



strata
community
australia®
NSW

Annual Report 2017





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Platinum Sponsors





President's Report

This is my first annual report as SCA (NSW) President and I can attest to one of the most challenging years to be in this role with the strata law reforms finally commencing and significant industry and market events impacting on our membership. It has also been the most productive and enjoyable year working with a talented and committed Board and staff.

I want to start with a thank you to my predecessor Greg Haywood who, along with other Board members (past and present) spent a considerable amount of time, working with NSW Fair Trading and several government Ministers in shaping and transitioning the strata law reforms. While not all the reforms are as we would like them, we've found over the seven months since the commencement of the new *Strata Schemes Management Act 2015*, that they are workable and have propelled the NSW strata industry into the future.

For the first months of the 2016/2017 year, SCA (NSW) worked with NSW Fair Trading on developing and undertaking road shows up and down the NSW coast and within the Sydney metropolitan area, educating strata managers and lot owners on the new laws. By all accounts this was a successful collaboration and we are pleased with the relationship we have developed with NSW Fair Trading.

We have also had the opportunity to meet the Minister for Better Regulation and Innovation, the Hon Matt Kean, MP, on several occasions and he has expressed his enthusiasm for the work that SCA (NSW) does notably endorsing our accreditation pathways, code of conduct and professional development and holding these out as benchmarks to the broader property sector.

This was clear when he agreed to attend the second event put on by the newly formed Young Strata Network and participated in a frank interview discussion.

Congratulations to the Young Strata Network committee and its newly formed steering committee, represented by a new wave of enthusiastic and engaged members under 35. I am pleased to see the formation of this special interest group and to see the support they have received from the wider membership. The concept had been spoken about for some time and it's fantastic to see it come to life, in large part to being championed by Andrew Terrell.

Not only does SCA (NSW) support its strata members in various ways such as through education, information and events, it also supports the wider community through an ongoing relationship with City Futures which is based at the University of NSW and conducts research into all aspects of the built environment. We are a natural fit and most of you have no doubt read or even participated in their research or come to hear Associate Professor Hazel Easthope or Professor Bill Randolph give presentations.

This year was no exception, and SCA (NSW) continues this partnership by funding and supporting research to determine and understand the influence that cultural background has on participation in strata schemes.

We are looking forward to the results of this research in 2017/2018 as it will no doubt help us in part form new policies around understanding and communicating with people living and working in strata from different cultures. A further research project on the cause of defects in strata schemes is also likely to commence in 2018 and SCA (NSW) is working with City Futures to develop a unique tool kit for members on navigating the increasingly complex issue of defects in buildings.

One of the things we have been keen to do this year is to bring a range of different stories to members using the website and Around the Grounds. We have started to communicate about things we do behind the scenes as well as bring to life interesting stories about members who might do things differently, who have interesting experiences or have an extraordinary tale to tell. Thank you to those who have participated in these and I'm sure there are a lot more stories to come especially as the history of SCA (NSW) is pieced together by John Coleman. This is an exciting opportunity and we are grateful for John's time, talent and expertise.

At the very last I want to say thanks to a number of members and supporters. Thank you to our platinum, gold, silver and bronze sponsors, past and present. Thank you to sponsors for events such as the annual convention and awards, or the golf day and sailing day. Involvement from sponsors is invaluable and we are pleased to have historically high level of sponsorship and membership. With this support we can continue to focus on delivering value for our membership through relevant events, education and engagement.

Thank you to the NSW Board. I have known most of you for a while by being on the Board and am grateful for the time you volunteer to the SCA (NSW) cause and your support and friendship this past year.

Finally thank you to the SCA (NSW) staff. You've delivered excellent education, events and member support this year and have done it extremely well.

Chris Duggan
President
SCA (NSW)



General Manager's Report

The past year has seen the industry learn and then adapt to the new *Strata Schemes Management Act 2015*, which took effect from 30 November 2016. Since then SCA (NSW) has worked hard to bring information, support and assistance to members as they operate in a new environment.

During the countdown to the strata law reforms, SCA (NSW) focussed on updating the Strata Agency Agreement, fact sheets and best practice guides with the assistance of the Board, Professional Standards Committee and our lawyer members.

We are grateful for the time and effort that everyone put into pulling the changes and information together in time for members to understand what they needed to do to meet the challenges of the new laws.

In the property sector, construction over the past few years of new apartments in both the metropolitan and regional areas of NSW, has led to the strata industry experiencing rapid growth. Both the sector growth and the new laws have contributed to an increase in SCA (NSW) membership numbers during the 2016/2017 year by around 25 percent to 3,008 as at 30 June 2017 (2,394 in 2016).

SCA (NSW) is also delighted to report a positive revenue result with the organisation returning an operating profit for the year after income tax amounted to \$100,011 (2016 loss of \$42,156).

This growth has in turn meant that SCA (NSW) needed to increase its sponsorship to sustain the delivery of quality education, interesting events, and member benefits. We welcomed new sponsors across all levels and thank both our existing and new sponsors for their support and enthusiasm for the strata industry.

Over the year we also added new events to the social program, including welcoming the formation of the Young Strata Network, which held a very successful inaugural event attracting around 150 younger members.

New and evolving technologies also give us an opportunity to seek new ways to market SCA (NSW) not just to members but to the entire industry and beyond. This year we started working with the NSW Business Chamber on a digital marketing strategy. As part of that, members will have seen a redesign of our website homepage. The redesign has a translator function, is mobile device friendly and a great improvement of our image to members and the public.

Education wise we delivered an array of events designed to update, inform and guide, including strata owners seminars, joint seminars/informational sessions with local councils and NSW Fair Trading, Agency Agreement workshops and Industry Briefing breakfasts. SCA (NSW) experiences strong turnouts to educational events and feedback from members is positive about the content and type of events held.

Of course, none of this would be possible without the hard work and dedication of the SCA (NSW) Secretariat team. This year SCA (NSW) appointed a new Business Development Manager, Amie Johnston, who we share with Strata Community Association. Amie has spent a lot of time talking to members, getting feedback, working with sponsors and potential sponsors and providing feedback that helps the team deliver what it is members want.

We also said goodbye and thank you to our Events Manager Jane Hardingham and welcomed her replacement Penny Harrison. A big thank you goes to the Education team of Sadiye Ince and Julia Wylie, Events Coordinator Melissa Sutton, Administration Support Coordinator Michelle Henry and Membership Coordinator Ashleigh Newell.

Congratulations to the SCA (NSW) President Chris Duggan who has spent his first year as President in what must have been a very interesting and challenging 12 months particularly with the new legislation taking effect. Thank you to the President, Board members and Committee members who have taken time out of their hectic schedules to spend time on SCA (NSW) matters.

A handwritten signature in black ink, reading 'Rachel Lynn'.

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 2017, SCA (NSW) had the following sponsors:

PLATINUM SPONSORS:

Bannermans Lawyers
CHU
Macquarie Bank Limited

GOLD SPONSORS:

Demlakian Strata & Remedial (ceased 30 September 2016)
Express Glass (moved from Bronze to Gold level, from 1 August 2016)
Havencab Group (ceased 30 September 2016)
PICA
Longitude Insurance
StrataMax (moved from Silver to Gold level, from 1 October 2016)

SILVER SPONSORS:

Magnatex
Rockend (from 1 September 2016)
Solutions in Engineering (from 1 November 2016)
Turnbull Bowles Lawyers (moved from Gold to Silver level, from 5 May 2017)

BRONZE SPONSORS:

AGC Roofing (from 30 May 2017)
Butler Box (moved from Silver to Bronze level, from 1 February 2016)
Grace Lawyers
Kelly+Partners
O'Brien Glass (from 1 February 2017)
Premier Painting Company
Quatrix Intercoms & CCTV
Secure Windows (from 1 June 2017)
Windowline



Education

During the past year the main focus for education was on the strata reforms and with over 90 changes to highlight there was a lot to do. From August to November, SCA (NSW) in conjunction with REINSW and NSW Fair Trading, delivered 22 information and education sessions on the new *Strata Schemes Management Act 2015*, and *Strata Schemes Management Regulation 2016* in a roadshow series across 11 locations from Tweed Heads to Wollongong and four locations within the Sydney metropolitan area – to a total of 1,453 strata managers, service providers and strata owners. The session was recorded and made available to members, particularly for the benefit of regional members and those who were unable to attend a roadshow in person.

In addition to the roadshow series, members were also educated on the strata reforms through Industry Briefing sessions, Agency Agreement workshops, CPD sessions on the 'New Legislation' and at the annual convention. We also updated member resources, such as the agency agreements, templates, motions, fact sheets and best practice guides.

In partnership with our training provider, Real Estate Training Solutions Pty Ltd (RETS) the NSW Government funded traineeship (CPP40611 Certificate IV in Property Services (Operations)) was made available to members.

During the year six programs were run for the Certificate of Registration with 63 students completing it – an average of 11 students per class. All classes were held at the SCA (NSW) training facilities in Chatswood.

The Certificate of Registration online course was completed by 15 participants.

Continuing Professional development (CPD) roadshows continued throughout the year with 152 participants attending. These were held in Cronulla, North Sydney, Parramatta, Kirribilli, Newcastle and Chatswood. Fourteen CPD Direct sessions were also held at members' office locations upon request with a total of 270 participants. CPD online attracted 80 participants with all completing the course.

SCA (NSW) exhibited at the Reinvent Your Career Expo where we received a lot of interest resulting in new student enrolments for the Certificate of Registration course.



Strata Owner Seminars continued to be offered during the year with three seminars being attended by a total of 165 registrations. We also held two joint seminars with Waverley Council with a total of 60 registrations.

The Strata Services Specialist course was so popular that we ran four courses and two refresher courses with a total of 57 new attendees and 13 renewing specialists.

During the year 82 members became SCA (NSW) Accredited Strata Managers on the various levels. It's pleasing to see so many of our strata manager members taking full advantage of the accreditation pathway. Accreditation enables strata managers to gain professional recognition, and obtain a competitive advantage, while building a long-term career. Accreditation works to raise strata industry standards overall.

Events

Each year, SCA (NSW) offers members a good cross-selection of events from golf and sailing days to formal dinners and conventions. This year was no exception with a total of six major events on offer. The 2016 CHU Strata Community Awards were held at The Star at Pyrmont in July and attracted 333 attendees who watched, cheered and congratulated as members received a variety of awards across ten categories. Thanks to the award category sponsors for their support and to the overall awards sponsor CHU.

The Principals Retreat was held on Wednesday 10 to Friday 12 August at Hotel St Moritz, Queenstown, New Zealand. The delegates workshopped an action list of industry templates and fact sheets developed for the strata reforms. There were 35 delegates in attendance and three partner programs.

SCA (NSW) 2016 Annual Convention returned to the two-day format and attracted over 300 delegates to the Hilton Hotel, Sydney in October and was themed "Evolve".

During the convention dinner, it's traditional to present the awards determined by the President and the Board. This year the lifetime recognition award was jointly presented to CHU Underwriting Agencies and Macquarie Bank. The Recognition award was presented to Christine Kinsela and Neil Trenwith from Magnatex and the Presidents' award was presented to David Ferguson from Strata Plus. Finally, the Max Dunn award was presented to Philippa Ryan from CHU. Congratulations to those members and thank you also to the session presenters, sponsors and trade exhibitors who make the Annual Convention a success.

The 2016 Christmas Party held in late November was a success with 218 delegates converging at the Beresford Hotel in Surry Hills. All enjoyed the opportunity to let off steam and celebrate the beginning of the silly season, also known as Christmas. Thanks to event sponsors CHU, Commercial Cleaning and Caretaking, Windowline and Strata Engineering Solutions.

In February, ten yachts competed in the 2017 Sailing Day which started and finished at the Cruising Yacht Club of Australia. The winner were Core Projects Consulting. Thanks to the networking event sponsors 3 Colours Painting Services and new sponsor The Shower Repair Centre.

The Strata Owners Day was successfully held in March as a standalone event and was sold out. Around 150 strata owners converged on the Sydney Masonic Centre. The event also included 21 trade exhibitors with Cindy Martin from Stratalive leading the strata legislation panel which was the opening drawcard for the day.

The first Young Strata Network Event was held in March and was at full capacity with 130 attendees. The event sold out two weeks before the event. A second Young Strata Network Event was held at Parliament House in June which attracted 57 attendees and provided the opportunity to meet the new Minister for Better Regulation and Innovation, the Hon Matt Kean, MP who addressed the members before participating in a Q&A with Chris Duggan.

Appreciation drinks were held for our level sponsors and 2016 convention exhibitors on 30 March.

The always popular Golf Day was held in May and this year returned to the Moore Park Golf Club venue. Also a sold out event, with 26 teams competing. This year, Strata Community Insurance won the team event. For those non-golfers who might be converted, ten individuals participated in the Champagne Putt Putt. This year we had ten companies sponsoring from individual holes, to the drinks cart and the naming rights sponsor Express Glass.

Finally, an Industry Briefing breakfast was held at the end of June at Studio, Sydney Tower on 'Strata laws' hosted by our platinum sponsors. There were 80 attendees.

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





Committees

Code of Conduct committee

During the year the Code of Conduct committee worked with an external, independent legal counsel to review complaints and provide recommendations to the panel.

It has been a busy and productive year for ethics management at SCA (NSW) with 16 new complaints received from strata owners about strata managers in the below categories:

- Alleged breaches or poor mismanagement by strata manager
- Failure to follow proper procedure at meetings
- Failure to provide documents on request (strata roll)
- Poor, inadequate and sometimes rude strata manager communication
- Termination of Agency Agreements
- Alleged fraudulent activity by strata manager

Education committee

The Education committee worked with NSW Fair Trading on reviewing and making recommendations to reform the training requirements for the property services industry. It also prepared a submission in response to the Real Estate and Property Services Industry Reform. The committee also provided advice on topics delivered at the Convention, Principals Retreat, Strata Owners Day and educational programs.

Thank you to committee members: Melissa Truscott and Hugh McCormack (Co-Chairs), Christine Kinsela, Dominic Chan, Nick Dorcas, Roderick Smith, Sasha Boe and Wendy Caragiannis.

Events committee

All events this year were well attended with most events selling out. The committee has welcomed increased support from current and new sponsors.

The Events committee provided advice in relation to venues and event feedback to implement for the following years.

Thank you to committee members: Bill Coles (Chair), Debbie Barker, Elaine Fin, Grant Taylor, Hugh McCormack, Jason Starr-Thomas, Jeffrey Shultz, Jude Wild, Peter Berney and Samantha Lightfoot.

Services committee

This year the Services committee continued to invite a strata manager to attend the committee meetings. This has helped build stronger relationships between the Strata Manager and Services committee, and has also supported SCA (NSW) to meet both of the chapter's requirements.

The committee has also continued to update the SCA (NSW) Strata Works Agreement, to align with the legislation changes.

Thank you to committee members: Bill Coles (Chair), Peter Berney, Colin Grace, Neil Trenwith, David Bannerman, Henk van den Heuvel, Mark Osborn, Mark Jennings, Tony Conway and Vic Reynolds.

Policy and Legislative committee

The Policy and Legislative committee reviewed a number of legislations and reforms over the year including loose-fill asbestos and short-term letting. The committee produced a submission in response to the Australian Standard Defect Reform Report AS 4349.2 Inspection of Buildings in March 2017 and reviewed and provided feedback to NSW Fair Trading on the updated Strata Living Guide.

The committee provided advice for communications to members regarding industry news and alerts and closing dates for various submissions and responses.

The committee also worked on reviewing and updating the SCA (NSW) Policy Position document which will be completed during the coming year.

Thank you to committee members: David Bannerman (Chair), Colin Grace, Dr Adrian Carr, David Ferguson, Gordon Bell, Katalin Savage, Michael Milligan and Russell Young.

Professional Standards committee

This year the committee was very busy with updating the members' resources due to the many changes in the strata reforms.

The committee revised the 'Who's Responsible Guide', updated fact sheets and best practice guides and released new motions and meeting templates.

Thank you to committee members: Reena Van Aalst and Tony Irvine (Co-Chairs), Andrew O'Brien, Dilber Beattie, Karina Heinz, Liza Perera, Luke Derwent, Michele Hemmings, Olivera Ferguson, and Peter Brisbane.

Strata Owners Chapter committee

The Strata Owners Chapter committee has assisted by delivering valuable information to owners by way of the regular monthly newsletters, seminars and interesting and relatable topics for the annual Strata Owners Day. At each meeting committee members have shared case studies and discussed methods for increasing participation in the strata owners chapter.

The committee continues to work on fostering partnerships with local council areas, such as, Willoughby, North Sydney and Parramatta. This year it also promoted SCA (NSW) with other related stakeholders such as architects, academics and developers to name a few.

Thank you to committee members: Catherine Lezer (Chair), Tomas Rowlandson, Grace Long, John Hutchison, Michael Batty, Nick Whiley, and Penelope Hill.



Government Relations

SCA (NSW) regularly liaises with state and local governments and has developed a good reputation with councils such as City of Sydney, Hornsby and Parramatta who are interested and proactive in helping people who live in strata adapt to community living. As a result, SCA (NSW) held strata owner seminars in both Parramatta and Hornsby, which were well attended.

This year SCA (NSW) was invited to be involved with the Residential Apartment Sustainability Reference Group run by the City of Sydney. The meeting discussed the NABERS tool for apartment buildings, which is in its early development stages with current focus on data collection to ensure more national coverage.

Our relationship with NSW Fair Trading is friendly and enduring. Over the past year SCA (NSW) has partnered in road shows on the new legislation, interviewed former Commissioner Rod Stowe and participated in NSW Fair Trading 'Real Estate and Property Reference Group' meetings.

In April, Chris Duggan and Rachel Lynn met with the Minister for Better Regulation and Innovation, the Hon Matt Kean, MP. The Minister undertook not only to attend the 2017 annual convention but was then available for a Young Strata Network event in Parliament House.

Finally, we'd like to take this opportunity to recognise the work and dedication by NSW Fair Trading Commissioner Rod Stowe who is retiring. The Commissioner has regularly met with SCA (NSW) on strata matters and provided us with open, honest and frank discussions. We wish him all the best in his retirement.

Media Relations

SCA (NSW) continues to engage a PR firm in Queensland which reports are roughly 5-10 radio and TV interviews including some in November last year around the reform introduction from 2GB, 2UE and local TV stations.

There were also around 10 printed and/or online media mentions on topics such as the major strata law changes and short-term rentals.

Chris Duggan was also interviewed on ABC radio – North Coast specifically on the new strata laws on 30 November.

Two NSW media releases were distributed – one on the Awards and one on the issue of dodgy building products.





FINANCIAL REPORT 2017



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 2017.

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
G Haywood (Treasurer)	Company Director	08/11/2007
D Linders (Senior Vice President)	Company Director	19/10/2012
B Collaros (Vice President)	Company Director	22/10/2010
H McCormack	Company Director	20/06/2013
R Van Aalst (Vice President)	Company Director	06/11/2015
C Grace	Company Director	19/10/2012
C Lezer	Company Director	06/11/2015
D Bannerman	Company Director	26/10/2007
D Holz (Resigned 27/10/2016)	Company Director	24/10/2014
M Truscott	Company Director	19/10/2012
A Irvine	Company Director	27/10/2016
K Terry	Alternate Company Director	28/06/2017

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
D Bannerman	Strata Services	6	5
G Haywood	Strata Manager (Associate)	6	5
C Duggan	Strata Manager (Licensed)	6	6
B Collaros	Strata Services	6	4
D Linders	Strata Manager (Licensed)	6	4
C Grace	Strata Services	6	3
M Truscott	Strata Manager (Associate)	6	5
H McCormack	Strata Manager (Licensed)	6	5
D Holz	Strata Manager (Licensed)	1	0
A. Irvine	Strata Manager (Licensed)	5	4
C Lezer	Strata Owners	6	6
R Van Aalst	Strata Manager (Licensed)	6	5
K Terry	Strata Manager (Associate)	1	1

Directors' Report (continued)

Principal Activities

The principal continuing activities of the company 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 company 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 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.
- (f) The performance of any regulatory, educational or supervisory function of the company 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.

Number of Members

The number of members at 30 June 2017 was 3,008 (2016 – 2,394), which was broken up as follows:

	2017	2016
Life – included within the below figures	18	18
Corporate Strata	206	163
Corporate Services	184	172
Licensed Manager Chapter	527	416
Associate Chapter	687	427
Services Chapter	296	281
Associate Member	103	43
Strata Owner Chapter	839	788
Students	148	86
Total	3,008	2,394

Results

Operating profit for the year after income tax amounted to \$100,011 (2016 loss of \$42,156).

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 2017 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 2017.

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 \$14,545.

Catherine Lezer was reimbursed \$2,385 to assist with the development of the Strata Owners Chapter.

Bill Coles providing a discounted office cleaning service to the company in arrears towards 2016/17 membership fees.

Greg Haywood, while a director of SCA (NSW), his employer Prudential Investment Company of Australia (PICA), 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).

Directors' Report (continued)

Directors' Indemnity

The company has paid premiums totalling \$7,703 (2016 \$7,983) 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 Harrison (Events Coordinator), Sadiye Ince (Education Manager), Melissa Sutton (Marketing Coordinator), Julia Wylie (Education Coordinator), Michelle Henry (Administration Support Coordinator), Amie Johnston (Senior Business Development Manager) and Ashleigh Newell (Membership 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 15 and forms part of the Directors' Report for the year ended 30 June 2017.

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



Director – C. Duggan
Chatswood, 18 August 2017



Director - G. Haywood

Directors' Declaration

In accordance with a resolution of the Board of Directors of the 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.

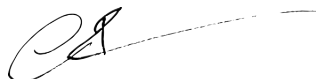
The Directors of the company declare that:-

(a) the financial statements and notes as set out as pages 16 to 22 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, 2017 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, 18 August 2017



Director – G. Haywood



Independence Declaration by the Auditors

We declare that, to the best of our knowledge and belief, during the year that ended 30 June 2017 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, 18 August, 2017.

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 in-dependence requirements of the Corporations Act, 2001.

Audit Opinion

In our opinion, the financial report 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 2017 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.

Independent Audit Report to the Members

Scope

We have audited the financial report being a special purpose financial report of Strata Community Australia (NSW) Limited for the year ended 30 June, 2017 as set out on pages 14, 16 to 22. 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.

FOSTER RAFFAN

Chartered Accountants

G D Wood, FCA
Partner

North Sydney, 18 August, 2017.

Statement of Comprehensive Income for the year ended 30 June 2017

Revenue	Note	2017 \$	2016 \$
Events and education		773,000	478,343
Interest		263	5,100
Membership		698,301	736,866
Other		1,636	365
Publications		43,878	7,400
Sponsorship		382,321	311,843
		1,899,399	1,539,917
Less Expenses			
Audit		9,000	18,000
Consultancies		141,846	121,221
Depreciation		7,820	5,790
Employment costs		615,892	581,986
Events and catering		494,710	410,129
Occupancy costs		69,256	64,213
Other	9	195,381	186,089
Publications		7,757	4,530
Subscriptions		185,716	171,804
Travel & accommodation		72,010	18,311
		1,799,388	1,582,073
Operating profit/(loss) before income tax		100,011	(42,156)
Income tax expense	2	-	-
Profit/(loss) for the year		100,011	(42,156)
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		100,011	(42,156)
Retained Earnings- 1 July 2016		245,660	287,816
Retained Earnings- 30 June 2017		345,671	245,660

The accompanying notes form part of these financial statements

Statement of Financial Position

30 June 2017

		2017 \$	2016 \$
Current Assets	Note		
Cash and cash equivalents	3	521,221	179,239
Receivables	4	79,127	166,019
Other	5	261,972	193,088
Total Current assets		862,320	538,346
Non-Current Assets			
Plant and equipment	6	32,067	33,299
Total Non-Current assets		32,067	33,299
Total Assets		894,387	571,645
Current Liabilities			
Trade and other payables	7	110,642	74,059
Provision- annual leave		15,390	22,744
Income in advance	8	410,573	219,372
Total Current Liabilities		536,605	316,175
Non-Current Liabilities			
Provision- long service leave		12,111	9,810
Total Non-Current Liabilities		12,111	9,810
Total Liabilities		548,716	325,985
Net Assets		345,671	245,660
Members' Equity			
Retained earnings		345,671	245,660
Total Members' Equity		345,671	245,660

The accompanying notes form part of these financial statements

Statement of Cash Flows

for the year ended 30 June 2017

		2017	2016
	Note	\$	\$
Cash flows from Operating Activities			
Receipts from members and sponsors		1,983,323	1,244,197
Payments to suppliers and employees		(1,636,796)	(1,553,605)
Interest paid		-	(107)
Interest received		263	5,100
Net cash inflow/(outflow) from Operating Activities	11	346,790	(304,415)
Cash flows from Investing Activities			
Purchase of fixed assets	6	(4,808)	(17,010)
Net cash outflow from Investing Activities		(4,808)	(17,010)
Net increase/(decrease) in cash held		341,982	(321,425)
Cash- 1 July 2016		179,239	500,664
Cash- 30 June 2017	3	\$521,221	\$179,239

The accompanying notes form part of these financial statements

Notes to the Financial Report

30 June 2017

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 2017.

2. Income Tax

(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%).

	2017 \$	2016 \$
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/(loss) before income tax	100,011	(42,156)
Income tax at 27.5%	27,503	(12,647)
Tax effect of permanent differences:		
Adjustment for mutual income net of expenses	(38,468)	1,274
Prima facie income tax expense	(10,965)	(11,373)
Timing differences during the year:		
Provisions – A/L / LSL	(1,390)	6,031
Accrual – Audit	-	2,700
Prepayments – Notes	(4,375)	(10,409)
Tax losses (utilised)/carried forward	16,730	13,051
Income tax payable	-	-
Tax losses carried forward	803,868	743,033

The accompanying notes form part of these financial statements

Notes to the Financial Report (continued)

30 June 2017

Current Assets

	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENT		
Cash on hand	1	6,550
Macquarie Bank Limited		
Cash Management Account	521,220	172,689
	521,221	179,239
4. CURRENT ASSETS- RECEIVABLES		
Trade receivables	79,127	163,314
Less: Provision for impairment	-	-
	79,127	163,314
Other – 2016 Membership Income	-	2,705
	79,127	166,019
CURRENT ASSETS- OTHER		
Security deposit	52,706	52,443
Other	270	-
Prepayments: - Convention	73,395	51,661
- Events	114,639	79,979
- Insurance	4,532	6,270
- Publications	12,773	-
- Visa Card	3,657	2,735
	261,972	193,088
6. NON- CURRENT ASSETS- PLANT AND EQUIPMENT		
Office furniture and equipment- at cost	132,280	127,472
Less: Accumulated depreciation	(100,213)	(94,174)
	32,067	33,299
7. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES		
Trade payables	42,546	36,679
Other	2,183	-
Accrual - PAYG	7,232	7,886
- GST	32,728	13,204
- Payroll	4,448	7,290
- Audit	8,000	9,000
- Commission	13,505	-
	110,642	74,059

Notes to the Financial Report (continued)

30 June 2017

	2017 \$	2016 \$
8. CURRENT LIABILITIES- INCOME IN ADVANCE		
Income in advance		
Membership	187,419	25,098
Events	99,706	105,915
Publications	57,618	40,445
Sponsorship	59,450	26,897
Other- education	6,380	21,017
	410,573	219,372
9. OTHER EXPENSES		
Advertising	11,850	2,698
Bank charges	5,848	2,717
Board expenses	2,501	-
Board honorariums	16,015	14,545
Brand & design	16,660	23,368
Equipment leasing	15,951	18,738
Filing fees	222	783
Interest	-	107
Insurance	11,546	12,477
Legal	13,660	10,565
Office assets <\$1,000	1,085	1,110
Phone & internet	15,890	13,207
Postage	3,976	-
Public relations	43,110	47,360
Printing	17,067	15,935
RTO fee	9,750	12,995
Sundry	1,273	4,014
Website	8,977	5,470
	195,381	186,089
10. LEASE COMITMENTS – 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	77,844	74,850
Between 12 months and 5 years	108,294	186,138
	186,138	260,988

Notes to the Financial Report (continued)

30 June 2017

	2017 \$	2016 \$
11. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit after income tax		
Profit/(Loss) after income tax	100,011	(42,156)
Non-cash flows in profit and loss:		
Depreciation	7,820	5,790
Changes in assets and liabilities:		
Decrease/(increase) in receivables	86,892	(77,054)
(Increase)/decrease in other assets	(68,614)	(34,921)
(Decrease)/increase in payables	225,734	(176,177)
(Decrease)/increase in provisions	(5,053)	20,103
Net cash inflow/(outflow) from operating activities	346,790	(304,415)

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





Strata Community Australia (NSW) Limited ABN 74 001 767 997

Strata Community Australia (NSW)
Level 1, Suite 102
845 Pacific Highway, Chatswood NSW 2067
Phone: (02) 9492 8200
Fax: (02) 9492 8298
nsw.strata.community