



Institute of Strata Title  
Management Ltd



Institute of Strata Title Management

# ANNUAL REPORT

30 June 2009

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

Institute of Strata Title Management Ltd  
ABN 74 001 767 997



BUSINESS PARTNER



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Management Ltd

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Institute of Strata Title  
Management Ltd

# General Manager's Report



## General Manager's Report

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I am delighted to present my second report as the General Manager of ISTM.

The year 2008-9 has been an exciting and challenging year for ISTM.

Building on the changes in governance practices implemented in 2007/8, this year the Institute has introduced new policies, procedures and products within a short time frame and has engaged with a greater number of members than ever before. The outcome of these activities has led to growth both in membership and revenue, resulting in a significant turnaround in profitability.

Increasing the public profile of ISTM has continued this year and builds on the Board's initiative in 2007/8 to engage a public relations firm to pursue this goal. ISTM has had an active voice in many proposed regulatory changes for the sector, with the President and General Manager regularly asked for media and stakeholder comment on a number of proposed initiatives and industry issues.

As part of our government relations program, ISTM has actively lobbied, with support from members, to ensure that NSW maintained licensing for Strata Managers. Having won this debate, ISTM needs to continue to monitor and lobby the COAG national licensing project to ensure that standards and professionalism in the sector are maintained.

The President and other member representatives have met with members of the current and Shadow Cabinet/s to ensure that the sector's voice is heard on both sides of the political spectrum. As a result, ISTM representatives have been invited to provide policy input as NSW approaches its next election.

Awareness of the ISTM brand continues to grow with the new look and feel implemented across all communication channels. This has included redesigning the ISTM web site, email communications, publications and other Institute collateral within the new corporate branding guidelines.

The Board held a strategy workshop in April 2009 and reviewed the Institute's current position and strategic objectives for the next 12 months. Whilst the overall strategic direction for the Institute has been affirmed, the 2009/10 ISTM business plan will also incorporate changes to membership structure to include CPD, initiatives to grow the GTS Chapter, the introduction of traineeships for the sector and further development of the Knowledge Hub .



# General Manager's Report

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## Financial Report

### Results

2008/9 saw the full introduction of a new accounting framework and financial reporting structures.

A Risk and Audit Committee was appointed by the Board to work with the General Manager to manage financial risk for the organisation. They ensure that the budget and forecasts are closely monitored and report to the board on the ongoing financial position of the Institute.

The 2008/9 budget projected a loss of \$100,000. This included investment in a new website, Customer Relationship Management System and continued investment in the Public Relations strategy.

The loss of \$86,700 for this year was better than budget and represents an improvement of 80% from the previous year (\$430,000). This was a result of a focussed effort by the ISTM team on growing revenue whilst maintaining costs and improving services to members.

Revenue growth of 31% for the year comprised in part of growth of 29% in membership and sponsorship and growth of 27% in publications. This was achieved with only a 6% increase in indirect costs.

This is an outstanding result and ISTM is now well positioned to make further improvements on its financial position in the year ahead.

### Income

Total revenue for the year grew by over \$457,474(31%) to \$1,954,237.

Cost centres representing the Institute's core activities have been established and are reflected in the Annual Report. Each cost centre has been compared to activity from the previous year and shows growth in Membership and Sponsorship, Publications, and Events and Education.

This is as a result of increased engagement efforts with the ISTM membership base.



## General Manager's Report

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### Membership and Sponsorship

The total revenue from this cost centre was \$718,697. This represents 37% of ISTM's total revenue. There was a net increase of \$159,799 (29%) in revenue from this cost centre for the year.

There was a net growth of 6% in total Membership and, there was a significant growth in the category of Corporate Supplier (129%). The Supplier Chapter grew by 27% and there was growth in the Licensed Chapter of 11%.

This year ISTM undertook a realignment of members to the chapter that best represented their circumstances. This provides a clean membership data base from which future, more accurate comparisons in growth can be undertaken.

Recognition that more focus needs to be placed on the Strata Manager Chapters has resulted in a recent restructure and the appointment of a Strata Chapter Development Manager. The initial activities of this role will be to develop Regional Networks and provide a greater level of activity at the grass roots membership level. The Strata Chapter Development Manager will spend more time with strata managers to ensure that ISTM is listening to and more accurately representing the needs of members.

Sponsors make an important contribution to ISTM. Sponsorship revenue for 2008-9 began slowly, however, by the end of the year all sponsorship opportunities were filled. Sponsorship revenue contributed \$150,734 in actual sponsorship dollars and a further \$150,000 in the purchase of tangible items such as advertising and other ISTM products and services.

ISTM now has 3 Business Partners:

- ✓ Macquarie Bank Limited
- ✓ CHU Underwriting Agencies Pty Ltd and;
- ✓ Andreones, Lawyers

5 Gold Sponsors:

- ✓ Demlakian Strata and Remedial
- ✓ 3 Colours Painting Services
- ✓ Havencab
- ✓ BCS and;
- ✓ Integrated Consultancy Group



## General Manager's Report

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5 Sliver Sponsors:

- ✓ Kladis Building Solutions
- ✓ XLR8'd Solutions
- ✓ Schindler Lifts
- ✓ Magnatex
- ✓ Lannock Strata Finance

And:

15 Bronze Sponsors.

ISTM would like to formally thank the contribution, professionally, financially and in-kind from the Business Partners and Sponsors.

### **Events and Education**

The overwhelming success of the 2008 ISTM Annual Convention yielded a modest profit. This success was the result of hosting the Convention in the CBD, where overall attendance over 3 days provided over 600 touch-points for sponsors and exhibitors.

Other events, including the Gala dinner and Industry Briefing Sessions, were highly successful in attracting participants and sponsors. However, participant numbers in the Certificate of Registration moved slowly in the first half of the financial year. An advertising campaign was implemented in the second half of the year, resulting in higher numbers of entrants from outside of the industry.

ISTM's education and training program will be reviewed and expanded in the coming year to address skill gaps and industry requirements. An increased focus on providing an improved range of educational opportunities for strata staff, as well as new entrants to the sector should see this cost centre improve its overall revenue and profitability in the coming year.



## General Manager's Report

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### **Publications**

Income from Publications experienced an 27% increase in revenue, with growth in advertising products achieved in the second half of the year.

The Strata and Community Living publication was reviewed during the year to address its sustainability and mitigate the financial risk for ISTM. As a result, this consumer publication is now being offered as a printable PDF to our strata managers at a significantly reduced price.

### **Expenses**

Total expenses rose by \$110,196 (6%) for the year 2008-9. This is an outstanding result given the increased activity and services.

There was however, an increase in direct costs related to the delivery of education programs. The strategy to host Certificate of Registration monthly did not deliver the projected number of students. The result of lower student numbers impacted on the margin for this product.

The website and CRM were two new initiatives that ISTM invested in. This has provided improved communication capability between the Institute and members.

The Website and CRM have been treated as Intangible Assets in the Balance Sheet and have already assisted ISTM in increasing revenue with Banner Advertising on the Website and increased capability to advise members of sponsorship opportunities.

### **Balance Sheet**

Total member equity decreased by \$86,701 which partly reflects the investment in the new website and CRM and trade debtors at year end was \$54,000. The implementation of a debtor management system and processes ensured that debtors were maintained at a reasonable level.

ISTM continues to focus a significant amount of time and effort on outstanding debtors. Methods to streamline this process and incentives members to pay on time will be considered in the coming year.



## General Manager's Report

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### Highlights of the year

#### Convention 2008

The Convention held at Star City was an outstanding success. Record delegate numbers attended the Convention with lot owners attending for the first time in many years. The number of employers who sent their staff for at least part of the Convention shows that employers value the experience of the Convention for staff.

This illustrates how more accessible the Convention is when hosted in Sydney CBD.

### Member Education and Communication

#### Registered Training Organisation

ISTM worked diligently to meet the requirements of VETAB NSW and was successfully audited in February 2009 to attain RTO status. This milestone positions ISTM as the lead provider of education in the sector.

ISTM will continue to develop the education portfolio with broader opportunities for skills development for the sector, by providing Industry Briefing Sessions and increasing the RTO scope to include the full Certificate III and IV.

#### Career in Strata

ISTM has developed a marketing and advertising campaign attracting new entrants to the industry. In addition the General Manager attended a number of forums for School Careers Advisors to position strata as a career for school leavers.

ISTM is also investigating the process of registering with the Commonwealth Government to deliver traineeships to the sector.



## General Manager's Report

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### **Web Site**

The ISTM web site underwent a major redesign and relaunch in January. This included the addition of a new membership and supplier database, increased functionality and aligning the look and feel with the ISTM corporate brand.

The site has been a major success with over 4,000 visitors each month using the site. Advertising products have been introduced within the site to offset future development costs.

Feedback from advertisers on the site indicates that this is likely to be a popular channel to attract and retain business.

New services including banner advertising have provided additional revenue and advertising opportunities for all members, not just suppliers. The positions vacant section of the site has proved popular with members, as has the placing of students' resumes who have completed the Certificate of Registration as potential employees. Since this service started all but 2 students have successfully found employment with ISTM members.

The online Knowledge Hub (containing a wealth of information on legislation, legal case studies, decision trees in relation to common property and more), plus more sophisticated and clearer interfaces for member interaction has taken longer to develop than anticipated with the launch date now set for late October 2009.

The Knowledge Hub Expert Panel has been operational for over 12 months and extremely well received by members.

### **Sponsorship**

The new sponsorship framework has proved successful with all sponsorship opportunities for 2009 now filled. A new Sponsorship Relationship Manager has been appointed to ensure that Sponsors are better able to maximise their sponsorship contribution. ISTM thanks all the Institute and Events Sponsors for their contribution to the Institute and the industry.



## General Manager's Report

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### **Media, Public Relations and Policy**

ISTM continued to expand the Public Relations and media program and is currently reviewing options for a new supplier.

The metropolitan media has begun to respond to the ISTM presence in the market place and now regularly approaches ISTM for comments on important strata issues.

ISTM is also in the process of reviewing our policy document and a revised edition will be available in 2010.

Members will be consulted and encouraged to contribute to the revised policy position of ISTM.

### **Finally**

It has been an exciting, but challenging 12 months. I would like to thank my team for their support and hard work and I appreciate the guidance provided to me in my role by the ISTM Board of Directors.

I look forward to working more closely with the membership over the next 12 months to continue to add value to your ISTM membership and work with you on furthering the goals of the sector.



Institute of Strata Title  
Management Ltd

# Financial Report

## 30 June 2009

# INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED

*(A.B.N. 74 001 767 997)*

## FINANCIAL REPORT

30 JUNE 2009

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## **INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED**

### *Directors' Report*

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The Directors present their report together with the annual financial report of the Institute of Strata Title Management Limited for the year ended 30 June 2009 and the auditor's report thereon.

#### **Directors**

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

<b>Name</b>	<b>Occupation</b>	<b>Date Appointed</b>
D Ferguson (President)	Company Director	26/10/2006
S Machin (Snr Vice President)	Company Director	26/10/2007
P Keating (Vice President)	Company Director	26/10/2006
A Robinson (Vice President)	Company Director	17/10/2008
D Morris	Company Director	5/10/2001
G Vumbaca	Company Director	22/10/2005
B Coles	Company Director	8/09/2000
D Linders	Company Director	15/10/2004
D Richards	Company Director	26/10/2007
D Bannerman	Company Director	26/10/2007
G Haywood	Company Director	8/11/2007
N Trenwith	Company Director	17/10/2008
D Terry	Company Director	17/10/2008

#### **Directors' meetings and executive committee meetings**

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

<b>Name</b>	<b>Meetings Eligible to Attend</b>	<b>Meetings Attended</b>	<b>E/C Meeting Eligible to attend</b>	<b>E/C Meetings Attended</b>
D Morris	8	8		
G Vumbaca	2	0		
B Coles	2	1		
D Linders	2	2		
D Ferguson	8	8	2	2
P Keating	8	7	2	1
D Richards	8	5		
D Bannerman	8	8		
S Machin	8	8	2	2
G Haywood	8	7		
N Trenwith	6	6		
A Robinson	6	6	2	2
D Terry	6	6		

## **INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED**

### *Directors' Report (continued)*

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#### **Principal Activities of the Company**

The principal continuing activities of the Institute include:-

- (a) The promotion of a high standard of expertise and integrity in the management of group title properties and provision of services to group title properties.
- (b) The promotion of education, discourse and instruction about any matter relating to the management of group title properties.
- (c) The promotion of ethical standards of conduct in dealings by members of the Institute with their clients or the general public.
- (d) The provision of assistance and information about management of group title properties to its members and to members of the general public.
- (e) The enhancement of recognition by the public of the Institute and of its members in their management of and provision of services to group title properties, including representation of the views of the Institute and its members to government and other bodies.
- (f) The performance of any regulatory, educational or supervisory function of the Institute according to the requirements of government.
- (g) The promotion of professional relationships with persons practicing group title management or providing other services to group title properties in other states and territories of Australia and other countries.
- (h) The performance of all such other things as are necessary, incidental or conducive to the attainment of these objects.

#### **Number of Members**

The number of members at 30 June 2009 was 1,371 (2008 – 1,295), which was broken up as follows:

Life	4
Corporate Strata	135
Corporate Supplier	158
Licensed Manager Chapter	345
Associate Chapter	264
Supplier Chapter	338
Associate Member	122
Group Title Scheme	<u>5</u>
Total	<u>1,371</u>

#### **Results**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Operating (Loss) for the year after income tax	\$( <u>86,701</u> )	\$( <u>433,979</u> )

#### **Dividends**

No dividend was paid or declared during the year ended 30 June, 2009.

#### **Review of Operations**

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

## **INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED**

*Directors' Report (continued)*

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### **Events subsequent to balance date**

At the date of this report there is no matter or circumstance which has arisen since 30 June 2009 that has significantly affected or may significantly affect:

- (a) the company's operations;
- (b) the results of those operations; or
- (c) the company's state of affairs,

in financial years subsequent to 30 June 2009.

### **Likely Developments and Expected Results of Operations**

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

### **Directors' Benefits**

Since 30 June 2008 no director of the company has received or become entitled to receive a benefit because of a contract made by the company or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for the following

- (a) Mr D Morris received \$9,175 for travel cost reimbursement to attend board meetings and to attend to other institute business, and
- (b) Mr D Ferguson received \$82 for business travel.

### **Directors' Indemnity**

The company has paid premiums totalling \$4,414 (2008 \$7,168) during the year for Directors and Officers liability insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$10 million any one claim and \$20 million in the aggregate arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers of the company.

### **Staffing**

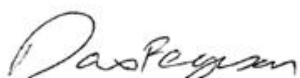
The Directors wish to express their thanks to Jackie Zelinsky (General Manager), Erin Smith (Event Manager), Marianna Blangiardo (Members Services Manager), Michelle Spooner (Communications Manager) and Clara Smith (Project Manager) for their valued contribution.

### **Auditors**

Foster Raffan continue to act as auditors in accordance with Section 327 of the Corporations Act, 2001.

This report is made in accordance with a resolution of the directors.

*Original signed by Directors*



.....  
Director – D Ferguson  
Chatswood, 11 August 2009.



.....  
Director – G Haywood

*Independence Declaration by the Auditor*

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to the directors of the Institute of Strata Title Management Limited under section 307c of the Corporations Act 2001. We declare that, to the best of our knowledge and belief, during the year that ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirement as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**FOSTER RAFFAN**

Chartered Accountants



**G D Wood, FCA**

Partner

North Sydney, 11 August 2009.

*Independent Audit Report to the Members*

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**Scope**

We have audited the financial report of the Institute of Strata Title Management Limited for the year ended 30 June, 2008 as set out on pages 5 to 11. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Standards and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

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

**Audit Opinion**

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

- (a) the Corporations Act, 2001 including:-
  - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

**FOSTER RAFFAN**

Chartered Accountants



**G D Wood, FCA**

Partner

North Sydney, 11 August 2009.

**INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED**

*Directors' Declaration*

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In accordance with a resolution of the directors of the Institute of Strata Title Management Limited in the opinion of the directors:

- (a) the financial report of the company is in accordance with the Corporations Act, 2001 including:-
  - (i) giving a true and fair view of the company's financial position as at 30 June, 2009 and of its performance for the year ended on that date, and
  - (ii) complies with Accounting Standards and Corporation Regulations, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



.....  
Director – D Ferguson



.....  
Director – G Haywood

Chatswood 11 August 2009.

**INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED***Income Statement for the year ended 30 June 2009*

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	Notes	2009 \$	2008 \$
<b>Revenue</b>			
Publications & Communication		317,646	251,064
Events & Education		880,563	645,169
Interest & Other		16,081	34,132
Membership & Sponsorship		718,697	558,898
Research & Decision Support		<u>21,250</u>	<u>7,500</u>
		<u>1,954,237</u>	<u>1,496,763</u>
Less			
<b>Expenses</b>			
Corporate Overheads		734,499	1,062,115
Publications & Communication		269,347	197,481
Events & Education		875,574	624,546
Membership & Sponsorship		85,672	-
Research & Decision Support		75,846	25,000
Write off of investment	7	<u>-</u>	<u>21,600</u>
		<u>2,040,938</u>	<u>1,930,742</u>
<b>Operating (loss)</b> before income tax (page 4)		(86,701)	(433,979)
Income tax expense	2	<u>-</u>	<u>-</u>
<b>Operating (loss)</b> after income tax		(86,701)	(433,979)
<b>Retained profits – 1 July 2008</b>		<u>167,784</u>	<u>601,763</u>
<b>Retained profits – 30 June 2009</b>		<u><u>\$81,083</u></u>	<u><u>\$167,784</u></u>

The Profit &amp; Loss Statement should be read in conjunction with the accompanying notes.

**INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED***Balance Sheet – 30 June 2009*

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	Notes	2009 \$	2008 \$
CURRENT ASSETS			
Cash	3	255,747	263,830
Receivables	4	133,709	291,142
Inventories	5	<u>36,000</u>	<u>37,100</u>
<b>Total Current Assets</b>		<u>425,456</u>	<u>592,072</u>
NON-CURRENT ASSETS			
Fixed assets	6	20,438	19,561
Intangible asset – website & CRM		<u>91,128</u>	<u>-</u>
<b>Total Non-Current Assets</b>		<u>111,566</u>	<u>19,561</u>
<b>TOTAL ASSETS</b>		<u>537,022</u>	<u>611,633</u>
CURRENT LIABILITIES			
Creditors	7	432,939	427,815
Provision	8	<u>23,000</u>	<u>16,034</u>
<b>Total Current Liabilities</b>		<u>455,939</u>	<u>443,849</u>
<b>TOTAL LIABILITIES</b>		<u>455,939</u>	<u>443,849</u>
<b>NET ASSETS</b>		<u>\$81,083</u>	<u>\$167,784</u>
MEMBERS' EQUITY			
Retained profits		<u>\$81,083</u>	<u>\$167,784</u>

The Balance Sheet should be read in conjunction with the accompanying notes.

**INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED***Statement of Cash Flows for the year ended 30 June 2009*

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	<b>Notes</b>	<b>2009</b>	<b>2008</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from members and sponsors		2,149,773	1,221,443
Payments to suppliers and employees		<u>(2,070,179)</u>	<u>(1,652,054)</u>
		79,594	(430,611)
Interest received		<u>16,081</u>	<u>27,016</u>
<b>Net cash inflow/(outflow) from operating activities</b>	13	95,675	(403,595)
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(12,630)	(4,753)
Purchase of website and communication software		<u>(91,128)</u>	<u>-</u>
		<u>(103,758)</u>	<u>(4,753)</u>
<b>Net (decrease) in cash held</b>		(8,083)	(408,348)
Cash - 1 July 2008		<u>263,830</u>	<u>672,178</u>
<b>Cash - 30 June 2009</b>	3	<u>\$255,747</u>	<u>\$263,830</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

## **INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED**

Notes to the Financial Report 30 June 2009

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report has have been prepared in accordance with the relevant Accounting Standards and the disclosure requirements of Australian Accounting Standard 1034.

The financial report is prepared in accordance with the historical cost convention. The accounting policies adopted are consistent with those of the previous year.

#### **(a) Membership Income**

Membership fees received from new members are brought to account on receipt. The membership fees paid in advance represent the period 1 July to 31 December 2009.

#### **(b) Income Tax**

Income tax is payable only on income by the company from non-members after deduction of related expenditure. The income tax payable on any assessable income for the year is calculated at the current rate of tax.

#### **(c) Depreciation**

Depreciation is calculated on a straight line basis so as to write off the net cost of each item of equipment over its expected useful life. Leasehold improvements and furniture and fittings are depreciated over 4 years (25%) and office equipment over 5 years (20%).

### **2. INCOME TAX**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>

The aggregate amount of income tax attributable to the financial year differs from the amount prima facie payable on operating profit. The difference is reconciled as follows:

Operating (loss) before income tax	<u>(86,701)</u>	<u>(433,979)</u>
Income tax (credit) @ 30%	(26,010)	(130,194)
Tax effect of permanent differences:-		
Adjustment for mutual income net of expenses	_____	<u>82,809</u>
Prima facie income tax (credit)		(47,385)
Timing differences during the year:-		
Other items - provisions		4,606
Tax losses carried forward	_____	42,779
Income tax payable	<u>_____</u>	<u>_____</u>
Tax losses carried forward		<u>131,910</u>

**INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED**

Notes to the Financial Report 30 June 2009 (continued)

	2009	2008
	\$	\$
<b>3. CASH</b>		
Cash on hand	1,000	-
Macquarie Bank Limited		
- Cash Management	56,577	76,991
- Term Deposit (@ 6.3%)	182,796	171,627
- Imprest account	1,433	1,587
- Education account	13,941	13,625
	<u>255,747</u>	<u>263,830</u>
<b>4. CURRENT ASSETS - Receivables</b>		
Trade debtors	49,177	260,794
Less: Provision for doubtful debts	(3,000)	(12,850)
	<u>46,177</u>	<u>247,944</u>
GST refund	8,548	-
Bonds	17,229	14,729
Prepayments – Convention 09	61,755	28,469
	<u>133,709</u>	<u>291,142</u>
<b>5. CURRENT ASSETS - Inventories</b>		
Minute books - at cost	-	4,350
Trade Services Directories	18,800	16,000
Inside Strata Training manuals	7,500	9,000
Training manuals	<u>9,700</u>	<u>7,750</u>
	<u>36,000</u>	<u>37,100</u>
<b>6. NON-CURRENT ASSETS – Fixed assets</b>		
Leasehold improvements – at cost	5,650	5,650
Less: Accumulated depreciation	<u>(5,650)</u>	<u>(4,239)</u>
	-	<u>1,411</u>
Furniture & fittings - at cost	33,815	101,333
Less: Accumulated depreciation	<u>(31,935)</u>	<u>(95,522)</u>
	<u>1,880</u>	<u>5,811</u>
Office equipment – at cost	36,372	23,742
Less: Accumulated depreciation	<u>(17,814)</u>	<u>(11,403)</u>
	<u>18,558</u>	<u>12,339</u>
Net written down value	<u>20,438</u>	<u>19,561</u>

**INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED***Notes to the Financial Report 30 June 2009 (continued)*

	2009 \$	2008 \$
<b>8. CURRENT LIABILITIES - Creditors</b>		
Trade creditors	127,542	129,608
Accruals	17,908	33,057
Income in advance		
- Membership (note 1(a))	275,461	222,155
- Sponsorship	-	34,605
- Conference	-	1,540
- Education	12,028	6,850
	<u>432,939</u>	<u>427,815</u>
<b>9. CURRENT LIABILITIES – Provision</b>		
Employee entitlements	<u>23,000</u>	<u>16,034</u>
<b>10. LIMITED LIABILITY</b>		
The company is limited by guarantee. In the event of the company being wound up, the liabilities of each member (both during the time of membership and for one year thereafter) is limited to \$50.		
<b>11. REMUNERATION OF DIRECTORS</b>		
The directors do not receive any remuneration for their work as officers of the company. Directors are reimbursed for sundry expenses incurred on behalf of the company.		
<b>12. REMUNERATION OF AUDITORS</b>		
Amounts received by the auditor of the company for:		
Audit of the financial report	3,000	2,700
Other services – tax & financial report	2,400	1,300
	<u>5,400</u>	<u>4,000</u>
<b>13. RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO OPERATING RESULT</b>		
Net cash inflow/(outflow) from operating activities	95,675	(403,595)
Depreciation	(11,753)	(13,325)
Change in assets and liabilities		
Increase/(Decrease) in receivables	(157,434)	168,010
Increase/(Decrease) in inventory	(1,100)	31,867
(Increase)/Decrease in trade creditors and provision	10,249	(103,393)
(Increase)/Decrease in income received in advance	<u>(22,339)</u>	<u>(113,543)</u>
Operating (loss) after income tax	<u>(86,701)</u>	<u>(433,979)</u>

**INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED****Profit & Loss Statement for the year ended 30 June 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Membership & Sponsorship:		
Membership	567,963	374,777
Sponsorship	<u>150,734</u>	<u>184,121</u>
	<u>718,697</u>	<u>558,898</u>
Events & Education		
Certificates of Registration	99,260	27,400
CPD	157,221	75,174
Professional Development (other)	29,472	-
Networking	75,254	82,140
Gala Dinner	65,498	-
Convention – 2008	437,225	460,455
Briefing sessions	12,601	-
Student amenities	2,031	-
Bursaries & prizes	<u>2,000</u>	<u>-</u>
	<u>880,563</u>	<u>645,169</u>
Publications & Communications		
Inside Strata	150,242	67,011
Strata & Community Living	73,899	128,781
Trade Services Directory	76,365	32,361
Minute books	<u>17,140</u>	<u>22,911</u>
	<u>317,646</u>	<u>251,064</u>
Research & Decision Support		
Benchmarking	21,250	7,500
Interest	16,081	27,016
Other	<u>-</u>	<u>7,116</u>
<b>Total Income</b>	<b><u>1,954,237</u></b>	<b><u>1,496,763</u></b>
<b>Expenses</b>		
Membership & Sponsorship		
Salary	74,165	-
Other	<u>11,507</u>	<u>-</u>
	<u>85,672</u>	<u>-</u>
Events & Education		
Salary	89,615	-
Consultancy	105,441	118,153
Trainers & Speakers	87,809	-
Printing	13,454	-
Students	4,104	-
Catering	66,020	11,670
Venue hire	50,640	-
Travel & accommodation	8,730	-
Business awards	57,681	-
Convention – 2008	<u>392,079</u>	<u>494,723</u>
	<u>875,574</u>	<u>624,546</u>

**INSTITUTE OF STRATA TITLE MANAGEMENT LIMITED****Profit & Loss Statement for the year ended 30 June 2009**

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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Publications & Communications		
Consultancy	29,877	-
Inside Strata	125,975	6,531
Strata & Community Living	72,432	148,643
Trade Service Directory	19,231	22,414
Travel & Accommodation	2,220	-
Minute books	<u>19,612</u>	<u>19,893</u>
	<u>269,347</u>	<u>197,481</u>
Research & Decision Support		
Salaries	50,148	-
Consultancy	25,000	25,000
Other	<u>698</u>	<u>-</u>
	<u>75,846</u>	<u>25,000</u>
<b>Total Expenses</b>	<b><u>1,306,439</u></b>	<b><u>846,967</u></b>
<b>Gross Profit</b>	<b><u>647,798</u></b>	<b><u>649,796</u></b>
<b>Corporate Overheads</b>		
Salaries	226,685	452,181
Superannuation	15,375	34,208
Consultants	157,219	136,442
Training	9,772	-
Subscriptions	78,235	70,102
Staff amenities	4,103	-
Travel & accommodation	18,429	16,657
Website hosting & ADSL	3,664	37,732
Telephone	27,023	15,366
Rent	59,800	67,418
Cleaning	4,491	3,481
Electricity	2,200	-
Insurance	11,765	10,234
Printing & stationery	27,680	-
Equipment leasing	8,698	8,037
Postage & freight	25,661	24,183
Meeting expenses	1,550	-
Board expenses	12,365	10,378
Committee expenses	1,312	-
IT costs	4,747	33,750
Capital expenditure	4,623	2,558
Bank charges & merchant fees	10,385	16,575
Annual leave	6,966	-
Depreciation	11,752	13,325
Donation	-	46,200
Entertainment	-	26,184
Recruitment	-	34,440
Office supplies	<u>-</u>	<u>2,664</u>
<b>Total Overheads</b>	<b><u>734,499</u></b>	<b><u>1,062,115</u></b>
Write off of Investment	<u>-</u>	<u>21,600</u>
Operating(Loss) for the year	<b><u>\$(86,701)</u></b>	<b><u>\$(433,979)</u></b>



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