

The principal continuing activities of the company include:-

- 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.
- The promotion of education, discourse and instruction about any matter relating to the management of group title properties.
- The promotion of ethical standards of conduct in dealings by members of the company with their clients or the general public.
- The provision of assistance and information about management of group title properties to its members and to members of the general public.
- The enhancement of recognition by the public of the company and of its members in their management of and provision of services to group title properties, including representation of the views of the company and its members to government and other bodies.
- The performance of any regulatory, educational or supervisory function of the company according to the requirements of government.

The promotion of professional relationships with persons practicing group title management or providing

Directors' Report (continued)

other services to group title properties in other states and territories of Australia and other countries.

- g. The performance of all such other things as are necessary, incidental or conducive to the attainment of these objects.

Number of Members

The number of members at 30 June 2019 was 3,371 (2018 – 3,165), which was broken up as follows:

	2019	2018
Life	20	18
Corporate Strata	215	206
Corporate Services	210	186
Licensed Manager Chapter	567	565
Associate Chapter	775	704
Services Chapter	326	311
Associate Member	304	192
Strata Owner Chapter	870	791
Students	84	192
Total	3,371	3,165

Results

Operating profit for the year after income tax amounted to \$146,810 (2018 \$74,417).

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 General Manager's Report.

Events subsequent to balance date

No matters or circumstances have arisen since 30 June 2019 which significantly affected or may significantly affect the company's operations the results of those operations or the company's state of affairs in financial years subsequent to 30 June 2019.

Likely Developments

The company expects to maintain the present status and level of operations and hence there are no likely known developments in future financial years.

Directors' Benefits

No director of the company has received or become entitled to receive a benefit because of a contract made by the company or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for a Presidents honorarium paid to Mr C Duggan of \$16,000.

Catherine Lezer was reimbursed \$576 to assist with the development of the Strata Owners Chapter.

Directors' Report (continued)

Bill Coles providing a discounted office cleaning service to the company in arrears towards 2018/19 membership fees.

Greg Haywood and Kirsten Terry, while directors of SCA (NSW), their employer, Prudential Investment Company of Australia (The PICA Group), entered into a sponsorship contract with SCA (NSW) for the relevant period. The sponsorship fee has been paid to SCA (NSW).

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).

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).

Anne-Maree Paull, while a director of SCA (NSW), her employer, CHU Underwriting Agencies, entered into a sponsorship contract with SCA (NSW) for the relevant period. The sponsorship fee has been paid to SCA (NSW).

Directors' Indemnity

The company has paid premiums totalling \$12,996 (2018 \$9,633) 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 Rachel Lynn (General Manager), Penny Harrisson (Events & Sponsorship Manager), Sadiye Ince (Education Manager), Rebecca Barnwell (Education Coordinator), Verena Griffiths (Marketing Manager), Julia Wylie (Events Coordinator) and Ashleigh Newell (Membership & Administration Coordinator) 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 5 and forms part of the Directors' Report for the year ended 30 June 2019.



Director - C. Duggan
Chatswood, 23 August 2019.



Director - A. Irvine

Directors' Declaration

In accordance with a resolution of the Board of Directors of the Strata Community Association (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 23 to 29 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 2019 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 - C. Duggan
Chatswood, 23 August, 2019



Director - A. Irvine

Independence Declaration by the Auditors

I declare that, to the best of my knowledge and belief, during the year that ended 30 June 2019 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
Principal

North Sydney, 23 August 2019.

Independent Auditor's Report

To the Members of STRATA COMMUNITY ASSOCIATION (NSW) LIMITED

Opinion

I have audited the financial report of Strata Community Association (NSW) Ltd (the company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion the financial report of Strata Community Association (NSW) Ltd has been prepared in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the company's financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors of the company are responsible for the other information. The other information is the directors' report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Independent Auditor's Report (continued)

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and the needs of the members. The directors of the company's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the company are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the company either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The directors of the company are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of my responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of my auditor's report.

FOSTER RAFFAN

Chartered Accountants



G D Wood, FCA

Principal

North Sydney, 23 August 2019

Statement of Comprehensive Income for the year ended 30 June 2019

		2019	2018
Revenue	Note	\$	\$
Events and education		883,806	766,284
Interest		3,374	264
Membership		762,528	734,704
Other - accreditation		5,136	6,636
Publications		61,786	60,768
Sponsorship		563,112	532,889
		<u>2,279,742</u>	<u>2,101,546</u>
Less Expenses			
Audit		10,000	10,000
Consultancies		54,094	158,885
Depreciation		9,337	8,294
Employment		628,612	601,292
Events and catering		810,272	666,365
Occupancy		83,192	73,314
Other	9	224,295	179,681
Publications		10,828	30,325
Subscriptions		194,243	203,112
Travel & accommodation		108,059	95,861
		<u>2,132,932</u>	<u>2,027,129</u>
Operating profit before income tax		146,810	74,417
Income tax expense	2	<u>-</u>	<u>-</u>
Profit for the year		146,810	74,417
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		146,810	74,417
Retained Earnings - 1 July 2018		<u>420,088</u>	<u>345,671</u>
Retained Earnings - 30 June 2019		<u>\$566,898</u>	<u>\$420,088</u>

Statement of Financial Position – 30 June 2019

		2019	2018
	Note	\$	\$
Current Assets			
Cash and cash equivalents	3	598,828	525,520
Receivables	4	61,434	149,291
Other	5	383,249	339,627
Total Current assets		<u>1,043,511</u>	<u>1,014,438</u>
Non-Current Assets			
Plant and equipment	6	44,667	28,272
Total Non-Current assets		<u>44,667</u>	<u>28,272</u>
Total Assets		<u>1,088,178</u>	<u>1,042,710</u>
Current Liabilities			
Trade and other payables	7	120,265	93,203
Provision- annual leave		27,415	17,738
Income in advance	8	347,581	494,031
Total Current Liabilities		<u>495,261</u>	<u>604,972</u>
Non-Current Liabilities			
Provision- long service leave		26,019	17,650
Total Non-Current Liabilities		<u>26,019</u>	<u>17,650</u>
Total Liabilities		<u>521,280</u>	<u>622,622</u>
Net Assets		<u>566,898</u>	<u>\$420,088</u>
Members' Equity			
Retained earnings		566,898	420,088
Total Members' Equity		<u>566,898</u>	<u>\$420,088</u>

Statement of Cash Flows for the year ended 30 June 2019

		2019	2018
		\$	\$
Cash flows from Operating Activities	Note		
Receipts from members and sponsors		2,504,873	2,031,118
Payments to suppliers and employees		(2,209,206)	(2,022,584)
Interest received		3,374	264
Net cash inflow/ from Operating Activities	11	<u>299,041</u>	<u>8,798</u>
Cash flows from Investing Activities			
Term Deposit Investment		(200,000)	-
Purchase of fixed assets	6	<u>(25,733)</u>	<u>(4,499)</u>
Net cash outflow from Investing Activities		<u>(225,733)</u>	<u>(4,499)</u>
Net increase in cash held		73,308	4,299
Cash- 1 July 2018		<u>525,520</u>	<u>521,221</u>
Cash- 30 June 2019	3	<u><u>\$598,828</u></u>	<u><u>\$525,520</u></u>

Notes to the Financial Report 30 June 2019

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 from members are brought to account on invoice date. The membership year has changed from being calendar year to financial year. The membership fees paid in advance set out in note 8 represents the period 1 July to 30 June 2019.

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%).

Notes to the Financial Report 30 June 2019 (continued)

	2019	2018
	\$	\$
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:		
Operating profit before income tax	146,810	74,417
Income tax at 27.5%	40,373	20,465
Tax effect of permanent differences:		
Adjustment for mutual income net of expenses - est		(40,000)
Prima facie income tax expense		(19,535)
Timing differences during the year:		
Provisions - A/L & LSL	(4,963)	(2,169)
Accrual - Audit	-	(550)
Prepayments	13,378	21,357
Tax losses (utilised)/carried forward		897
Income tax payable	-	-
Tax losses carried forward		804,765
CURRENT ASSETS		
3. CASH AND CASH EQUIVALENT		
Macquarie Bank Limited		
Cash Management Account	395,709	525,520
Term Deposit (1.35%; 12 Aug, 2019)	203,119	-
	598,828	525,520
4. CURRENT ASSETS- RECEIVABLES		
Trade receivables	63,903	78,359
Less: Provision for impairment	-	-
	63,903	78,359
Other - Undeposited funds	(2,469)	70,932
	61,434	149,291

Notes to the Financial Report 30 June 2019 (continued)

	2019 \$	2018 \$
5. CURRENT ASSETS- OTHER		
Security deposit	53,225	52,970
Other - rent	-	5,282
Prepayments - Awards	91,507	57,853
- Convention	125,897	124,219
- Education	3,918	-
- Events	101,109	86,222
- Insurance	6,693	4,036
- Publications	417	55
- Visa Card	483	8,990
	383,249	339,627
6. NON-CURRENT ASSETS- PLANT AND EQUIPMENT		
Office furniture and equipment- at cost	162,511	136,779
Less: Accumulated depreciation	(117,844)	(108,507)
	44,667	28,272
7. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Trade payables	38,115	14,763
Other	36,155	2,771
Accrual - PAYG	9,452	-
- GST	12,870	48,080
- Payroll	11,173	9,934
- Audit	10,000	10,000
-Other	2,500	7,655
	120,265	93,203
8. CURRENT LIABILITIES- INCOME IN ADVANCE		
Membership	112,611	213,448
Events & Convention	219,612	250,585
Publications	-	18,168
Other- education	15,358	11,830
	347,581	494,031

Notes to the Financial Report 30 June 2019 (continued)

	2019 \$	2018 \$
9. OTHER EXPENSES		
Advertising	14,143	1,573
Bank charges	6,624	7,622
Board expenses	820	4,848
Board honorariums	16,193	16,278
Brand & design	5,089	6,531
Donation	-	909
Equipment leasing	11,960	11,092
Filing fees	625	1,023
Grants	25,000	-
Insurance	9,439	10,306
Legal	4,020	3,190
Office assets <\$1,000	12,848	2,080
Phone & internet	18,778	13,948
Postage	4,027	3,062
Public relations & Media	56,100	47,810
Printing	16,404	19,032
Royalties	3,375	-
RTO fee	9,210	19,687
Sundry	9,429	8,714
Website	211	1,976
	224,295	179,681

10. LEASE COMMITMENTS - OPERATING

Non-cancellable operating leases contracted for but not recognised in the financial statements:

Payable- minimum lease payments:

Not later than 12 months	27,336	80,958
Between 12 months and 5 years	-	27,336
	27,336	108,294

Notes to the Financial Report 30 June 2019 (continued)

	2019 \$	2018 \$
11. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	146,810	74,417
Non-cash flows in profit and loss:		
Depreciation	9,337	8,294
Changes in assets and liabilities:		
(Increase)/decrease in receivables	87,857	(70,164)
(Increase)/decrease in other assets	14,455	(77,655)
(Decrease)/increase in payables	22,536	66,019
(Decrease)/increase in provisions	18,046	7,887
Net cash inflow from operating activities	299,041	8,798

12. COMPANY DETAILS

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

Suite 102 Level 1
845 Pacific Highway
Chatswood NSW 2067

ANNUAL REPORT

2019



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