

Strata Community Association (Qld) Limited

ABN 15 163 881 927

Financial Report 30 June 2022

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Strata Community Association (Qld) Limited

ABN 15 163 881 927

30 June 2022

Directors' Report

The Directors present their report, together with the financial statements, on Strata Community Association (Qld) Limited ("the Company") for the year ended 30 June 2022.

Directors

The names of the Directors in office at any time during, or since the end of the year are:

James Nickless	(President to 14 October 2021, Board Director from 14 October 2021)
Kelly Roberts	(Senior Vice President to end of term on 14 October 2021)
Jonathan Flannery	(Vice President – Education to 14 October 2021, Director from 14 October 2021)
Grant Mifsud	(Vice President – Engagement to 14 October 2021)
Peter Crogan	(Secretary – resigned April 2022)
Duncan Lee	(Treasurer and Secretary from April 2022)
Jason Carlson	
Andrew Davidson	
Con Iconomidis	
Tyson Pratt	
Kristi Kinast	(President from October 14, 2021)
Chris Irons	(Vice-President from 14 October 2021)
Shane Devenish	
Sue Cubbin	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Strata Community Association (Qld) Limited during the financial year was to provide services to members of the organisation and the community titles industry.

No significant changes in the nature of the company's activity incurred during the financial year.

Review of operations

The deficit of the Company for the financial year after providing for income tax amounted to \$38,847 (2021: surplus of \$157,424).

The deficit for the 2022 financial year can be attributed to two main causes. The annual conference incurred an unexpected loss because of the necessity to cancel and refund registrations due to the impact of the February 2022 floods and COVID-19 – these refunds alone were more than \$21,000, and despite there being a reduction in attendees, there was no ability to reduce the venue expenses at that late stage. Other income was also significantly less than the 2021 Financial Year. The Federal Government stimulus packages - Jobkeeper and the Cashflow Boost - provided income of approximately \$85,000 in the 2021 financial year, and only \$422 in the 2022 financial year. Additionally, the Destination Gold Coast Grant for hosting the conference at the Gold Coast was reduced by \$40,000 in the 2022 financial year.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

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Directors' Report (Continued)

Significant changes in the state of affairs

Other than the ongoing impact of COVID-19, no other matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Dividends or options

No dividends were paid or declared during the financial year. No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Contributions on winding up

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$19 each towards meeting any outstanding obligations of the Company. As at 30 June 2022, the number of members was 1,241 (2021: 1,307).

Objectives

As a geographically based industry body, SCA QLD will remain focused on its current markets of representing Queensland based strata managers and the communities that they service.

The short-term objective of the Company is to enhance our advocacy efforts to deliver a better regulatory framework for our members and refine our service offering to enhance strata manager engagement and supplier.

Strategy for achieving the objectives

SCA (Qld) , over the next 3 years, will continue, where appropriate to collaborate and align with SCA National and other States/Chapters in terms of scope and delivery of services. SCA (Qld) will continue to elevate our offerings to improve the professionalism of the sector, which will include improving the quality and content delivered as part of education services.

In addition, SCA (Qld) will be scaling up our marketing and communications activity to elevate profile and, as a result, attract and retain members and sponsors.

Performance measures

The Company's performance in achieving the short-term objectives is measured against the following targets:

- High engagement with strata management firms and their staff
- Long term sponsorship partnerships with key suppliers to the industry
- Higher awareness of body by lot owners and other industry stakeholders
- Administering regulatory framework
- Evolved best practice support solutions
- Alignment with SCA QLD National, other states

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Directors' Report (Continued)

Information on directors

The details of the directors in office at any time during, or since the end of, the year are:

James Nickless

President to 14 October 2021

Qualifications and experience

Partner, Chambers Russell Lawyers
Previously General Counsel, Stratamax 2017 - 2020
Partner of ClarkeKann Lawyers 2015 - 2017, Partner of Grace
Lawyers from June 2013 to October 2015
Solicitor, admitted in March 2007
Bachelor of Laws and Bachelor of International Business, Griffith
University
Board member since October 2016

Kelly Roberts

Senior Vice President

Qualifications and experience

Managing Director of TCM Strata Pty Ltd, TCM Rentals Pty Ltd,
TCM; Rentals Coastal Pty Ltd, TCM Sales
Registered Valuer
Registered Real Estate Agent
Board member since October 2017, previously Board appointed
Director (2015-2017)
Fellow of SCA (Qld)

Jonathan Flannery

Vice President - Education

Qualifications and experience

General Manager – PICA Group Queensland, Body Corporate
Services Queensland, QBS Strata Management
Practicing Strata Manager
Diploma in Business
Management
Middle Manager Program – UNSW Business School
Accredited Strata Community Manager
SCA (Qld) Education Committee
Committee Member – Executive Project Management Office –
PICA Group

Grant Mifsud

Vice President - Engagement

Qualifications and experience

Partner, Archers the Strata Professionals Pty Ltd and Director,
ARC Utilities Management Pty Ltd
Diploma of Accounting, Diploma of Business (Real Estate
Management), Cert IV in Property Operations and Cert IV Training
and Assessment
Fellow Member of SCA (Qld), UDIA, ARAMA

Duncan Lee

Treasurer

Qualifications and experience

Managing Director of Pinnacle Strata Pty Ltd
Bachelor of Business (Accounting)
Chair of the SCA (Qld) Professional Standards Committee
Certified Strata Community Manager

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Directors' Report (Continued)

Information on directors (Continued)

Jason Carlson

Qualifications and experience

Director of Grace Lawyers Pty Ltd
Member of SCA (Qld) and Australian College of Community Association Lawyers
Independent review panel of the ABMA Building Management code (Qld)
Bachelor of Law (Hons) and Arts
Graduate Diploma of Legal Practice

Andrew Davidson

Qualifications and experience

Director and Principal Noosa District Body Corporate Management Certificate IV in Body Corporate Management
Graduate TEP Darden Business School, University of Virginia
Graduate Management Development Program Ashridge Business School, Berkhamsted UK
Certified Strata Community Manager
Chair of the SCA (Qld) Education Committee

Con Iconomidis

Qualifications and experience

Manager, National Partnerships & Distribution/State Manager, Queensland for Strata Community Insurance
Involved in the Strata Industry for 20 years previously held senior positions with CHU & BCB
36 years of Experience in Insurance Fellow member of SCA (Qld)

Tyson Pratt

Qualifications and experience

Regional Manager Ernst Body Corporate Management Gold Coast Member of SCA (Qld)
Accredited Strata Community Manager Strata Industry Professional since 2013
Formerly held a Strata License in NSW

Chris Irons – Senior Vice President

Qualifications and experience

Member of SCA (Qld) Solicitor at Hynes Legal
Bachelor of Arts (Honours) degree
Former Commissioner for Body Corporate and Community Management
President of Northside Connect

Peter Crogan Secretary

Qualifications and experience

Head of Customer Experience for the PICA Group of companies based in Brisbane City
Diploma of Management (Strata) Cert IV in Property (Strata) Fellow member of SCA (Qld)

Strata Community Association (Qld) Limited

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Directors' Report (Continued)

Information on directors (Continued)

Kristi Kinast

President from 14 October 2021

Qualifications and experience

Operations Manager Cassels Strata
Member of SCA(Qld)
President, SCA (Qld)
Bachelor of Business Management
SCA (Qld) Education Committee Member
UDIA Property Law and Community Management Policy
Committee Member

Sue Cubbin

Qualifications and experience

Strata Consultant, Aquila Body Corporate Management
SCA (Qld) Strata Manager of the Year 2017
Director, SCA (Qld) Sponsorship Committee

Shane Devenish

Qualifications and Experience

Special Counsel, Devenish Law
Member of SCA (Qld)
Bachelor of Laws
Director, SCA (Qld) Professional Standards Committee

Company secretary

The following person held the position of company secretary at the end of the financial year:

Duncan Lee from Pinnacle Strata was the Company Secretary at 30 June 2022.

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Directors' Report (Continued)

Meetings of directors

During the financial year, eight meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' meetings	
	Number eligible to attend	Number attended
Jason Carlson	8	8
Sue Cubbin	5	5
Andrew Davidson	8	7
Shane Devenish	5	4
Con Iconomidis	8	8
James Nickless	8	7
Kelly Roberts	3	1
Grant Mifsud	3	2
Jonathan Flannery	8	6
Tyson Pratt	8	8
Peter Crogan	6	3
Chris Irons	8	7
Kristi Kinast	8	8

Proceeding on behalf of the company

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

Indemnification of officers or auditor

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

To the extent permitted by law, the Company has agreed to indemnify its auditors, HLB Mann Judd, as part of the terms of its audit agreement against claims by third parties arising from the audit. No payment has been made to indemnify HLB Mann Judd during or since the financial year.

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30 June 2022

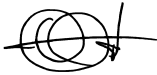
Directors' Report (Continued)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 8.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

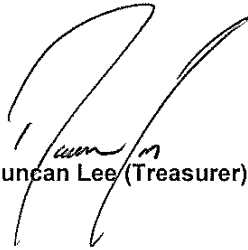
On behalf of the directors



Kristi Kinast (President)

30 August 2022

Brisbane, Queensland



Duncan Lee (Treasurer)

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
STRATA COMMUNITY ASSOCIATION (QLD) LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



A B Narayanan
Partner

Brisbane, Queensland
30 August 2022

hlb.com.au

HLB Mann Judd (SE Qld Partnership)

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (SE QLD Partnership) is a member of HLB International, the global advisory and accounting network.

Strata Community Association (Qld) Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	3	1,098,840	1,043,480
Other income	3	15,655	149,987
Audit and accounting		(13,363)	(12,683)
Advertising and promotion		(10,138)	(6,989)
Bookshop costs		-	(2,070)
Depreciation and amortisation expense		(56,282)	(54,878)
Employee benefit expense		(394,105)	(386,227)
Legal fees		-	(2,455)
Occupancy costs		(3,901)	(6,610)
Other expenses		(183,308)	(140,029)
SCA (QLD) strata conference		(252,940)	(216,673)
SCA national membership		(100,692)	(96,391)
Seminar and events		(121,309)	(92,473)
Finance costs		(17,304)	(18,565)
(Deficit)/surplus before income tax		(38,847)	157,424
Income tax expense	5	-	-
(Deficit)/surplus for the year		(38,847)	157,424
Other comprehensive income		-	-
Total Comprehensive Income for the Year		(38,847)	157,424

The accompanying notes form part of these Financial Statements.

Strata Community Association (Qld) Limited

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Statement of Financial Position

as at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	701,435	724,434
Trade and other receivables	7	15,781	866
Other current assets	9	21,700	33,726
Total Current Assets		738,916	759,026
Non-Current Assets			
Property, plant and equipment	8	11,597	8,129
Other assets	9	51,439	51,439
Right-of-use assets	10	186,252	229,126
Total Non-Current Assets		249,288	288,694
Total Assets		988,204	1,047,720
LIABILITIES			
Current Liabilities			
Trade and other payables	11	40,284	63,760
Employee provisions	12	19,585	7,581
Other liabilities	13	153,861	125,542
Lease liabilities	14	54,331	46,202
Total Current Liabilities		268,061	243,085
Non-Current Liabilities			
Employee provisions	12	-	-
Lease liabilities	14	174,425	220,070
Total Non-Current Liabilities		174,425	220,070
Total Liabilities		442,486	463,155
Net Assets		545,718	584,565
Equity			
Retained surpluses		545,718	584,565
Total Equity		545,718	584,565

The accompanying notes form part of these Financial Statements.

Strata Community Association (Qld) Limited

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Statement of Changes in Equity

For the year ended 30 June 2022

	Retained Surpluses \$	Total \$
Balance at 1 July 2020	427,141	427,141
Surplus for the year	157,424	157,424
Other comprehensive income	-	-
Balance at 30 June 2021	584,565	584,565
Balance at 1 July 2021	584,565	584,565
Deficit for the year	(38,847)	(38,847)
Other comprehensive income	-	-
Balance at 30 June 2022	545,718	545,718

The accompanying notes form part of these Financial Statements.

Strata Community Association (Qld) Limited

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Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from members and customers		1,205,501	1,336,764
Payments to suppliers and employees		(1,158,339)	(1,114,698)
Interest received		2,135	2,911
Interest paid		(17,304)	(18,565)
Net cash generated from operating activities		31,993	206,412
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,882)	(4,768)
Net cash (used in) investing activities		(6,882)	(4,768)
Cash flows from financing activities			
Repayment of lease liabilities		(48,110)	(40,007)
Net cash (used in) investing activities		(48,110)	(40,007)
Net increase/(decrease) in cash held		(22,999)	161,637
Cash and cash equivalents at beginning of financial year		724,434	562,797
Cash and cash equivalents at end of financial year	6	701,435	724,434

The accompanying notes form part of these Financial Statements.

Strata Community Association (Qld) Limited

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Note to the financial statements

For the year ended 30 June 2022

General information

The financial statements cover Strata Community Association (Qld) Limited ("the Company") as an individual entity, incorporated and domiciled in Australia. Strata Community Association (Qld) Limited is a Company limited by guarantee.

The financial statements were authorised for issue by the directors of the Company at the meeting on the date shown on the Declaration by the Board of Directors attached to the Financial Statements.

The principal activity of the Company during the financial year was to provide services to members of the organisation and the community titles industry.

Note 1: Summary of Significant Accounting Policies

Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

In the prior year the financial statements were general purpose financials prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Company as a result of the change in the basis of preparation.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Historical Cost Convention

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

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Income tax

Strata Community Association (Qld) Limited is not carried on for the purpose of profit or gain to its individual members. Income tax is provided for using the liability method of tax effect accounting resulting in the income tax expense for the year being calculated on the accounting profit after adjusting for non-assessable income from members on the Principal of Mutuality rule.

Strata Community Association (Qld) Limited

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Note to the financial statements

For the year ended 30 June 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue and other income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: 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.

Membership Fees

Membership Fees are recognised over time in accordance with the delivery of services to members.

Sponsorship Fees

Sponsorship income is recognised over time in the financial year to which the sponsorship fees apply. Tangible benefits included in sponsorship contracts are recognised at a point in time.

Service Revenue

Revenue from the rendering of services is recognised at a point in time when the service is rendered and the Company becomes entitled to the revenue.

Seminars, Events & Conferences

Revenue from seminars, events and conferences is recognised at a point in time when the event occurs, and the Company becomes entitled to the revenue.

Other Revenue

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

Volunteers Services

The Company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

Note1: Summary of Significant Accounting Policies (Continued)

Revenue and other income (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.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

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

Plant and equipment

Plant and equipment is measured on the cost basis (costs include expenditure that is directly attributable to the acquisition of the item) and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event that the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is available for use.

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Plant and equipment (Continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Furniture & fittings	10% - 30%
Computers & office equipment	10% - 30%

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income when the item is derecognised.

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 company 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 company 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.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

Note 2: Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through profit or loss on the basis of the two primary criteria:
 - the contractual cash flow characteristics of the financial asset; and
 - the business model for managing the financial assets.
- A financial asset is subsequently measured at amortised cost if it meets the following conditions:
 - the financial asset is managed solely to collect contractual cash flows; and
 - the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

Note 2: Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9:

- the simplified approach.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

Strata Community Association (Qld) Limited

ABN 15 163 881 927

Notes to the financial statements

For the year ended 30 June 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

This approach is applicable to:

- trade receivables

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

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.

Cash and cash equivalents

Cash and cash equivalents includes petty cash, cash on hand, deposits held at-call with banks, 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.

Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Employee benefits (Continued)

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Trade and other debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods and services sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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 entity'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.

Strata Community Association (Qld) Limited

ABN 15 163 881 927

Notes to the financial statements

For the year ended 30 June 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Lease liabilities (Continued)

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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 company'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 company'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.

Deferred tax assets and liabilities are always classified as non-current.

Strata Community Association (Qld) Limited

ABN 15 163 881 927

Notes to the financial statements

For the year ended 30 June 2022

Note 1: Summary of Significant Accounting Policies (Continued)

New or amended Accounting Standards and Interpretations adopted

The Company 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

Strata Community Association (Qld) Limited

ABN 15 163 881 927

Notes to the financial statements

For the year ended 30 June 2022

Note 2: Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Key Judgements – Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Educational webinars have been offered to members, held online and in person since April 2020 (which SCA (Qld) have provided since 2017), this continued throughout the 2021-22 financial year. From that perspective, there was no financial impact from loss of revenue for scheduled events to 30 June 2022. The event 12-month calendar from 1 July 2021 to 30 June 2022 was carefully scheduled to provide approximately 2 - 2.5 times the amount of required CPD points given the newly implemented accreditation pathways requirements coming into effect. All additional events were online webinars. The demand for educational webinars/seminars is not expected to decrease during 2022-23.

The company successfully applied for the Australian Government's JobKeeper payment in the 2020 financial year for its 2 full-time and 4 part-time staff at the time and received the Australian Government's Cash Flow Boost. The Cashflow Boost payments continued until 24 September 2020, and the JobKeeper payments continued for two staff members until 11 September 2020. There were no JobKeeper or CashFlow Boost payments during the 2021-22 financial year, other than a CashFlow Boost payment of \$422 which was a result of an amended to the June 2020 quarter Business Activity Statement.

COVID-19 restrictions, which came into effect from mid-March 2020, did not have a negative impact on the 2022 Conference. There was, however, impacts due to conference registrations being cancelled and refunded as a result of attendees being unable to attend due to suffering from COVID-19, and also from attendees being affected by the floods in February 2022. Looking forward it is not anticipated that there is a likelihood of lower attendance at large scale signature events and the budget has been drafted to reflect this careful consideration. Corporate Sponsorship, a major source of income for SCA (Qld) was changed for 2020-21 to allow sponsors to commit less up front dollars while maintaining their sponsorship level – this was reverted back to pre-Covid-19 terms for the 2021-2022 financial year. All contracts with venues for large scale events include a contingency clause to allow for postponement even if there are no restrictions imposed by the government. All contracts also include force majeure clauses.

Strata Community Association (Qld) Limited

ABN 15 163 881 927

Notes to the financial statements

For the year ended 30 June 2022

Note 2: Critical Accounting Judgements, Estimates and Assumptions (Continued)

Key Judgements – Coronavirus (COVID-19) pandemic (continued)

The primary objective is to proceed with all in person (large scale signature events) events until a government directive is imposed. At that time protocol is to postpone the event to the earliest possible available date with contractual agreements to ensure no financial loss is incurred.

Regarding membership, SCA (Qld) anticipates a successful full renewal of strata management members due to the organisation's advocacy and COVID-19 performance, plus increased strategic marketing and communications activity.

Key Judgements – Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key Judgements – Lease Term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Key Estimates – Employee Provisions

As discussed in the accounting policies, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key Estimates – Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

Note 2: Critical Accounting Judgements, Estimates and Assumptions (Continued)

Key Estimates - Useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 3: Revenue and other income			
<i>Revenue from contracts with customers</i>			
Membership subscription		325,851	293,793
Sponsorship income		408,133	377,868
Bookshop		-	6,214
Seminars and events		158,036	157,886
SCA (Qld) Ltd strata conference		206,820	207,719
		<u>1,098,840</u>	<u>1,043,480</u>
<i>Other income</i>			
Interest received		2,135	2,911
Sundry		13,520	147,076
		<u>15,655</u>	<u>149,987</u>
<i>Disaggregation of revenue</i>			
The disaggregation of revenue from contracts with customers is as follows:			
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time		610,904	708,917
Services transferred over time		487,936	334,563
		<u>1,098,840</u>	<u>1,043,480</u>
Note 4: (Deficit)/surplus for the year			
The (deficit)/surplus for the year includes the following specific expenses:			
Depreciation and amortisation expenses		56,282	54,878
Interest and finance charges paid on lease liabilities		15,148	17,210
<i>Superannuation expense</i>			
Defined contribution superannuation expense		32,684	31,695
Note 5: Income tax expense			
(a) The major component of tax expense comprise:			
Current tax expense			
- Local income tax - current period		-	-
Deferred tax expense			
- Under provision in respect of prior years		-	-
		<u>-</u>	<u>-</u>

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 5: Income tax expense (continued)			
(b) Reconciliation of income tax to accounting profit:			
Prima facie tax payable on profit from ordinary activities before income tax 25% (2021: 26%)		(9,712)	43,291
Add:			
Tax effect of:			
- Expenditure relating to income derived from members		269,251	272,720
Less:			
Tax effect of:			
- Income derived from members		275,369	326,890
- Non-assessable income		-	11,375
- Other		8,171	7,027
- Taxable loss not recognised		(24,001)	(29,281)
Income tax expense		<u>-</u>	<u>-</u>
Note 6: Cash and cash equivalents			
Cash at bank		690,825	722,043
Cash on hand		10,610	2,391
Total cash and cash equivalents		<u>701,435</u>	<u>724,434</u>
Note 7: Trade receivables			
CURRENT			
Trade debtors		15,781	866
Total current trade receivables		<u>15,781</u>	<u>866</u>

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 8: Plant and equipment			
PLANT AND EQUIPMENT			
Furniture & fittings			
At cost		3,670	3,670
Accumulated depreciation		(2,800)	(2,793)
Total furniture and fittings		870	877
Computers & office equipment			
At cost		27,781	26,279
Accumulated depreciation		(17,054)	(19,027)
Total computers & office equipment		10,727	7,252
Total plant and equipment		11,597	8,129

Note 8 (a): Movement in carrying amounts

Movement in the carrying amount for each class of plant and equipment between the beginning and the end of the current financial year:

	Furniture & fitting \$	Computers & office equipment \$	Total \$
Year ended 30 June 2021			
Opening balance	-	6,890	6,890
Additions at cost	884	3,885	4,769
Disposals	-	-	-
Depreciation expense	(7)	(3,523)	(3,530)
Balance at the end of the year	877	7,252	8,129
Year ended 30 June 2022			
Balance at the beginning of the year	877	7,252	8,129
Additions	-	6,882	6,882
Disposals	-	(600)	(600)
Depreciation expense	(7)	(2,807)	(2,814)
Balance at the end of the year	870	10,727	11,597

Note 9: Other assets

CURRENT

Prepayments	21,700	33,726
Total other assets	21,700	33,726

NON-CURRENT

Security deposit-premises	51,439	51,439
Total non-current other assets	51,439	51,439

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 10: Right-of-use assets			
Land and building - right-of-use		309,776	309,778
Less: Accumulated depreciation		(132,000)	(80,652)
		<u>177,776</u>	<u>229,126</u>
Equipment - right-of-use		10,595	-
Less: Accumulated depreciation		(2,119)	-
		<u>8,476</u>	<u>-</u>
Total Right-of-use assets		<u>186,252</u>	<u>229,126</u>
<p>The Company leases buildings for its head office under an agreement of 5 years and 10 months with no options to extend. The leases have fixed rent escalation clauses. On renewal, the terms of the lease are renegotiated. The Company also leases office equipment under an agreement of five years.</p>			
Note 11: Trade and other payables			
CURRENT			
Trade payable		6,445	19,742
GST payable		2,712	1,304
PAYG payable		10,031	8,271
Other payable		21,096	34,443
Total current trade and other payables		<u>40,284</u>	<u>63,760</u>
Financial liabilities classified as trade and other payables			
Trade and other payables, total current		40,284	63,760
Less: GST & PAYG payable		(12,743)	(9,575)
		<u>27,541</u>	<u>54,185</u>
Note 12: Employee provisions			
CURRENT			
Employee entitlements - Annual Leave		19,585	7,581
NON-CURRENT			
Employee entitlements - Long Service Leave		-	-
Total employee provisions		<u>19,585</u>	<u>7,581</u>
<i>Movement in carrying amount</i>			
Opening balance		7,581	40,377
Additional provisions recognised		12,004	-
Provisions used/reversed		-	(32,796)
Ending balance		<u>19,585</u>	<u>7,581</u>

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 13: Other liabilities			
CURRENT			
Deferred income		153,861	125,542
Total other liabilities		153,861	125,542

Deferred income relates to the membership, sponsorship and seminar and event income received in

Note 14: Lease liabilities

CURRENT			
Lease Liabilities		54,331	46,202
NON-CURRENT			
Lease Liabilities		174,425	220,070
Total lease liabilities		228,756	266,272

Future lease payments

Future lease payments are due as follows:

Within one year		66,423	60,800
One to five years		187,909	244,493
More than five years		-	-
		254,332	305,293

Note 15: Capital and leasing commitments

The Company had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

Note 16: Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets at amortised cost:

Cash and cash equivalents	6	701,435	724,434
Trade and other receivables	7	15,781	866
Other assets	9	51,439	51,439
Total financial assets		768,655	776,739

Financial liabilities at amortised cost:

Trade and other payables	11	27,541	54,185
Total financial liabilities		27,541	54,185

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 17: Equity - retained surpluses			
Retained surpluses at the beginning of the financial year		584,565	427,141
(Deficit)/surplus for the year		<u>(38,847)</u>	<u>157,424</u>
Retained surpluses at the end of the financial year		<u>545,718</u>	<u>584,565</u>

Note 18: Key management personnel disclosure

Compensation

There is no remuneration or benefit provided to the directors of the company. The total remuneration paid to the key management personnel of Strata Community Association (Qld) Limited during the year was \$10,824 (2021: \$156,491).

Other key management personal transactions

For detail of other transactions with key management personal, refer to Note 22: Related party transactions.

Note 19: Remuneration of auditors

Remuneration of the auditors of the Company for:

- Audit of the financial statements	10,200	9,800
Total auditors remuneration	<u>10,200</u>	<u>9,800</u>

Note 20: Contingent liabilities

The Company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 21: Commitments

The Company had no commitments for expenditures as at 30 June 2022 and 30 June 2021.

Note 22: Related party transactions

The Company's main related parties are as follows:

Key management personal

Any person(s) having authority and responsibility for planning, directing and controlling the activity of the company, directly or indirectly, including any director (whether executive or otherwise) of that Company are considered key management personnel.

Strata Community Association (Qld) Limited

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Notes to the financial statements

For the year ended 30 June 2022

Note 22: Related party transactions (continued)

For details of remuneration disclosure relating to key management personal refer Note 18: Key Management Personal Disclosures.

All of the directors are members of the Company and pay subscription and contributions on the same terms and conditions as all other members. There were no loans or transactions to or from Directors

Note 23: Member's guarantee

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$19 each towards meeting any outstanding obligations of the Company. At 30 June 2022, the number of members was 1,241 (2021: 1,307).

Note 24: Events after the reporting period

Other than the ongoing impact of COVID-19 as described in Note 2, no other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 25: Company details

The registered office of the company is:
Level 9, 410 Queen Street
Brisbane, QLD 4000

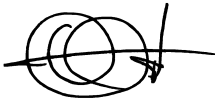
Strata Community Association (Qld) Limited

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Directors' Declaration

In accordance with a resolution of the directors of Strata Community Association (Qld) Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 32, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards – Simplified Disclosures and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2022 and of its performance for the financial year ended on that date.
2. 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.



Kristi Kinast (President)

30 August 2022
Brisbane, Queensland



Duncan Lee (Treasurer)

Independent Auditor's Report to the Members of Strata Community Association (Qld) Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Strata Community Association (Qld) Limited ("the Company") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

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Liability limited by a scheme approved under Professional Standards Legislation.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors 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 directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


HLB Mann Judd
Chartered Accountants
Brisbane
30 August 2022


A B Narayanan
Partner