



Strata Titles Amendment Act 2018 Fact Sheet

SECTION 101

Accounting Records and Statement of Accounts

101. Accounting records and statement of accounts

- (1) A strata company must keep proper accounting records of its income and expenditure.
- (2) A strata company must prepare a statement of accounts for *each financial year* showing —
 - (a) the assets and liabilities of the strata company at the end of the financial year; and
 - (b) the income and expenditure of the strata company for the financial year.

NOTE

REGULATION 175

175. Phasing-in of financial year requirements

- (1) The amendment to section 3(1) made by the 2018 amending Act that inserts the definition of financial year for a strata company does not apply to a strata company until the end of the 5-year transitional period.
- (2) During the 5-year transitional period, the financial year for a strata company is taken to be —
 - (a) if a financial year is specified in the scheme by-laws of the strata company — that period; or
 - (b) if paragraph (a) does not apply — the period of 12 months used by the strata company as its financial year before the commencement day; or
 - (c) if neither paragraph (a) nor (b) applies — the period of 12 months ending on the day before the anniversary of registration of the strata titles scheme, or the period of 12 months ending on 30 June, whichever period the strata company chooses.
- (3) During the 5-year transitional period, a strata company that, under subregulation (2)(b) or (c), uses or chooses to use as its financial year a period of 12 months ending on a different date from 30 June may make a by-law that specifies that period as its financial year.
- (4) Such a by-law has effect for the purposes of the definition of financial year for a strata company, as inserted by the 2018 amending Act, if it is made by ordinary resolution of the strata company and is taken to be a governance by-law.

Note for this regulation:

If a strata company makes a by-law before the end of the 5-year transitional period specifying the financial year it uses or chooses to use under subregulation (2)(b) or (c) as its financial year, it will be able to continue to use that period as its financial year at the end of the 5-year transitional period under the definition of financial year for a strata company as inserted by the 2018 amending Act.