

LATE AGM / AUDITED FINANCIAL STATEMENTS – IMPORTANT CONSIDERATIONS

Russell Corporate Advisory highlight critical issues if it looks like audited financial statements and/or AGM will not be completed in time.

Some clubs find themselves in a situation where they will not have their audited financial statements completed within the statutory timeframe of 4 months after year-end. If this is the case, late lodgement of financial statements with ASIC incurs a penalty of \$333 if lodged more than 1 month late.

Of more importance is the flow on effect of the need to defer the AGM date beyond the statutory timeframe of 5 months after year-end, as the audited financial statements must be tabled at the AGM. To defer the AGM, an application form and \$3487 fee must be submitted to ASIC *before* the AGM due date, however the application does not guarantee that a deferral will be granted.

If deferral approval is not received and the AGM is held late, this may trigger a criminal penalty of \$2100 and/or 3 months imprisonment.

Clearly these penalties should be avoided, and clubs need to plan well in advance if their circumstances require permission to be sought from ASIC for deferrals or similar. Importantly a Solvency Resolution would be required to be passed within 2 months after the Annual Review date if audited financials haven't been lodged.

If the issues described above relate to your club, contact Greg Russell or Harry Harris on (02) 9957 6700 for an obligation free discussion about your circumstances.

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