

Topic 1 - Body corporate financial year

A body corporate's financial year is not necessarily the same as the financial year used for taxation purposes (1 July to 30 June). The determination of a body corporate's financial year depends on whether the community titles scheme was established before or after the introduction of the *Body Corporate and Community Management Act 1997* (the BCCM Act).

It is essential for the body corporate to know when its financial year ends. The calculation is taken from the date of the first Annual General Meeting (AGM) unless another date has been fixed by the referee (a referee under the *Building Units and Group Titles Act 1980*) or by adjudicator's order.

For a scheme that was **in existence** at 13 July 1997 (the commencement of the Act):

- the financial year **ends** on the last day of the month **in which** the first annual general meeting was held for the existing plan* (for example, if the first annual general meeting was held on 10 May 1993, the financial year will be 1 June to 31 May); or
- the financial year **ends** on the last day of the month in which the anniversary date for the first annual general meeting was fixed by an order of the referee under the *Building Units and Group Titles Act 1980*. (SM. s330(9)(a) and s330(9)(b) of the Act: Transitional provisions)

For a scheme which was established **after** 13 July 1997:

- the financial year **ends** on the last day of the month **immediately before** the month when the community titles scheme was established (for example, if the scheme was established on 10 May 1998, the last day of the financial year is 30 April each year, therefore the financial year will be 1 May to 30 April); or
- an adjudicator may make an order changing the financial year under the dispute resolution provisions of the Act ("financial year" defined in the Dictionary, Schedule 6 of the Act)

***Note:** An **existing plan** is a "building units plan" [BUP] or "group titles plan" (GTP) to which the *Building Units and Group Titles Act 1980* applied before the commencement of the Act.

To find out when the scheme held its first annual general meeting you may need to check the body corporate records, or to find out when the scheme was established you may need to check the Community Management Statement (CMS). A copy of the CMS should be held in the records of the body corporate.