



Institute of Strata Title  
Management Ltd

# 2010

## Annual Report

30 JUNE 2010

Institute of Strata Title Management Ltd  
ABN 74 001 767 997

[www.istm.org.au](http://www.istm.org.au)

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Institute of Strata Title  
Management Ltd

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# PRESIDENT'S REPORT

I wrote in Inside Strata in February 2010 that this year would be an exciting year and it has certainly turned out that way. We've had many changes, first time events and new people become a part of the ISTM.

Firstly, I want to express my sincere thanks to Mr Richard Holloway who for almost the first six months of 2010 stepped up to the role of Acting General Manager following the departure in late 2009 of Ms Jackie Zelinsky.

Richard was able to keep ISTM moving along and played a part in the success of the inaugural Schindler Lifts Strata Industry Awards for Excellence held on 4 June 2010. This event honoured the best of the best in the strata industry in NSW and all winners were very worthy indeed.

The Awards would not have been possible without Schindler Lifts and so a very big thank you to Fernando Xavier, Managing Director, Schindler Lifts Australia and his team for their support.

I would also like to acknowledge the wonderful contribution to the success of the Awards by my fellow Senior Director, Ms Sharyn Machin. She was determined to make sure there were a number of entrants for this first event and that the judging went smoothly. Since the Awards, so many people have come to me and said what a great event it was and this is testament to Sharyn's enthusiasm. So thank you.

Congratulations to both the nominees and the winners – you are all the best in the strata industry and an inspiration to us all. Not only have you set benchmarks for yourselves you have also set them for the industry and given us all something to aspire to.

After a small gap while new people were appointed, ISTM has also resumed its media relations and government relations programs. Since 1 December 2009 ISTM has issued eight media releases, appeared in print nine times and on radio twice. This is a good result as it is rebuilding the momentum and we have established relationships with new journalists on Sydney metropolitan newspapers as well as in some regional papers. We have some way to go but already the media is seeking us out for comment on issues of importance to the industry.

We have also begun to refocus on policy. The Industry Briefing Sessions are one way we are engaging with the NSW Government and Coalition. This year the Minister for Planning, the Honourable Tony Kelly, MLC, addressed members at an Industry

Briefing Session plus ISTM has met with both the Minister for Fair Trading, the Honourable Virginia Judge, MP and the Opposition spokesman for Fair Trading, Greg Aplin, MP.

The appointment of Mr Suresh Manickam to the role of Executive Officer from 15 June 2010 will also mean we increase our focus on policy and building relationships with key influencers both within and outside Government.

My thanks also to Suresh who has taken on the role of Executive Director with enthusiasm and a desire to move ISTM forwards. Under his direction members will begin to see changes towards a National focus. This is something we have been discussing for sometime. The 2010 Annual Convention will be a joint event with the National Community Titles Institute (NCTI) and there will be many things to discuss during this time with our counterparts around Australia. I'm looking forward to seeing our progression over the next 12 months.

Another area undergoing change is in our Corporate Governance. ISTM is committed to raising the bar for itself and for the industry. Our aim is to do things better and at the same time help others to attain good Corporate Governance standards. New Corporate Governance guidelines are being established for ISTM with the Board approving new standards and this year ISTM also secured funding for a training program in Corporate Governance for Executive Committee members.

Finally, many ordinary ISTM members put a lot of their time and effort – on a voluntary basis – in to the running of our industry association. Their efforts are very much appreciated and without them we would not be the organisation we are today. I'd like to encourage each and every one of you to get behind the ISTM and give as much or as little time as you can but please support us in trying to make the strata industry more professional, more dynamic and more influential not just for ourselves but for the millions of lot owners right across Australia.

**David Ferguson**  
**President**



# EXECUTIVE OFFICER'S REPORT

I am very pleased to be able to present the 2010 Annual Report. As I arrived at the ISTM two weeks before the end of the financial year, forgive me for focusing my report on what lies ahead rather than reporting on the year just gone.

I have received a very warm welcome from the ISTM community and it's clear that one of the community strengths is its dedication and enthusiasm for the industry.

The ISTM has a busy 12 months ahead of it. Along with other State affiliates, we are forging closer ties with the NCTI. In the lead up to the March 2011 elections, ISTM will be developing and strengthening its industry policies. We will also be working towards significant industry events such as the Industry Awards and the Principals Retreat.

In order to improve the efficiency of our policy development, ISTM has reviewed its Governance Framework procedure. This mechanism establishes a procedure that allows for an efficient policy development process by the organisation on behalf of the members.

By pinpointing the areas of the industry that require change, ISTM can position itself with both the Government and Opposition in seeking legislative and regulatory reform. Policy issues that we will continue to develop and pursue include: the winding up of strata schemes in relation to the replacement of ageing building stock, national regulatory harmonisation and urban development.

Throughout the year, ISTM has had a number of very successful Industry Briefing Sessions. These sessions have provided members with valuable industry related information and have been supported by ISTM's sponsors. Feedback from members is that they appreciate these sessions and the opportunity to talk face-to-face with some of the State's decision makers. We will be continuing these sessions over the next year and will also include subject matter experts who can assist us with our policy debates.

My first introduction to ISTM this year was at the Schindler Lifts Strata Industry Awards for Excellence. It was a great way of seeing the

industry as it celebrated the achievements of those outstanding in their fields of expertise. The nominees and winners have set a high benchmark, I know from meeting so many of you that next year's Awards are likely to attain even higher goals.

The Awards help us as an industry see what's good and what can be improved. The feedback from this inaugural event was overwhelmingly positive, so I am expecting to see the Awards grow and evolve as we continue what I hope, will be a very long and proud tradition.

I am working towards improving member communications. Fortnightly Executive Officer reports commenced soon after I started and these have been very well received. We have also been looking at ways to improve member dialogue through Inside Strata and you may have noticed some changes in the stories and contributors to the magazine. Feedback to date has been very encouraging and we will keep raising the bar to make the industry magazine a valuable benefit for our members.

I'd like to acknowledge the contribution and support of ISTM's loyal sponsors. Thank you all for advice and help you provided to me when I first stepped into the role.

I've also found it very encouraging to see such a strong volunteer base within an industry body. Your presence as a part of the fabric that makes up ISTM is valued and appreciated.

We have much more to do and 2011 should be very exciting.

**Suresh Manickam**

**Executive Officer**



# ISTM OPERATIONS

## Business Partners and Sponsors

Sponsors make an important contribution to ISTM. Sponsorship revenue for 2009/2010 contributed \$205,000 in actual sponsorship dollars and a further \$272,000 in the purchase of tangible items such as advertising and other ISTM products and services.

### Business Partners

- Macquarie Bank Limited
- CHU Underwriting Agencies Pty Ltd
- Integrated Consultancy Group
- Bannermans Lawyers

ISTM welcomed both Integrated Consultancy Group and Bannermans Lawyers as business partners in early 2010.

This year Schindler Lifts also became a major sponsor through their support of the 2010 Strata Industry Awards for Excellence for which they were given naming rights to this event.

### Gold Sponsors

- Demlakian Strata and Remedial
- Havencab
- BCS

### Silver Sponsors

- Kladis Building Solutions
- XLR8'd Solutions
- Lannock Strata Finance
- Magnatex

### Bronze Sponsors

- Commercial Cleaning and Caretaking
- Express Glass
- Gold Crest Security
- Grace Lawyers
- Kelly+Partners
- Kevin Joyce Pest Management
- Sinking Fund Plans (Aust) Pty Limited
- Strata Plus
- Windowline
- 3 Colours Painting Services

ISTM would like to thank the contribution, professionally, financially and in kind from the Business Partners and Sponsors. We look forward to working with all the Business Partners and Sponsors over the next 12 months.

## Events

A number of events were held during 2009/2010. Each has been briefly outlined below. The events are an excellent opportunity for the strata industry to come together, network and increase their industry knowledge within a structured professional environment. A variety of activities throughout the year means that there is something for everyone to be involved in.

ISTM held a very successful Convention in Canberra from 9th to 10th October 2009 at the Hyatt Canberra. More than 160 full delegates attended and the event was hailed a success. Delegate and sponsor numbers are evidence of the success of the ISTM brand with delegate passes selling out in the month prior to the convention.

Keynote speaker Max Walker was enthusiastically received as were session speakers such as Keith Suter who spoke on the Economy, Ron Johnston who presented on Innovation and Sustainability and Joydeep Hor an expert on the Fair Work Act.

The 2009 Christmas Party at Doltone House at Jones Bay Wharf, Pyrmont attracted 220 revellers. Sponsored by the business partners Macquarie Bank, CHU and Andreones Lawyers, it was a great way to end the year.

Over 150 ISTM members gathered for the Annual Sailing Challenge on the 25th February 2010 followed by drinks and networking in the Sunset Room, Luna Park. The winner

of the regatta race was Tony Isgroves Painting & Decorating. The Sponsors of the Networking Night were Whitbread Insurance, Finlease (Aust) and Demlakian Strata & Remedial.



ISTM Sailing Day 2010

Strata Business Principals attended a retreat at Cradle Mountain Resort, Tasmania over three days from 11th to 13th March 2010. The Retreat consisted of educational content and leisure activities and provided the principals with the opportunity to network and work on skills to build their businesses.

Showing their generosity, 100 attendees and 12 sponsors raised \$9,436.83 during the Charity Movie Night at Hoyts Broadway on 22nd April 2010. The money raised went to the Children's Hospital at Westmead. The movie was Clash of the Titans.



ISTM Golf Day - Strathfield Golf Course

The ISTM Golf Day saw a new venue in 2010, Strathfield Golf Course. Over 30 teams participated in this event on 21 May 2010.



ISTM Convention 2009 - Canberra



# ISTM OPERATIONS (CONTINUED)

Industry Briefing Sessions were held throughout the year. These included:

- Home Owners Warranty briefing on 28th July 2009
- Conflict Management on 19th August 2009
- Briefing on 15th September 2009 by the Minister for Fair Trading, the Hon Virginia Judge, MP. The Minister spoke on Office of Fair Trading departmental changes, Importance of Continuing Professional Development in the strata sector and provided comments on the Private Members Bill put forward by Clover Moore, MP
- Strata Managers Compulsory Appointment on 22nd October 2009
- Changes to Workplace Relations Laws on 18th March 2010
- Address by Tony Kelly, Minister for Planning on 16th April 2010 on issues such as the demolition of old buildings which is a matter of importance for all ISTM members and has been attracting attention in recent months.
- Budget Breakfast Briefing presented by Macquarie Bank on 13th May 2010

The last event on the calendar and the first ever for the industry was the Schindler Lifts Strata Industry Awards for Excellence held on 4th June 2010 and attended by 340 very well-dressed people from the strata industry.

The winners were:

- **CHU for Large Business of the Year (sponsored by Bankwest)**
- **Pristine Living Management for Small Business of the Year**
- **Havencab for Excellence in Customer Service**
- **Dynamic Property Services for Commitment to Professional Ethics (sponsored by Strata Plus)**
- **Chris Mo'Ane for Business Person of the Year**
- **Matthew Carota for Young Business Person of the Year (sponsored by BPS Strata Maintenance)**

## Education

ISTM completed 12 months as a Registered Training Organisation (RTO). We continue to review and upgrade our training materials and believe we offer a premium training product to the industry.

ISTM also successfully delivered the Certificate of Registration to a total of 123 students. This attendance has been as a result of market awareness as there has been little advertising for the course. With seven courses delivered, the average attendance was 17 participants. Continuing Professional Education (CPD) roadshows continued in earnest this year with 306 members attending 11 roadshows



Schindler Lifts Strata Industry Awards for Excellence 2010



held across Sydney, Newcastle/Central Coast, Queanbeyan and Tweed Heads. ISTM also ran 10 CPD Direct for members.

This year the requirement that individuals paid for attendance at CPD was changed in 2010 so that members only were permitted to participate.

A new course, Supplier Induction, commenced in 2010, 33 new suppliers attended the two sessions. This course replaced the Supplier OH&S course which had previously run.

Funding was received for the development of an Executive Committee Training course. A pilot of the face-to-face course was successfully run in April and more are planned for 2010/2011 including the development of an online course.

Attendance at the Strata Management Statements/Building Management Committees, Community Title and Company Title courses has dropped off so these are currently under review.

## Committees

ISTM has four committees – Licensed Chapter, Supplier Chapter, Education and Events. These are some of the major outcomes the committees have achieved this year.

The Licensed Chapter Committee organised a very successful Principal's Retreat which was held in Tasmania with 30 Strata Managers, some accompanied by partners, attended. The Licensed Chapter also responded to the Regulations Review, published the Who's Responsible guide and four new Best Practice Guides.

Supplier Chapter Committee activity mainly focussed on drafting new fact sheets which it has provided to the Licensed Chapter Committee for review and ways to take the Committee in a new direction. A brainstorming session has provided the Committee with a variety of new ideas it is keen to explore and implement over the next year.

The Education Committee continued regular meetings and provided input to topic content

for the Convention, Principal's Retreat and the member survey. It also provided input for topics for CPD, Consumer Awareness and Industry Briefing sessions.

Events Committee had another successful year with well-attended events and of course the inaugural Schindler Lifts Strata Industry Awards for Excellence. Work has already commenced on the 2011 Convention and the 2010 joint ISTM/NCTI Convention is shaping up to be one of the best.

## Government Relations

Policy was not a major focus during the year however the appointment of the new ISTM Executive Officer has changed this.

ISTM did engage with members of NSW Parliament and responded to calls for submissions on areas such as the Regulations Review and changes to Home Owners Warranty Insurance and is represented on the Government's Strata Industry Working Group by the ISTM President David Ferguson.

## Media Relations

Media relations were re-established at the beginning of 2010 following a change in public relations contractor. Media releases were issued on topics from how to choose a strata manager to issues around pet ownership, the latter attracting both newspaper and radio interest.

Relationships have also been re-established with the Daily Telegraph, Sydney Morning Herald and Cumberland Newspapers (Sydney local community newspapers) with new relationships forming with ABC radio. Relationships will also be re-established with the Australian Financial Review and this next year will have more of a radio and regional focus while maintaining existing relationships.



**Institute of Strata Title  
Management Ltd**

ABN 74 001 767 997



# FINANCIAL REPORT

30 JUNE 2010

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# Directors' Report

The Directors present their report together with the annual financial report of the Institute of Strata Title Management Limited for the year ended 30 June 2010. The auditor's report follows.

## Directors

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

Name	Occupation	Date Appointed
<b>D Ferguson (President)</b>	Company Director	26/10/2006
<b>S Machin (Snr Vice President)</b>	Company Director	26/10/2007
<b>P Keating (Vice President)</b>	Company Director	26/10/2006
<b>A Robinson (Vice President)</b>	Company Director	17/10/2008
<b>D Morris</b>	Company Director	5/10/2001 (retired 9/10/2009)
<b>D Richards</b>	Company Director	26/10/2007 (retired 9/10/2009)
<b>D Bannerman</b>	Company Director	26/10/2007
<b>G Haywood</b>	Company Director	8/11/2007
<b>N Trenwith</b>	Company Director	17/10/2008
<b>D Terry</b>	Company Director	17/10/2008
<b>C Duggan</b>	Company Director	9/10/2009
<b>O Pisanu</b>	Company Director	9/10/2009

## Directors' meetings and executive committee meetings

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

Name	Meetings Eligible to Attend	Meetings Attended	E/C Meeting Eligible to attend	E/C Meetings Attended
<b>D Morris</b>	1	1	2	2
<b>D Ferguson</b>	7	7	3	3
<b>P Keating</b>	7	6	3	1
<b>D Richards</b>	1	1		
<b>D Bannerman</b>	7	6		
<b>S Machin</b>	7	6	3	3
<b>G Haywood</b>	7	6		
<b>N Trenwith</b>	7	7		
<b>A Robinson</b>	7	7	3	3
<b>D Terry</b>	7	7		
<b>C Duggan</b>	6	6		
<b>O Pisanu</b>	6	5		

# Directors' Report (Continued)

## Principal Activities of the Company

The principal continuing activities of the Institute 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 the Institute 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 the Institute and of its members in their management of and provision of services to group title properties, including representation of the views of the Institute and its members to government and other bodies.
- (f) The performance of any regulatory, educational or supervisory function of the Institute 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.

There have been no significant changes in the nature of these activities during the year.

Number of Members		
The number of members at 30 June 2010 was 1,003 (2009 - 1,371) which was broken up as follows:	Life	10
	Corporate Strata	122
	Corporate Supplier	105
	Licensed Manager Chapter	297
	Associate Chapter	224
	Supplier Chapter	214
	Associate Member	30
	Group Title Scheme	1
	<b>Total</b>	<b>1,003</b>

## Net Loss after Income Tax

The loss of the company for the financial year was \$60,051 (2009 - Loss \$86,703).

## Review of Operations

A review of operations for the year is set out in the General Manager's Report.

## After Balance Date Events

No known matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the Institute's operations, the results of those operations or the state of affairs of the Institute in subsequent financial years.

## Future 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.

## Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

## Dividends

There were no dividends paid or declared during the year ended 30 June 2010.

## Indemnities Granted

There have been no indemnities granted or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

## Actions

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

The company was not a party to any such proceedings during the year.

## Auditors

Foster Raffan continues in office 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 a following page and forms part of the Directors' Report for the year ended 30 June 2010.

**This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:**



D Ferguson  
*Director*



G Haywood  
*Director*

Dated at Chatswood, 20 September 2010

Partners:  
 Graeme J McLean  
 George D D Raffan  
 Vivien H Tang  
 G Douglas Wood

Associates:  
 Louise J Coffee  
 Christine M Watson

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*Independence Declaration by the Auditor*

to the directors of the Institute of Strata Title Management Limited under section 307c of the Corporations Act 2001.  
 We declare that, to the best of our knowledge and belief, during the year that ended 30 June 2010 there have been:

- (a) 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*  
**FOSTER RAFFAN**  
 Chartered Accountants

*G D Wood*  
**G D Wood, FCA**  
 Partner

North Sydney, 20 September 2010.

*Independent Audit Report to the Members*

**Scope**

We have audited the financial report of the Institute of Strata Title Management Limited for the year ended 30 June, 2010 as set out on pages 5 to 11. The company's directors are responsible for the financial report. 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. 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.

The audit opinion expressed in this report has been formed on the above basis.

**Emphasis of Matter**

Included in the Statement of Financial Position is an Intangible Asset of \$86,200 established at 30 June 2010 by the directors to reflect the Course Development costs. These deferred costs are to be reassessed annually by the directors as to impairment with an objective that all deferred costs will be amortised by 30 June 2014.

**Audit Opinion**

In our opinion, the financial report of the Institute of Strata Title Management Limited is in accordance with:-

- (a) the Corporations Act, 2001 including:-
  - (i) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

*Foster Raffan*  
**FOSTER RAFFAN**  
 Chartered Accountants

*G D Wood*  
**G D Wood, FCA**  
 Partner

North Sydney, 20 September 2010.



## Institute of Strata Title Management Limited

### Income Statement for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue		<b>2,137,794</b>	1,937,604
Employee Benefits Expense		<b>405,578</b>	455,988
Depreciation and Amortisation		<b>28,377</b>	11,752
Other Expenses		<b>1,763,890</b>	1,556,567
Loss before Income Tax		<b>(60,051)</b>	(86,703)
Other Comprehensive Income for the Year		-	-
<b>Total Comprehensive Income</b>		<b>(60,051)</b>	<b>(86,703)</b>



## Statement of Financial Position as at 30 June 2010

	Note	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	167,722	255,748
Trade and Other Receivables	4	221,961	54,724
Inventories	5	-	36,000
Other Current Assets	6	37,543	78,984
<b>Total Current Assets</b>		<b>427,226</b>	<b>425,456</b>
<b>Non-Current Assets</b>			
Plant and Equipment	7	12,945	20,439
Intangible Assets	8	86,200	91,128
<b>Total Non-Current Assets</b>		<b>99,145</b>	<b>111,567</b>
<b>Total Assets</b>		<b>526,371</b>	<b>537,023</b>
<b>Current Liabilities</b>			
Trade and Other Payables	9	491,460	432,939
Provisions	10	13,878	23,000
<b>Total Current Liabilities</b>		<b>505,338</b>	<b>455,939</b>
<b>Total Liabilities</b>		<b>505,338</b>	<b>455,939</b>
<b>Net Assets</b>		<b>21,033</b>	<b>81,084</b>
<b>Equity</b>			
Retained Profits		21,033	81,084
<b>Total Equity</b>		<b>21,033</b>	<b>81,084</b>

# Statement of Cash Flows

## For the Year ended 30 June 2010

	Note	2010 \$	2009 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		2,044,061	2,149,773
Payments to Suppliers and Employees		(2,075,534)	(2,070,179)
Interest Received		9,647	16,081
<b>Net Cash Outflow from Operating Activities</b>	<b>11</b>	<b>(21,826)</b>	<b>95,675</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Plant and Equipment		-	(12,630)
Payments for Website & CRM		(66,200)	(91,128)
<b>Net Cash Outflow from Investing Activities</b>		<b>(66,200)</b>	<b>(103,758)</b>
Net Decrease in Cash Held		(88,026)	(8,083)
Cash and Cash Equivalents as at 1 July 2009		255,747	263,830
<b>Cash and Cash Equivalents as at 30 June 2010</b>	<b>3</b>	<b>167,721</b>	<b>255,747</b>

# Detailed Trading Statement

For the Year ended 30 June 2010

	2010 \$	2009 \$
<b>Income</b>		
Membership	719,921	567,963
Sponsorship	225,486	150,734
Events & Education	226,181	140,752
Professional Development	212,761	186,693
Convention	351,693	437,225
Publications	268,349	317,646
Research & Decision Support	56,288	21,250
Certificates of Registration	67,468	99,260
Other	-	16,632
	2,128,147	1,938,155
<b>Less Cost of Sales</b>		
Consultancies	269,811	130,441
Events & Education	304,258	288,439
Convention	342,506	392,079
Publications	166,893	269,347
Certificates of Registration	49,070	-
Training	50,888	-
Industry Briefing Sessions	26,069	-
Travel & Accommodation	18,630	-
	1,228,125	1,080,306
<b>Gross Profit</b>	<b>900,022</b>	<b>857,849</b>

# Detailed Profit and Loss Statement

For the Year ended 30 June 2010

	2010 \$	2009 \$
<b>Income</b>		
Interest Received	9,647	16,081
Gross Profit	900,022	857,849
	909,669	873,930
<b>Expenditure</b>		
Accountancy Fees	16,264	-
Administration & Bookkeeping	21,045	-
Advertising & Marketing	22,606	-
Annual Leave Provision	-	6,966
Auditor's Remuneration	7,000	5,500
Bad Debts Written Off	20,709	-
Bank & Merchant Charges	10,184	10,385
Board & Meeting Costs	1,506	15,227
Capital Expenditure	-	4,623
Computer & IT Costs	35,406	4,747
Consultancies	56,764	157,219
Depreciation	28,377	11,752
Doubtful Debts	3,098	-
Equipment Lease	10,014	8,698
Filing Fees	170	-
General	4,414	6,705
Insurance	16,340	11,765
Legal Costs	11,391	-
Parking & Tolls	3,488	-
Postage & Freight	31,118	25,661
Printing & Stationery	17,628	27,680
Rent & On-Costs	73,083	66,491
Salaries & Wages	373,150	440,613
Staff Recruitment	360	-
Staff Training & Welfare	7,499	13,875
Subscriptions	106,388	78,235
Superannuation	32,428	15,375
Telephone	27,239	27,023
Travel & Accommodation	10,556	18,429
Website & ADSL	21,495	3,664
	969,720	960,633
<b>(Loss) before Income Tax</b>	<b>(60,051)</b>	<b>(86,703)</b>

# Statement of Appropriations

For the Year ended 30 June 2010

	2010 \$	2009 \$
Retained Profits - Beginning of Year	81,084	167,787
Loss after Income Tax	(60,051)	(86,703)
Unappropriated Profit at 30 June 2010	21,033	81,084

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

### (a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### (b) Employee Benefits

Provisions for annual leave and long service leave arising from employee services rendered are recognised and have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

### (c) Plant and Equipment

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%).

### (d) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

**All revenue is stated net of the amount of goods and services tax (GST).**

# Notes to the Financial Statements

For the Year ended 30 June 2010

	2010 \$	2009 \$
<b>2. Loss for the Year</b>		
Loss before income tax expense has been determined after accounting for;		
<b>Charging as Expense</b>		
Cost of Goods Sold	1,228,125	1,080,306
Depreciation		
- Depreciation of Plant and Equipment	28,377	11,752
Bad & Doubtful Debts:-		
- Bad debts written off	20,709	-
- Movement in provision for doubtful debts	3,098	-
Remuneration of the Auditor:-		
- Audit of the financial statements	6,000	3,000
- Other Services - tax / other	1,000	2,500
	7,000	5,500
<b>3. Cash and Cash Equivalents</b>		
Cash on Hand	31	1,000
MBL Term Deposit	104,890	182,796
Cash at Bank	47,078	56,578
Education Account	14,027	13,941
Convention Account	417	-
Imprest Account	1,279	1,433
	167,722	255,748
<b>4. Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	215,404	49,177
Less Provision for Doubtful Debts	(6,098)	(3,000)
GST Refundable	12,655	8,547
Total Trade & Other Receivables	221,961	54,724

	2010	2009
	\$	\$
<b>5. Inventories</b>		
<b>Current</b>		
Inventories	-	36,000
Total Inventories	-	36,000
<b>6. Other Assets</b>		
<b>Current</b>		
Bonds	15,919	17,229
Convention Prepayments	16,559	61,755
Venue Prepayments	5,065	-
Total Other Assets	37,543	78,984
<b>7. Plant &amp; Equipment</b>		
<b>Plant &amp; Equipment</b>		
Office Furniture & Equipment	75,837	75,837
Less Accumulated Depreciation	(62,892)	(55,398)
Net Plant & Equipment	12,945	20,439
<b>8. Intangible Assets</b>		
<b>Non-Current</b>		
Website & CRM	157,328	91,128
Less Accumulated Impairment	(71,128)	-
Net Intangible Assets	86,200	91,128
<b>9. Trade and Other Payables</b>		
<b>Current</b>		
Income In Advance		
Membership	372,226	275,461
Education - Corporate	825	12,028
Trade Creditors	75,065	127,542
Other Creditors & Accruals		
PAYG Withheld	28,361	15,562
Employee Novated Lease	4,156	2,346
Credit Cards		
Macquarie Visa	10,827	-
Total Trade and Other Payables	491,460	432,939
<b>10. Provisions</b>		
<b>Current</b>		
Provision for Annual Leave	13,878	23,000
Total Provisions	13,878	23,000



	2010 \$	2009 \$
<b>11. Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Loss after Income Tax	(60,051)	(86,703)
<b>Adjustments for Non-Cash Components in Profit:</b>		
Depreciation	28,377	11,752
Review of Intangible Asset Carrying Value	50,244	-
<b>Changes in Assets and Liabilities</b>		
Increase (Decrease) in Trade and Other Receivables	(125,795)	157,434
Decrease in Inventories	36,000	1,100
Increase in Trade and Other Payables	58,521	(10,249)
(Decrease) in Provisions	(9,122)	22,341
Net Cash Outflow from Operating Activities	(21,826)	95,675

## 12. Limited Liability

The company is limited by guarantee. In the event of the company being wound up, the liabilities of each member (both during the time of membership and for one year thereafter) is limited to \$50.

## 13. Remuneration of Directors

The Directors do not receive any remuneration for their work as officers of the company. Directors are reimbursed for sundry expenses incurred on behalf of the company.



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