



strata
community
association®
WA

2022-23 TREASURER'S REPORT



Andrew Chambers HFSCM, Treasurer

After a tumultuous few years, the 2022-23 Financial Year saw the Strata Community Association (WA), and the world, return to a more even keel, as we moved on to discover a new normal.

With the uncertainty of recent times, the forecast for the coming year was difficult to predict. The approved budget showed an anticipated loss of \$2,332 for the year.

However, due to achieving less than budgeted revenue, combined with rising inflation and event logistic and association management costs together with unforeseen resourcing pressures, the team did exceedingly well to contain the budget deficit to \$22,289.

We had a performance improvement of \$90,000 from the previous year and this was achieved by an increase in revenue by just under \$100,000 from the previous year with expense increases contained to less than \$10,000.

The financials have been audited by Nexia Sydney Audit with the auditor's independent declaration provided by Vishal Modi, Director.

2022-23 PERFORMANCE

Income

Education & Events

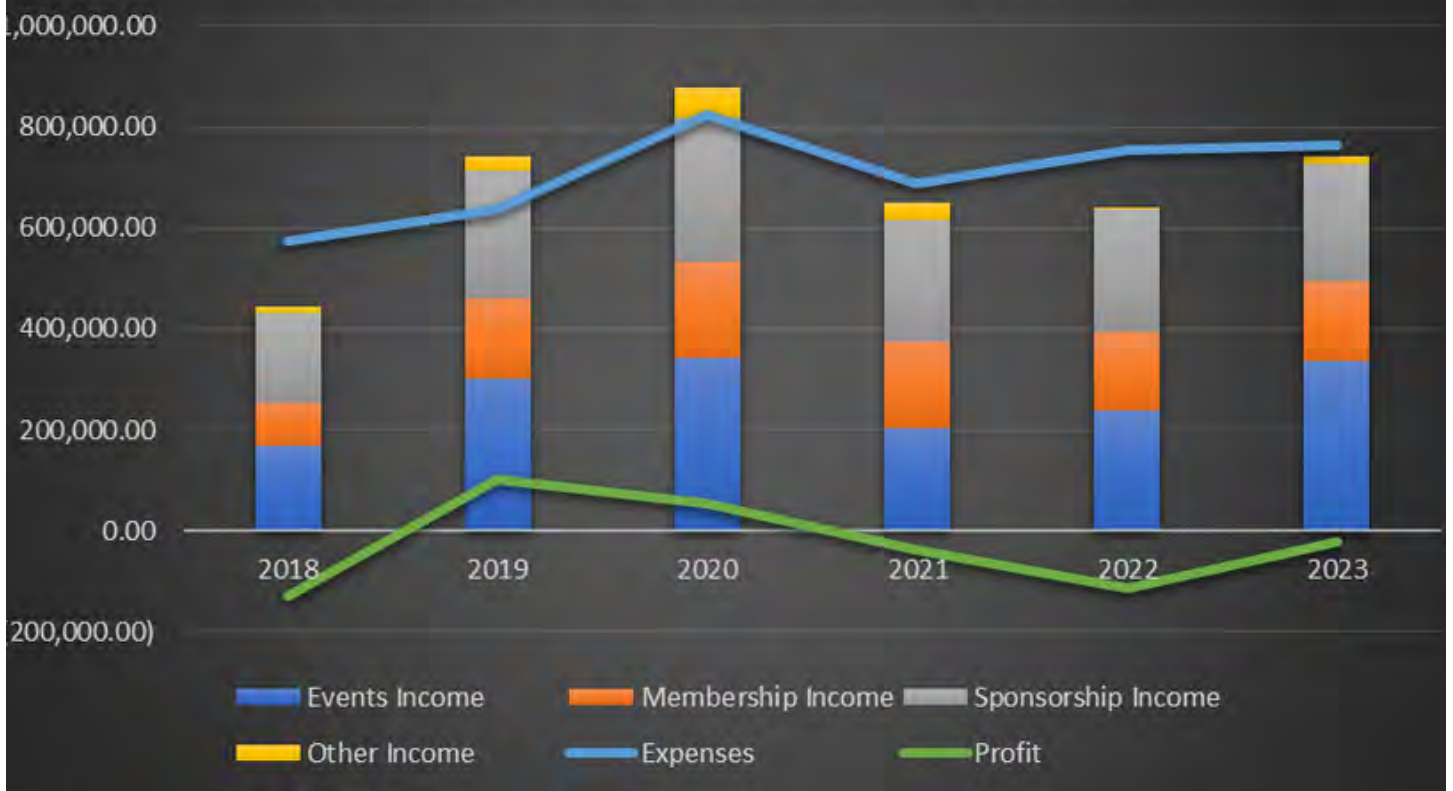
Moving into the new Financial Year, the SCA (WA) Board decided to cease the subsidised event pricing that had been in place for the previous two years and aimed for each education event to budget for a 10% profit. This, along with the return of face-to-face events, after the relaxation of Covid restrictions contributed to a significant increase in the educational revenue achieved over the year.

The Senior Leaders Retreat returned to an international location, in New Zealand and came in under budget.

The Owner Convention was initially scheduled to be held in late June, though was postponed and rescheduled to a Saturday in July 2023.

The CHU SCA (WA) Convention was held at Rendezvous in Scarborough and began to show numbers trending towards that of pre-covid era. The attendance and sponsorship were up on 2022, thanks in large part to the ability for interstate suppliers ability to attend again.

SCA (WA) 6 Year Actual Comparison



Sponsors

Sponsorship continued to be turbulent throughout 2022/23, with staffing changes within SCA (WA) causing delays in the process and businesses needing to reevaluate their priorities and hesitancy on using discretionary funding. This, in collaboration with the rescheduled owner convention, meant that sponsorship revenue continued to decline and was \$14,241 down from the previous years' actuals.

Membership Subscriptions

Corporate Membership Subscriptions fees have remained consistent since 2018, and with the growth in lots under management throughout the state and the continued resilience of the industry, Membership subscription revenue was budgeted to increase into the Financial year. Unfortunately, this was not realised due to some business acquisitions and retirements.

Expenditure

The team worked hard to reduce spending across non-essential areas to mitigate the projected loss for the year. Having moved into the new office in South Perth in April 2022, the team has settled in well after working remotely for the previous year.

Staffing

With the turbulent conditions of the years prior, and the financial position of SCA (WA) following the 2021-22 Financial Year, SCA (WA) was required to review the staff structure and make some tough decisions around the way forward. Unfortunately, this resulted in Wendy Caccetta, Media and PR officer, being offered redundancy in August 2022, and her work being reallocated to the SCA National policy team for no additional fee.

Subsequent to this, Samantha Parrotte, Communications Manager, was offered a new opportunity and resigned in September 2022. The team were supported, with SCA National providing managerial expertise and resource support from Alisha Fisher, CEO and Rowena Neal for the most part of the financial year. Throughout the year, Jack Leighton-Jones has continued to look after our events and communications whilst Shaan Griffen has delivered membership services support.

Kerrin Simmonds joined the team as a dedicated Regional Manager for WA in April 2023, which has shown an increase in the employee expenses and the managerial costs for Alisha and Rowena reflected in an increase of our SCA National levy to cover these costs.

In June 2023, Theresa Boylan moved to SCA National to dedicate her time to the development of the Registered Training Organisation and the associated education material, and Sharon Martin, who had been contracting for SCA National, joined the WA team to pick up the role of Education Manager.

SCA National Levy

During 2022-23, the agreement with SCA National provided WA with ongoing support and allowed for our continued investment in active projects, some of the activities and projects covered include:

- Operational, Bookkeeping and Financial management support
- Contract management
- National council meetings
- Government relations and advocacy
- Human Resources support
- Accreditation Program serviced by National
- Complaints Service serviced by National
- National Inside Strata Platform offering free online articles for our sponsors
- National Mentoring Program for members
- Thrive at Work survey and program
- Preparation and development of submission for a National Registered Training Organisation and content development for educational materials for Certificate IV in Strata Community Management and Diploma in Property (Agency management - Strata).
- Education programs - A100 and Committee Training
- Strata Management Practice Standard member templates
- Australian Strata Insights survey – released in 2023
- Strata Insurance Advocacy
- Member Directory Platform offering promotion platform for all sponsors and members
- Sustainability Development Goals (SDG)

Professional Pathway Fees

At the 2022 Annual General Meeting, the membership passed the motion for the introduction of a Professional Pathway Fee for members to build the SCA (WA) brand presence and recognition and to uplift our professional standard.

The funding was to be allocated across both internal member engagement and external branding engagement. External engagement to build the brand of the SCA (WA) and promotion of the professionalism of the SCA (WA) Accredited members and SMPS Businesses.

Internal engagements was to develop resources and promotion for the Accreditation process, SMPS and help progress along the path to becoming a Professional Service Scheme.

The initiative was successful and saw the SCA (WA) raise funds \$55,076.

The SCA (WA) team has been working on the research and development of detailed marketing plans and strategies to best represent and invest this money for the SCA (WA) members.

Whilst wanting to get a brand awareness campaign out to market quickly to show members the result of their investment, it was decided that it would be prudent to spend additional time ensuring the campaign and initiatives were right and provided members the best value for money, than proceed in a rush.

Considering this, these funds have been held over and do not show in the Financial Reports for the Financial Year. This is so that there was not an artificial surplus recorded for this year and an incorrect deficit in the following financial year when the funds would be spent.

The campaign development is near completion and will be with the Board for approval soon, so members will be seeing the return on the investment within the coming months.



2023/24

BUDGET NOTES

SCA (WA) has focused on reinvesting retained profits into members by, holding our membership fees, increasing services and providing subsidised pricing for training and events. The member benefits and service level increased considerably despite our membership fees remaining the same for six years.

As we now look to the future, it is important for the association to refocus on operating a sustainable business, that is able to manage the rising costs and inflation and invest in the right resources and tools to continue to deliver high-value services for members and develop and implement new initiatives.

The SCA (WA) will continue to develop plans to promote the professionalism of members and support member growth, development, advancement and understanding.

With these considerations and objectives in mind, the Board proceeded to develop the 2023/24 Budget and made the decision to raise the Professional Pathway Fee for Corporate Strata Managers for a second year.

Income

Education & Events

Last year the SCA (WA) took the step to cease the subsidised pricing on training and events, which had been in place for two years. The training fees were returned to the 2019 pricing and aimed to achieved a 10% profit. Since 2019 there has been a CPI increase of over 13%, and industries that were hit hard through the pandemic, such as hospitality venues, have increased even further with higher demand for venues. This has meant that the cost for hosting events has increased significantly. This means that the pricing of events will also be moving to accommodate these increases.

Our Education and Event calendar now has over 28 individual events for the Strata community, meeting the needs of new strata professionals, through to Senior Leaders and Principals and Owners.

Wherever possible, education events will be made available online for regional members, and on a case-by-case basis for those located in the metropolitan area.

By popular demand, the 2023 Annual Convention will be held at Crown Perth and is anticipated to continue to attract large audience numbers. We have implemented an Early Bird pricing model to encourage members to register early and secure their places.

Sponsorship

Sponsorship revenue has been increased for the year, with amendments to the limits set for the differing sponsorship levels and the sponsor offering, it is anticipated that the new adjustments will be welcomed by the existing sponsors, and attract new sponsors keen to become involved with the SCA (WA) and become integrated into the community.

Membership Subscription

After holding membership fees for five years, and implementing a modest increase last year, SCA (WA) Members, will note that this year the fees had a significant increase.

Corporate Strata Manager Rates

Number of Lots	2022-23 Rate	2023-24 Rates
Base rate 0 – 1,500 lots	\$1,012	\$1,650
1,501 – 6,500 lots	\$0.66 /lot above base rate	\$1.10 /lot above base rate
6,501+ lots	\$0.55 / lot above mid rate	\$0.88 /lot above mid rate

Corporate Strata Services Rates

Strata Service Size	2022-23 Rate	2023-24 Rates
Small	\$764.50	\$935
Large	\$1,122	\$1,375

Professional Pathway Fees

As mentioned previously, SCA (WA) first raised the Professional Pathway Fees to promote the SCA (WA) brand and promote the professionalism of the SCA (WA) Accredited members and SMPS Businesses.

Whilst not yet in the market, the plans for this have been extensive, and include the use of a brand ambassador to increase awareness, large format and media advertising. The SCA (WA) will be leveraging partnerships and arrangements, and social media platforms to bring awareness to members.

These channels however, all have a price attached, and the fund raised last year, provide enough for only a short campaign. To ensure that we achieve maximum impact and awareness and gain a wider audience, it is important to continue the marketing beyond what the initial investment would allow.

Considering this, the board have decided to raise the Professional Pathway Fee for a second year, to enable the campaign the greatest success.

The fees charged will be at the same rates as the 2022/23 fees and will be invoiced in the first quarter of 2024.

Expenditure

Employee Expenses

Our SCA (WA) team is now headed up by Kerrin Simmonds as the Regional Manager dedicated to WA. Kerrin will work with the team and the board, to run the operations of SCA (WA) building and developing the membership offering, with a focus on Professionalism, Advocacy and leading the WA team strategically.

Legal Fees

Legal fees have increased within the expenditure budget to facilitate greater engagement across a range of matters and to develop updated resources and tools for members. Matters such as the PCBU as part of the WHS Act and the review of the Best Practice Guide will continue to impact our members, and the need to be on the front foot with accurate, legal information for members is imperative.

Insurance

The SCA (WA) has not yet received the insurance quotes for the new year, however it is anticipated the premiums will rise with the market as well as extended insurance requirements.

Audit Fees

Accounting best practice requires a regular change in auditor every few years. For the 2023 Financial Year, Nexia were engaged to complete the audit, at an increased rate to the previous auditor.

The change in auditor was approved at the 2022 AGM by the members, and the issue will be table with a special resolution at the 2023 AGM for members to consider the auditor for coming years.

Ignite Program

The Ignite program was developed in 2020 with five individuals enrolled to complete the Certificate IV in Training and Assessment. A second round of trainers will be recruited for the 2023-24 year, to further grow the pool of qualified people to develop and deliver training for the RTO once it is up and running.

Andrew Chambers, HFSCM

Treasurer

Strata Community Association (WA) Inc

Strata Community Association WA Incorporated

ABN 88 839 360 415

Financial Statement - 30 June 2023

To the Committee Members of Strata Community Association WA Incorporated

Auditor's Independence Declaration

As lead audit director for the audit of the financial statements of Strata Community Association WA Incorporated for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Associations Incorporation Act 2015 in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Sydney Audit Pty Ltd



Vishal Modi

Director

Sydney

Dated: 22 August 2023

Strata Community Association WA Incorporated

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General information

The financial statements cover Strata Community Association WA Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Strata Community Association WA Incorporated's functional and presentation currency.

Strata Community Association WA Incorporated is an incorporated association, incorporated and domiciled in Australia.

The financial statement were authorised for issues, in accordance with a resolution of the board, on 22 August 2023. The board has the power to amend and reissue the financial statement.

Strata Community Association WA Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	2023	2022
	\$	\$
Revenue		
Membership income	159,508	155,434
Sponsorship income	229,946	244,188
Events income	335,422	237,109
Government grants	10,000	-
Interest received	7,454	1,354
Gain on asset disposal	-	1,282
Advertising	-	650
Surcharges	-	101
Revenue and other income	<u>742,330</u>	<u>640,118</u>
Expenses		
Advocacy and marketing	(9,854)	(7,778)
Amortisation of leased asset	(24,798)	(16,865)
Audit fees	(5,500)	(4,500)
AV Hire and facilities	(28,080)	(26,510)
Bank charges and merchant fees	(849)	(1,142)
Bookkeeping	(600)	(600)
Catering and entertainment	(133,973)	(145,011)
Consultancy and legal fees	(5,615)	(10,622)
Depreciation expense	(4,063)	(1,615)
Design, production and printing	(16,201)	(14,746)
Education expenses and materials	(4,125)	(10,417)
Employee expenses	(276,411)	(281,590)
General expenses	(6,072)	(5,754)
Honorarium for president	(5,200)	(5,200)
Ignite program	-	(5,600)
Insurance	(5,340)	(5,881)
Interest paid	(1,173)	(1,108)
Office costs	(10,060)	(16,228)
Professional pathway expenses	(484)	-
Rent and variable outgoings	(8,733)	(9,254)
Speakers and contractors	(27,192)	(19,183)
Sponsor, member and external engagement	-	(455)
Sponsorship outgoings	(31,969)	(2,947)
Staff recruitment and training	(710)	(1,144)
Subscriptions	(125,168)	(125,492)
Telephone and internet	(4,641)	(5,899)
Travelling expenses	(10,994)	(6,450)
Venue hire	(16,387)	(21,385)
Website expenses	(427)	(277)
Total expenditure	<u>(764,619)</u>	<u>(753,653)</u>
Deficit before income tax expense	(22,289)	(113,535)
Income tax expense	-	-
Deficit after income tax expense for the year	(22,289)	(113,535)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u><u>(22,289)</u></u>	<u><u>(113,535)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Strata Community Association WA Incorporated
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	3	372,827	450,245
Trade and other receivables	4	46,800	7,998
Other assets	6	26,392	14,808
Total current assets		<u>446,019</u>	<u>473,051</u>
Non-current assets			
Property, plant and equipment	7	14,313	16,635
Right-of-use assets	5	32,731	57,529
Total non-current assets		<u>47,044</u>	<u>74,164</u>
Total assets		<u>493,063</u>	<u>547,215</u>
Liabilities			
Current liabilities			
Trade and other payables	8	39,624	38,669
Contract liabilities	9	117,318	119,083
Lease liabilities	10	25,719	24,331
Provisions	11	7,172	13,894
Total current liabilities		<u>189,833</u>	<u>195,977</u>
Non-current liabilities			
Lease liabilities	10	8,442	34,161
Total non-current liabilities		<u>8,442</u>	<u>34,161</u>
Total liabilities		<u>198,275</u>	<u>230,138</u>
Net assets		<u>294,788</u>	<u>317,077</u>
Equity			
Retained surpluses		<u>294,788</u>	<u>317,077</u>
Total equity		<u>294,788</u>	<u>317,077</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Strata Community Association WA Incorporated
Statement of changes in equity
For the year ended 30 June 2023

	Retained surplus \$	Total equity \$
Balance at 1 July 2021	430,612	430,612
Deficit after income tax expense for the year	(113,535)	(113,535)
Other comprehensive income for the year, net of tax	-	-
	<u>(113,535)</u>	<u>(113,535)</u>
Total comprehensive income for the year	<u>(113,535)</u>	<u>(113,535)</u>
Balance at 30 June 2022	<u>317,077</u>	<u>317,077</u>
	Retained surplus \$	Total equity \$
Balance at 1 July 2022	317,077	317,077
Deficit after income tax expense for the year	(22,289)	(22,289)
Other comprehensive income for the year, net of tax	-	-
	<u>(22,289)</u>	<u>(22,289)</u>
Total comprehensive income for the year	<u>(22,289)</u>	<u>(22,289)</u>
Balance at 30 June 2023	<u>294,788</u>	<u>294,788</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Strata Community Association WA Incorporated
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		763,740	821,225
Payments to suppliers (inclusive of GST)		<u>(821,367)</u>	<u>(776,547)</u>
		(57,627)	44,678
Interest received		7,454	1,354
Interest and other finance costs paid		<u>(1,173)</u>	<u>(1,107)</u>
Net cash from/(used in) operating activities		<u>(51,346)</u>	<u>44,925</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(1,741)	(16,454)
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>1,282</u>
Net cash used in investing activities		<u>(1,741)</u>	<u>(15,172)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(24,331)</u>	<u>(15,902)</u>
Net cash used in financing activities		<u>(24,331)</u>	<u>(15,902)</u>
Net increase/(decrease) in cash and cash equivalents		(77,418)	13,851
Cash and cash equivalents at the beginning of the financial year		<u>450,245</u>	<u>436,394</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>372,827</u></u>	<u><u>450,245</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Strata Community Association WA Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note 1. Basis of preparation

In the boards' opinion, the association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Associations Incorporation Act 2015 requirements to prepare and distribute financial statements to the members of Strata Community Association WA Incorporated. The board members have determined that the accounting policies adopted are appropriate to meet the needs of the members of Strata Community Association WA Incorporated.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Revenue recognition

The association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Strata Community Association WA Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note 2. Significant accounting policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	3-5 years
Furniture and fittings	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Strata Community Association WA Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note 2. Significant accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the association has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Strata Community Association WA Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the association for the annual reporting period ended 30 June 2023. The association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Cash and cash equivalents

	2023	2022
	\$	\$
<i>Current assets</i>		
Cash at bank	50,862	135,734
Term deposits	321,965	314,511
	<u>372,827</u>	<u>450,245</u>

Note 4. Trade and other receivables

	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	46,800	7,998
	<u>46,800</u>	<u>7,998</u>

Note 5. Right-of-use assets

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Leased building - right-of-use	74,394	74,394
Less: Accumulated depreciation	(41,663)	(16,865)
	<u>32,731</u>	<u>57,529</u>

Right-of-use assets is in relation to lease of office building for a period of 3 years.

Strata Community Association WA Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note 6. Other assets

	2023	2022
	\$	\$
<i>Current assets</i>		
Prepayments	22,225	10,641
Rental bond	4,167	4,167
	<u>26,392</u>	<u>14,808</u>

Note 7. Property, plant and equipment

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Fixtures and fittings - at cost	12,992	12,216
Less: Accumulated depreciation	(2,425)	(670)
	<u>10,567</u>	<u>11,546</u>
Office equipment - at cost	7,085	6,120
Less: Accumulated depreciation	(3,339)	(1,031)
	<u>3,746</u>	<u>5,089</u>
Low value pool - at cost	13,694	13,694
Less: Accumulated depreciation	(13,694)	(13,694)
	<u>-</u>	<u>-</u>
General small business pool - at cost	19,250	19,250
Less: Accumulated depreciation	(19,250)	(19,250)
	<u>-</u>	<u>-</u>
	<u>14,313</u>	<u>16,635</u>

Note 8. Trade and other payables

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade and other payables	39,624	38,669
	<u>39,624</u>	<u>38,669</u>

Note 9. Contract liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Prepaid membership and sponsorship income	56,397	109,613
Prepaid events income	8,845	9,470
Prepaid professional pathway income	52,076	-
	<u>117,318</u>	<u>119,083</u>

Strata Community Association WA Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note 10. Lease liabilities

	2023 \$	2022 \$
<i>Current liabilities</i>		
Lease liability	<u>25,719</u>	<u>24,331</u>
<i>Non-current liabilities</i>		
Lease liability	<u>8,442</u>	<u>34,161</u>

Note 11. Provisions

	2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	<u>7,172</u>	<u>13,894</u>

Note 12. Contingent liabilities

The association did not have any contingent liabilities at 30 June 2023 (2022:Nil).

Note 13. Commitments

There were no commitments for capital expenditure as at 30 June 2023 (2022: Nil).

Note 14. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 15. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the association's state of affairs in future financial years.

Strata Community Association WA Incorporated
Statement by the board
For the year ended 30 June 2023

In the boards' opinion:

- the association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Associations Incorporation Act 2015 requirements to prepare and distribute financial statements to the members of Strata Community Association WA Incorporated;
- the attached financial statements and notes comply with the Associations Incorporation Act 2015, the Accounting Standards as described in note 2 to the financial statements, the Associations Incorporation Regulations 2016 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the board.

On behalf of the board



Catherine Lezer
President

22/8/ 2023

Independent Auditor's Report to the Members of Strata Community Association WA Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Strata Community Association WA Incorporated (the Association), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other 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 Committee members' declaration.

In our opinion, the accompanying financial report of the Association is in accordance with the Associations Incorporation Act 2015, including:

- i) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards to the extent described in Note 2, and Associations Incorporation Regulations 2016.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter regarding basis of accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee members' financial reporting responsibilities under the Associations Incorporation Act 2015. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Committee members' responsibility for the financial report

The Committee members of the Association 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 2 to the financial statements is appropriate to meet the requirements of the Associations Incorporation Act 2015 and is appropriate to meet the needs of the members. The Committee members are also responsible for such internal control as the Committee members determine is necessary to enable the preparation of the

financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

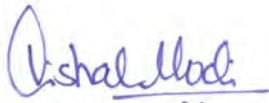
In preparing the financial report, the Committee members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee members either intend to liquidate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

Auditor's responsibility for the audit of the financial report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Nexia Sydney Audit Pty Ltd



Vishal Modi
Director

Dated: 22 August 2023
Sydney

Proposed Budget
STRATA COMMUNITY ASSOCIATION WA INCORPORATED
1 July 2022 to 30 June 2023

	2022-23 Budget
Income	
ATO Cash Flow Boost	\$0
Education & Event Income	\$225,127
Membership Income	\$176,000
Other Income	\$0
Advertising	\$15,000
Sponsorship Income	\$310,654
Interest Received	\$1,500
Total Income	\$728,281
Less Cost of Sales	
Education Material & A100 Licence Fees	\$5,059
AV Hire & Facilities	\$22,564
Design, Production & Printing	\$12,219
Education & Event Expenses	\$166,166
Ignite Program (TAE Trainers)	\$3,636
Sponsorship outgoings	\$28,892
Total Cost of Sales	\$238,536
Gross Profit	\$489,745
Less Operating Expenses	
Advocacy & Marketing	\$9,292
Audit Fees & Accounting	\$5,500
Bank Charges & Merchant Fees	\$1,100
Board & Committee Incidentals	\$3,500
Bookkeeping	\$600
Consultancy and legal fees	\$5,000
Depreciation	\$0
Employee expenses including Training	\$271,306
General Expenses & Staff Amenities	\$5,000
Honorarium for President	\$5,200
Insurance	\$9,776
Office Costs	\$18,743
Rent & Variable Expenses	\$34,740
Sponsor & Member Engagement	\$1,000
Subscriptions - SCA National Levy	\$106,986
Telephone & Internet	\$5,000
Travel & Accommodation Expenses	\$9,334
Total Operating Expenses	\$492,077
Net Profit	-\$2,332

Treasurer Note

Sponsor Outgoings Expenses for delivery have been extracted from the Education and Event Expenses line to show actuals.