

Annual general meetings

Incorporated associations

How often must an annual general meeting (AGM) be held?

An association's committee must ensure that an annual general meeting (AGM) is held within 6 months after the close of the association's financial year. An association's constitution must specify its financial year.

In the case of a new association, the first annual general meeting must be held within 18 months from the date of incorporation.

How is an AGM called?

The constitution for an association is required to specify the manner of calling an AGM and the manner in which notice of the AGM is to be given. The notice convening the meeting should specify that the meeting is the annual general meeting.

If the model constitution applies, the secretary must give a notice to each member specifying the place, date and time of the meeting and the nature of the business, including the fact that it is the AGM. The notice must be given not less than 14 days before the date fixed for the holding of the meeting. However, notice of any special resolution must be given to members not less than 21 days before the AGM. For convenience, the notice of meeting can be sent to members at the same time and on the same document as any notice of special resolutions provided it is sent not less than 21 days before the AGM.

If the association's constitution so provides, the AGM may be held at two or more venues using any technology that gives each of the association's members a reasonable opportunity to participate.

What business is conducted at an AGM?

The business of an AGM is normally to:

- confirm the minutes of the last AGM and of any special general meeting held since that meeting
- receive from the committee reports on the activities of the association during the last financial year
- elect office bearers and ordinary members of the committee
- receive the association's financial statements [this must be done at the AGM], and
- conduct other business of which notice has been given to the members.

What must be in the financial statement to members?

Tier 1 associations

Tier 1 associations are larger associations whose gross receipts exceed \$250,000 or current assets exceed \$500,000.

At each AGM of a Tier 1 association, the committee must submit the association's financial statements for the previous financial year, together with the auditor's report for those statements, to the members.

The statements must be prepared in accordance with the Australian Accounting Standards and must deal with matters prescribed by the regulations. The statements must be audited and the auditor's report must be prepared in accordance with the Australian Auditing Standards.

Tier 2 associations

Tier 2 associations are the smaller associations whose gross receipts are less than \$250,000 and current assets are less than \$500,000.

At each AGM of a Tier 2 association, the committee must submit the association's financial statements

for the previous financial year to the members. The financial statements must give a true and fair view of the association's affairs and must include an income and expenditure statement and a balance sheet that sets out the sources of income and expenses, assets and liabilities.

If an incorporated association fails to hold an annual general meeting or to submit financial statements to members, then each member of the committee of the association will be guilty of an offence and liable to a penalty.

What must be lodged with the Registry after the AGM?

Tier 1 associations

Within one month of the AGM, or no later than 7 months after the end of the financial year, the association must lodge the following documents with the Registry of Co-operatives & Associations:

- a summary of the association's financial affairs (*Annual summary of financial affairs* Form A12)
- a copy of the financial statements submitted to the members at the AGM
- a copy of the auditor's report for those statements
- a document setting out the terms of any resolution passed at the AGM in connection with the financial statements and the auditor's report, and
- the prescribed fee.

Failure to properly lodge the annual statement means the association will be guilty of an offence and liable to penalty. The documents will not be taken as lodged if the relevant fee has not been paid.

Tier 2 associations

Within one month of the AGM, or no later than 7 months after the end of the financial year, the association must lodge a summary of the association's financial affairs (*Annual summary of financial affairs* Form A12)

together with the prescribed fee, with the Registry of Co-operatives & Associations.

Failure to properly lodge the annual statement means the association will be guilty of an offence and liable to penalty. The statement will not be taken as lodged if the relevant fee has not been paid.

www.fairtrading.nsw.gov.au
Fair Trading enquiries 13 32 20
TTY 1300 723 404
Language assistance 13 14 50

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