



ANNUAL REPORT

2018-19

**SANCTUARY LAKES
RESORT SERVICES LIMITED**
ACN 092 610 449

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CORPORATE INFORMATION

DIRECTORS

Craig Pitts *(Chair)*

Thomas Parkinson *(Vice Chair)*

Edward Boucaut

Theo Krug

(resigned 27th Nov 2018)

David Rava

Amelia Wilson

Brett Hernadi

Susan McIntyre

(appointed 7th Oct 2019)

COMPANY SECRETARY

Susan Quill

(resigned 1st Aug 2018)

Robert Allen

(appointed 1st Aug 2018)

REGISTERED OFFICE & MAIN BUSINESS ADDRESS

72 Greg Norman Drive

Sanctuary Lakes Victoria 3030

ACN 092 610 449

SUBSIDIARIES

SLR Security Pty Ltd

ACN 604 300 549

Sanctuary Lakes Residents

Association Pty Ltd

ACN 137 881 906

AUDITORS

COLLINS & CO

Certified Practising Accountants

127 Paisley Street

Footscray Victoria 3011

KEY PERSONNEL

CHIEF EXECUTIVE OFFICER

Trent Curwood

FINANCE MANAGER

Jessica Sciberras

HUMAN RESOURCES MANAGER

Emma Bartlett

(appointed 11th Mar 2019)

COMMUNITY MANAGER

Garry Theobald

OC PORTFOLIO MANAGER

Natalie Bianchini

SECURITY MANAGER

John Pollard

RESORT PRESENTATION MANAGER

Greg Fryer

PROJECT MANAGER

Katarina Nave

(appointed 4th Jun 2019)

COMMUNICATIONS COORDINATOR

Kayleigh Cockerill-Wright

ARCHITECTURAL REVIEW COMMITTEE MANAGER

George Phua

RECREATION CLUB MANAGER

Hadi Kerbaj

TOTAL NUMBER OF EMPLOYEES

43.75 full-time equivalent

INTRODUCTION

Sanctuary Lakes Resort Services Limited (SLRS) is a licensed owners corporation management company established by the original owners corporations of Sanctuary Lakes Resort. All new owners corporations are entitled to, and receive, membership of SLRS upon being registered.

The objective of SLRS is to act on behalf of Sanctuary Lakes Resort owners corporations in all matters delegated under the management contract. This includes ensuring that all services are delivered equally to each lot owner in each owners corporation, lot owners' rights are protected by ensuring that all owners corporations meet their legal requirements and to provide best practice advice to all members.

Separately, SLRS has the responsibility of managing and maintaining assets, such as the lake, community centre, security hut, maintenance compound, tennis courts,

wharves and piers, which were handed over by the developers to SLRS, in trust for all lot owners within Sanctuary Lakes Resort.

The unique additional role for our management company is a wide brief to interface with external entities to ensure that Sanctuary Lakes Resort receives appropriate support and services.



MISSION STATEMENT

To maintain a high quality residential lifestyle through:

- Protecting and developing the community assets;
- Providing efficient and cost effective services to owners corporations and residents;
- Valuing our staff and volunteers for their contribution; and
- Developing and encouraging a strong community spirit.

The strategic planning and actions undertaken by the Board of Directors of SLRS are directed at the delivery of the Mission Statement. The inputs of members directly, and via Residents Satisfaction Surveys, assist in determining priorities and timings.



CHAIR'S REVIEW

THE YEAR IN REVIEW



The last 12 months have been exciting, complex and filled with enthusiasm for the future of Sanctuary Lakes Resort as an estate and Community. The Board of Directors has worked closely with Trent and the SLRS team to continue our journey of refresh, renewal and modernisation of our home by the lake. On behalf of the residents, employees and committee members, I'd like to thank our dedicated team of Directors for providing their time and commitment to our community.

We'd like to thank Vice Chair, Theo Krug (retired at 2018 AGM), for his time on the Executive, Board and as Vice Chair during the last 6 years. His input has been invaluable and helped shape SLRS to what it is today.

As mentioned above, this year has seen us push forward with our estate renewal. The Recreation Centre refresh has been brought from information gathering to idea creation, through discussion and consultation and is now heading into its next phase, planning for further review and decisions by our resident body. This is a significant commitment for all of us and we want to make sure we're measuring twice before heading into any redevelopment processes.

It's critical that all aspects of our renewal are taken into account to achieve the best outcome from the many projects that make up the estate refresh. Whether this is delivering the best residential service, the most sustainable and efficient solution or providing the "WOW" factor that drives desirability of living at Sanctuary Lakes.

We've taken extra care to keep all residents informed and updated as we worked through the process and we will keep doing this throughout FY19/20 with the ongoing growth of our Communications team.



The lake and gardens are in excellent condition and wildlife are making the most of it with numerous groups of cygnets floating around the lake as Spring blooms. The lake, gardens, parks and paths continue to be focus of activities for residents and visitors alike. Seeing these areas used so often over the last year is validation of just how well these areas work for the Sanctuary Lakes community.

As we usher in a new decade, the Board is continuing to focus on delivery of our core objectives:

- Lifestyle and Recreation Services
- Security
- Presentation and
- Value for money

To deliver these objectives, we'll continue to focus on refresh of the estate while driving our baseline service delivery to be as effective and efficient as possible.

2020 will see the continued push for migration of homes to NBN compatible security system connections, simpler interfaces with SLRS services, renewed and refreshed leisure and recreation offerings and even more communication!

The success of Sanctuary Lakes Resort has been built on the contribution of many people - both staff and volunteers - who bring many and varied skills to their roles. The Board would like to thank everyone for their ongoing passion and pride for the place we live and the community that we are.

The Management Team, led by Trent Curwood, has had another significant year. Trent has been ably assisted by Jessica Sciberras, Natalie Bianchini, Garry Theobald, John Pollard, Greg Fryer, Emma Bartlett and Katarina Nave along with their teams.

I would also like to thank our Board of Directors on behalf of all lot owners and residents for guiding SLRS effectively through the broad (and often time complex) range of activities that have faced SLRS this year.

CRAIG PITTS
Chair

Sanctuary Lakes Resort Services Ltd

CEO'S REVIEW

Continued
on next page.

CHIEF EXECUTIVE OFFICER'S REVIEW



It gives me great pleasure to again present the CEO's Report for the 2019 Financial Year. For the past twelve months our focus has been to start planning for the renewal and refresh of the resort including the recreation club, security office and parks and gardens. The resort is twenty plus years old and without a look to the future, it will continue to age.

WHAT DOES SLRS MANAGE?

Sanctuary Lakes Resort Services Limited (SLRS) is the licensed owners corporation manager for the 43 owners corporations that comprise Sanctuary Lakes Resort. There are presently 2,942 Lots, all privately owned with the original developer handing over operations in 2013.

SLRS owns and maintains assets on behalf of the owners corporations including the lake, Waterfront Building (including the Recreation Club), tennis courts, maintenance compound, second wharf compound and security hut. SLRS continues to deliver

Owners Corporation, security, recreation, administration, resort and lake presentation services.

SLRS also maintains various other assets by agreement with the Wyndham City Council including all parks and gardens in Sanctuary Lakes Resort but excluding maintenance of roads, footpaths and playground equipment.

SLRS is a company limited by guarantee and its members (owners) are each of the 43 owner's corporations. SLRS is a not-for-profit organisation which operates for the benefit of all lot owners in Sanctuary Lakes Resort.



KEY HIGHLIGHTS

The year has seen many highlights including a continued expansion of our communication strategy, implementation and roll out of new security alarm communicators that requires no phone line, implementation of an arboriculture program focussing on the health of our trees and extensive works in starting to change over our aging irrigation system with a focus on greater water efficiency.

With the focus on planning for the renewal and refresh of the resort, an initial concept for expansion of the recreation club was released in August 2019 for lot owners feedback. We have communicated in newsletters of the next steps in this process and look forward to the continued feedback from lot owners, so we achieve an outcome which is beneficial to all residents.

Over 1,000 homes have now installed the new Permaconn Alarm communicator. Residents no longer need a home phone for alarm monitoring. Best of all, smoke alarms are still monitored if there is a blackout. These alarms will not be impacted when the copper network is turned off (scheduled for June 2020).

SLRS continues to work closely with key stakeholders including Wyndham City Council, City West Water, Melbourne Water, Parks Victoria, NBN Co, LBN Co and others. We were very pleased with the recent installation of playground equipment at Oyster Bay park.

As reported last year, we continue to request that the owners of 76 Greg Norman Drive complete the boardwalk as required, however with no luck. We are asking Wyndham City Council for their assistance on this issue, as we understand the benefit to all residents.

CEO'S REVIEW

Continued
on next page.

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)

OUR FINANCES

SLRS recorded an audited after-tax operating surplus for the year ended 30th June 2019 of \$705,426 and an underlying net cash inflow of \$395,287. SLRS continued in reducing debt having paid down the loan obligation created by the purchase of the maintenance compound to Sanctuary Lakes Club by \$500,000. This left a balance of \$100,000 which was subsequently paid in October 2019.

Debt collection has continued to be an area of focus and we collected 97.8% of the 2018-19 year's fee. We continue to actively pursue outstanding fees at VCAT and have, this year, initiated bankruptcy proceedings for the first time.

The formal unqualified audited financial report follows later in this Annual Report.

BUDGET FOR FY2019/20

This year fees increased by \$40 plus GST, which represented an increase of 1.69%. In the last three years fees have increased an average of 1.87% while facing cost increases in such things as electricity, water, insurance and software licensing. As well as FairWork increasing the minimum wage by 3.5% last year and 3% this year. We have continued to achieve savings with these being redirected into communications,

security and a focus of formulating long term plans around renewing and refreshing the twenty plus year old resort.

We continue to look for additional cost savings. We have replaced 90% of the pop-up rotors on the boulevard to new water saving rotors which will see a reduction in our water expense. Last year our recycled water expense alone was \$287,000.



CLOSING

I would like to take this opportunity to thank our Chair, Craig Pitts, together with all the Directors for their support this year. The Directors commit countless hours and at times it is a thankless task and I am grateful for their continued support and resilience.

I would also like to thank the many chairs and committee members of all the individual owners corporations. Their advice has been appreciated and their ability to focus on the entire resort, rather than not just their own owners corporations, illustrates the great community that makes up Sanctuary Lakes Resort.

Finally, I would like to thank my senior management team, Jessica Sciberras, Natalie Bianchini, Garry Theobald, John Pollard, Greg Fryer, Emma Bartlett and Katarina Nave along with their respective teams. It has been another year of change and their singular focus to service residents to the best of their ability has been appreciated.

TRENT CURWOOD
Chief Executive Officer

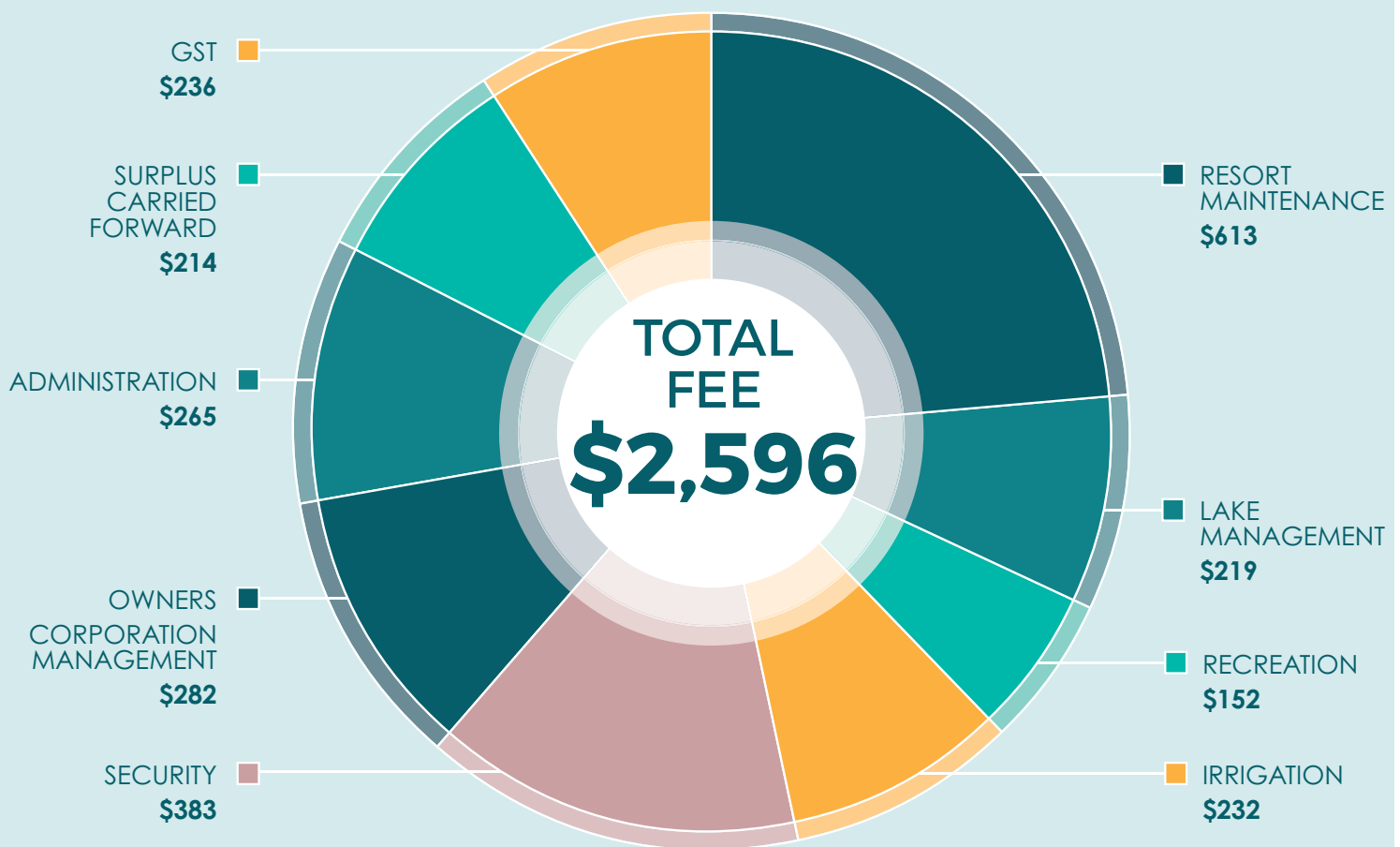
Sanctuary Lakes Resort Services Ltd

**FEE
BREAKDOWN**

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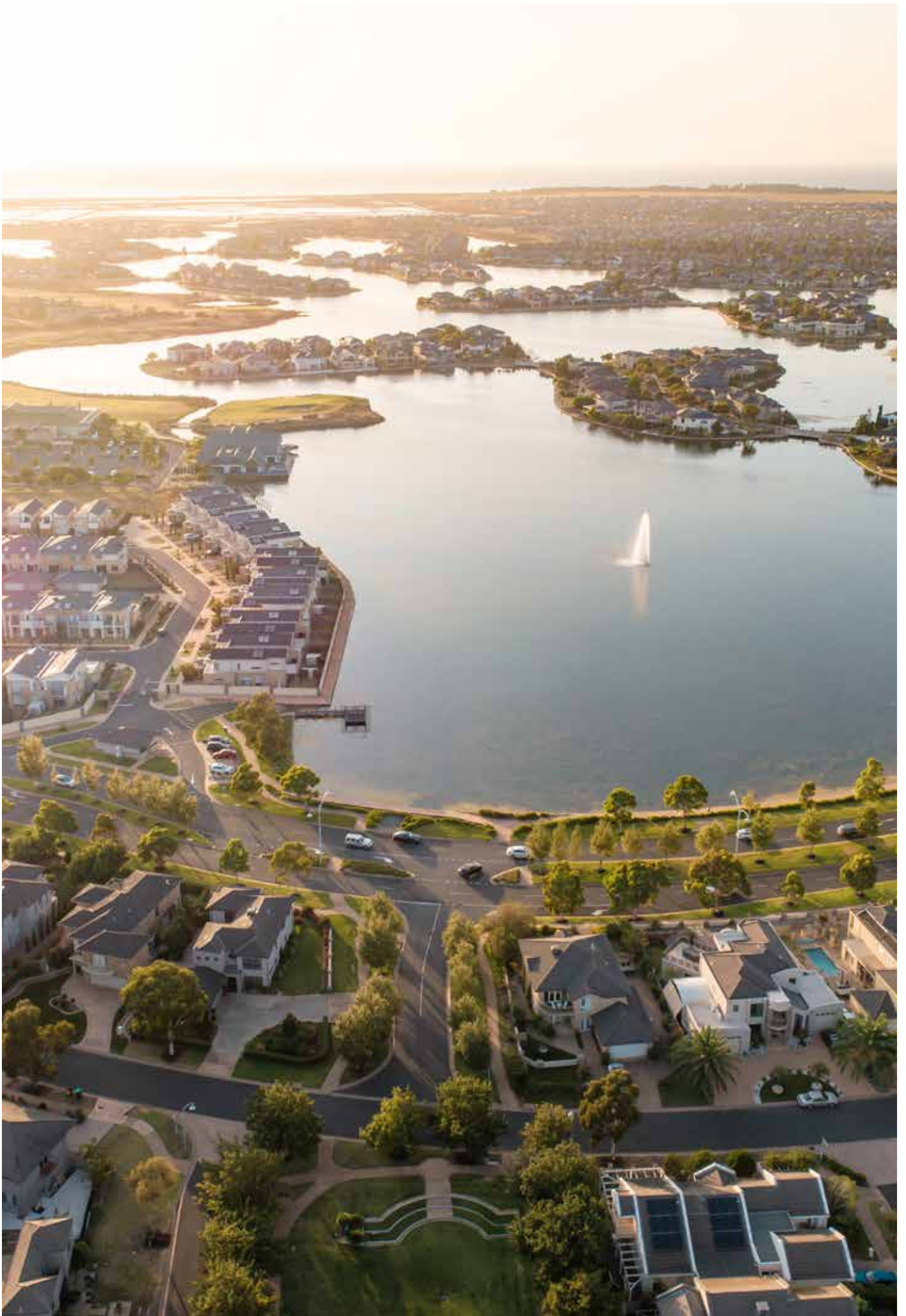
FEE BREAKDOWN

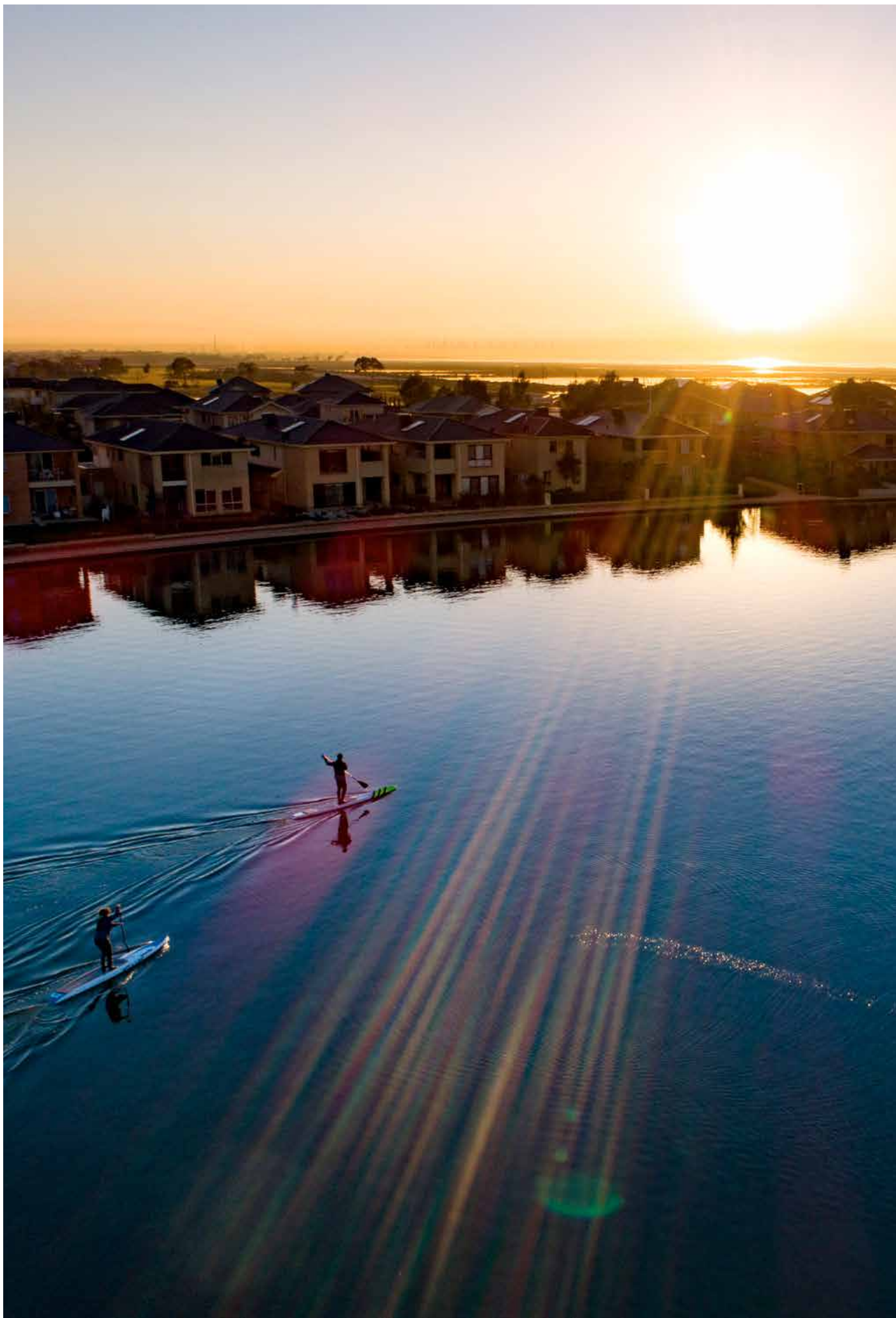
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019



NOTE:

Under the Terms of the Maintenance Contract between Sanctuary Lakes Resort Services Ltd and the City of Wyndham, lot owners received a Sanctuary Lakes Rebate of \$206 for FY2018-19 (\$201 in FY2017-18).





AUDITED ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2019

SANCTUARY LAKES RESORT
SERVICES LIMITED & SLR SECURITY PTY LTD
(THE SUBSIDIARY)




sanctuary
LAKES RESORT

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

The Directors of Sanctuary Lakes Resort Services Limited submit herewith their report together with the accounts of the Company for the year ended 30 June 2019.

The following persons were directors of the Company during the year and to the date of this report:

- Amelia Wilson
- Brett Hernadi
- Craig Pitts
- David Rava
- Edward Boucaut
- Susan McIntyre
(appointed 7 October 2019)
- Theo Krug
(resigned 27 November 2018)
- Thomas Parkinson

The following people held the position of Company Secretary during the year and to the date of this report:

- Susan Quill (resigned 1 August 2018)
- Robert Allen (appointed 1 August 2018)

RESULTS

The net surplus of the Company for the financial year was \$1,406,707 (2018: surplus \$439,470).

PRINCIPAL ACTIVITIES

The Company acts as manager of each of the Owners Corporations (OC) contained within Sanctuary Lakes Resort with the exception of the Quest apartments that are managed independently. Pursuant to the management agreements with each Owners Corporation, the Company provides management, administration and maintenance services throughout Sanctuary Lakes Resort. Members' funds from each Owners Corporation are pooled to provide economies of scale throughout the Sanctuary Lakes Resort residential community, with any surpluses generated being carried forward to reduce the financial impost to member's in subsequent financial years.

DIVIDENDS

Pursuant to Clause 4.1 of the Company's Constitution, the Company cannot pay or declare dividends.

STATE OF AFFAIRS

The Company's operations during the year performed as expected in the opinion of the directors.

**DIRECTOR'S
REPORT**

Continued
on next page.

DIRECTORS' REPORT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

LIKELY DEVELOPMENTS

In the opinion of the Directors, disclosure of information regarding likely developments in the Company's operations and the expected results of its operations in future financial years would prejudice its interests.

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

DIRECTORS' INTERESTS AND BENEFITS

No Director of the Company has received or become entitled to receive any benefit (because of a contract made by the Company or a related body corporate with the director, a firm of which the Director is a member or a company in which the Director has a substantial financial interest) other than:

- (i) a benefit included in the aggregate amount of remuneration received or due and receivable by Directors; or
- (ii) amounts paid or payable as disclosed in the notes to the accounts.



**DIRECTOR'S
REPORT**

Continued
on next page.

DIRECTORS' REPORT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

DIRECTORS' MEETINGS

The number of Directors' meetings held and attended by each Director of the Company during the financial period are set out below. The Directors also meet on a monthly basis as a committee.

	Number of Meetings attended	Number of Meetings held whilst in office
Amelia Wilson	2	2
Brett Hernadi	2	2
Craig Pitts	2	2
David Rava	2	2
Edward Boucaut	2	2
Susan McIntyre	-	-
Theo Krug	-	1
Thomas Parkinson	2	2

CONTROLLED ENTITIES

The Company owns the Share Capital of Sanctuary Lakes Residents Association Pty Ltd which has been dormant since its incorporation. SLR Security Pty Ltd commenced operation on 1 July 2015. As this subsidiary is wholly owned its operations are consolidated in this report.

MEMBERS GUARANTEE

Sanctuary Lakes Resort Services Ltd is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. In accordance with the Company's Constitution, each Owners Corporation has undertaken to contribute a sum of up to \$10 to the company in the event of it being wound up.

**DIRECTOR'S
REPORT**

Continued
on next page.

DIRECTORS' REPORT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

ENVIRONMENTAL ISSUES

The Company's operations are believed to be in accordance with all significant environmental regulations under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION OF OFFICERS

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company:

- (i) indemnified them or made any relevant agreement for indemnifying them against a liability including costs and expenses in successfully defending legal proceedings; or
- (ii) paid or agreed to pay a premium for them in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Signed in accordance with a resolution of the Directors made pursuant to the Corporations Act.
On behalf of the Directors.



CRAIG PITTS
Chair

*Sanctuary Lakes Resort
Services Limited*

Dated: 23 October 2019



THOMAS PARKINSON
Vice-Chair

*Sanctuary Lakes Resort
Services Limited*

Dated: 23 October 2019

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 27.

**EXPERIENCE &
QUALIFICATIONS**

Continued
on next page.

DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS

None of the Directors holds any special responsibilities within the Company, other than as Chair and Vice-Chair as noted.



CRAIG PITTS
CHAIR

Craig has been a member of the SLRS Board since 2013 and Chair since 2017. He

currently resides in Kingfisher Island (Stage 33) and has been living in Sanctuary Lakes Resort since 2008.

Craig has an extensive history in the technology management and delivery in local, national and global companies. He is a thought leader in technology security, IoT, information protection and regulatory management.

The breadth of organisational coverage and strong consultative nature, communication skills and genuine interest in both the residential community and SLRS allow Craig to bring a unique and valuable view on shaping the future of Sanctuary Lakes Resort.



THOMAS PARKINSON
VICE-CHAIR

Tom has been a member of the SLRS Board since 2016 and

Vice Chair since 2018. He currently resides in Beachcomber (Stage 3) and has been living in Sanctuary Lakes Resort since 2008.

Tom's career was in the entertainment industry, producing, directing and writing for television, film and theatre. Tom has worked in more than fifteen countries and is credited in 500+ productions. For seven years, he was CEO of Australia's leading production house, Crawford Productions.

Tom writes a monthly article, Nature's Rubik, which introduces the diverse range of flora and fauna on show at Sanctuary Lakes Resort. Tom brings managerial and communications expertise to SLRS.

**EXPERIENCE &
QUALIFICATIONS**

Continued
on next page.

DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS

(CONTINUED)



EDWARD BOUCAUT

Ed has been a member of the SLRS Board since 2014. He currently resides in Gleneagles

(Stage 21) and has been living in Sanctuary Lakes Resort since 2011.

Ed is a Professional Environmental Scientist (Member of Environment Institute of Australia and NZ – 198981) and has been providing environmental consulting services across the globe for over 25 years. Ed brings extensive knowledge of environmental legislation and management systems which he has used to assist companies and governments to meet and exceed environmental compliance.

Ed regards Sanctuary Lakes Resort as a hidden secret and he is dedicated to ensuring the resort is managed in a sustainable manner such that his family, the resort community and future generations can enjoy the lifestyle and environmental features we experience today.



DAVID RAVA

David has been a member of the SLRS Board since 2015. He lived in Sanctuary Lakes Resort from

2001 until 2019.

David has a strong commercial background and has held a range of managerial roles in the clothing industry before moving to procurement roles in the construction and automotive manufacturing industry. In 2016 David started a new career in Real Estate in the Point Cook area.

David is passionate about enhancing the benefits that come from living within Sanctuary Lakes Resort. His ambition is for Sanctuary Lakes Resort to be known as one of the premium residential locations in the metropolitan area and the first destination of choice for resort living.

EXPERIENCE &
QUALIFICATIONS

Continued
on next page.

DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS

(CONTINUED)



**AMELIA
WILSON**

Amelia has been a member of the SLRS Board since 2017. She currently resides in

Celebration (Stage 36C) and has been living in Sanctuary Lakes Resort since 2014.

Amelia has over 10 years' experience consulting with clients in education, human resources and government across a range of sectors and industries.

Amelia has been involved in several Owners Corporations and has a strong background in communications and stakeholder engagement. Her knowledge of owners corporation management is a valued asset to the SLRS board.



**BRETT
HERNADI**

Brett has been a member of the SLRS Board since 2017. He currently resides in

South Shore Gardens (Stage 7C) and has been living in Sanctuary Lakes Resort since 2014.

Brett has over 15 years of experience in commercial manufacturing operations and project management. More recently in a new technology start-up company, developing and commercialising next generation efficient water heating solutions to both the local and international markets.

Brett has a passion to ensure that the Sanctuary Lakes Resort community becomes engaged, stronger and more united, maximising the accessibility and reputation of our safe and secure resort.

**EXPERIENCE &
QUALIFICATIONS**

Continued
on next page.

DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS

(CONTINUED)



SUSAN MCINTYRE

Susan has been a member of the SLRS Board since 2019. Susan currently resides in Regatta (Stage 37)

and has been living in Sanctuary Lakes Resort since 2011.

Susan moved with her family from the UK where she qualified as a Solicitor and then worked in the retail sector for 18 years specialising in Human Resource management.

Susan has a love of community, helping to advocate, connect and collaborate to deliver workable solutions that have a positive local impact.



THEO KRUG

Theo was a member of the SLRS Board from 2013 until his resignation in November 2018. He currently resides in

Riverwalk (Stage 23) and has been living in Sanctuary Lakes Resort since 2010.

During Theo's career he managed large complex technology projects in Federal, State and Local Governments as well as many Global Retailers. Theo has also been involved at a political level campaign, managing several candidates during Federal and State Government elections. His role was to develop and promote the policies and ideals of the various candidates in a number of electorates.

Theo brings a mature and effective strategic input to the management of the Sanctuary Lakes Resort. His skills in negotiating solutions in emotional and diverse environments provides SLRS with another avenue in dealing with competing demands.

EXPERIENCE &
QUALIFICATIONS

Continued
on next page.

DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS

(CONTINUED)

ROBERT ALLEN

Robert became the company secretary for SLRS in August 2018.

Robert has over 40 years' experience in mineral exploration, stockbroking, banking and company administration. He worked for 11 years as Treasurer of Credit Suisse's Australian operations. Since the early 2000's Robert has been involved with a number of small ASX listed companies in telecommunications, IT distribution, electronics and mineral exploration in Finance Director, CFO and Company Secretarial roles.

SUSAN QUILL

Susan was the company secretary for SLRS from 2009 until August 2018.

Susan has many years of legal experience, working in major law firms in Sydney and London, as well as in-house. Susan holds the Company Secretary roles at a number of public and private companies.

**AUDITOR'S
INDEPENDENCE
DECLARATION**

Continued
on next page.

ABN 15 893 818 045

127 Paisley Street,
Footscray Vic 3011
Australia

Phone (03)9680 1000
Fax (03)9689 6605

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
SANCTUARY LAKES RESORT SERVICES LIMITED
ACN 092 610 449**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

- (i) no contraventions of the auditor independence requirements 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.



Name of Auditor: Frederik R.L. Eksteen

Date: 23 October 2019

Address: Collins & Co
127 Paisley Street
Footscray VIC 3011

SANCTUARY LAKES RESORT SERVICES LIMITED

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
Revenue from Ordinary Activities	7,775,370	7,417,802
	7,775,370	7,417,802
Employment Expenses	(3,369,315)	(3,378,343)
Administration Expenses	(828,968)	(1,107,494)
Resort Maintenance Expenses	(1,278,350)	(1,353,353)
Lake Management Expenses	(482,465)	(442,503)
Security Monitoring & Patrolling Expenses	(568,274)	(304,916)
Recreation Club Expenses	(502,030)	(376,009)
	(7,029,402)	(6,962,618)
Operating Surplus before Income Tax	745,968	455,184
Income Tax Expense	(40,542)	(15,714)
NET SURPLUS FOR THE YEAR	705,426	439,470
Other Comprehensive Income for the Year	701,281	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,406,707	439,470

NOTE: The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to and forming part of the accounts and the auditor's report.



**STATEMENT
OF FINANCIAL
POSITION**

Continued
on next page.

SANCTUARY LAKES RESORT SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	2019 \$	2018 \$
CURRENT ASSETS		
Cash & Cash Equivalents	2,312,596	1,917,309
Trade & Other Receivables	703,072	623,987
Inventory	23,459	26,405
Total Current Assets	3,039,127	2,567,701
NON CURRENT ASSETS		
Property, Plant & Equipment	10,414,636	5,622,595
Total Non Current Assets	10,414,636	5,622,595
TOTAL ASSETS	13,453,763	8,190,296
CURRENT LIABILITIES		
Trade & Other Payables	615,535	1,283,451
Provisions	393,901	383,594
Financial Liabilities	204,781	413,030
Total Current Liabilities	1,214,217	2,080,075
NON CURRENT LIABILITIES		
Provisions	33,686	19,165
Financial Liabilities	98,959	502,585
Total Non Current Liabilities	132,645	521,750
TOTAL LIABILITIES	1,346,862	2,601,825
NET ASSETS	12,106,901	5,588,471
MEMBERS' EQUITY		
Members' Surplus	5,060,083	3,653,376
Members' Asset Revaluation Reserve	7,046,818	1,935,095
TOTAL MEMBERS' EQUITY	12,106,901	5,588,471

NOTE: The Statement of Financial Position should be read in conjunction with the notes to and forming part of the accounts and the auditor's report.



STATEMENT OF CHANGES IN MEMBERS' EQUITY

Continued
on next page.

SANCTUARY LAKES RESORT SERVICES LIMITED

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Members' Surplus \$	Members' Asset Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2017	3,213,906	1,935,095	5,149,001
Surplus attributable to Members	439,470	-	439,470
Balance at 30 June 2018	3,653,376	1,935,095	5,588,471
Surplus attributable to Members	705,426	-	705,426
Other Comprehensive Income for the Year	701,281	-	701,281
Increase in Asset Revaluation Reserve	-	5,111,723	5,111,723
Balance at 30 June 2019	5,060,083	7,046,818	12,106,901

NOTE: The Statement of Changes in Members' Equity should be read in conjunction with the notes to and forming part of the accounts and the auditor's report.



**STATEMENT
OF CASHFLOW**

Continued
on next page.

SANCTUARY LAKES RESORT SERVICES LIMITED

STATEMENT OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	9,039,239	8,337,800
Payments to Suppliers and Employees	(7,929,451)	(7,294,947)
Interest Received	119,435	95,034
Interest Paid	(15,403)	(19,754)
NET CASH FROM OPERATING ACTIVITIES	1,213,820	1,118,133
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment (Net of Lease Financed Assets)	(691,117)	(338,685)
NET CASH (USED IN) INVESTING ACTIVITIES	(691,117)	(338,685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Equipment Finance Repayments	(127,415)	(236,263)
NET CASH (USED IN) FINANCING ACTIVITIES	(127,415)	(236,263)
Net Increase / (Decrease) in Cash	395,287	543,185
CASH HELD AT THE BEGINNING OF THE FINANCIAL YEAR	1,917,309	1,374,124
CASH HELD AT THE END OF THE FINANCIAL YEAR	2,312,596	1,917,309

NOTE: The Statement of Cash Flow should be read in conjunction with the notes to and forming parts of the accounts and the auditor's report.



**NOTES ON
ACCOUNTS**

Continued
on next page.

NOTES TO AND FORMING PART OF ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

SUMMARY OF ACCOUNTING POLICIES

FINANCIAL REPORTING FRAMEWORK

This financial report is a special purpose financial report prepared for use by the Directors and Members of the Company. The Directors have determined that the Company is not a reporting entity because there are no users dependent on general purpose financial statements. Therefore there is no requirement to apply all applicable accounting standards or other mandatory professional reporting requirements in the preparation and presentation of this report. The Company is a not-for-profit company, limited by guarantee, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Australian Accounting Standards and Accounting Interpretations:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Account Policies, Changes in Accounting Estimates and Errors

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

REPORTING BASIS AND CONVENTIONS

The report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material policies adopted by the Company in the preparation of the financial report.

SUMMARY OF ACCOUNTING POLICIES

Continued
on next page.

NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS

INITIAL RECOGNITION AND MEASUREMENT

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are used.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT

FINANCIAL LIABILITIES

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

FINANCIAL ASSETS

Financial instruments are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contracted cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

**SUMMARY OF
ACCOUNTING
POLICIES**

Continued
on next page.

NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows, collection and selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

SUMMARY OF ACCOUNTING POLICIES

Continued on next page.

NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

DERECOGNITION

Derecognition refers to the removal of a previously recognized financial asset or financial liability from the statement of financial position.

DERECOGNITION OF FINANCIAL LIABILITIES

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new liability.

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset;

- the right to receive cash flows from the asset has expired or been transferred;

- all risks and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value.

SUMMARY OF ACCOUNTING POLICIES

Continued on next page.

NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

The land and buildings are carried at fair value. The Board of Directors adopted this valuation as at 30 June 2019.

PLANT AND EQUIPMENT

Each class of plant and equipment is measured on a cost basis. The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets.

DEPRECIATION

All assets, excluding freehold land, are depreciated on a straight-line balance basis over their useful lives.

CLASS	DEPRECIATION RATES
Buildings	2.5 - 33%
Plant & Equipment	10 - 33%
Office Equipment	25 - 33%

EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The entity's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position.

OTHER LONG-TERM EMPLOYEE BENEFITS

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels,

NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

REVENUE

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

TAXATION

The Company is largely exempt from income tax based on the principal of mutuality. Income tax is payable on any non-mutual income earned in a financial year less any non-mutual deductible expenses incurred in deriving such income.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

CRITICAL ESTIMATES AND JUDGEMENTS

The Directors evaluate estimates and judgements using historical knowledge and best available current information.

COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

DEPARTMENTAL
OVERVIEW OF
INCOME & EXPENSES

Continued on next page.

DEPARTMENTAL OVERVIEW OF INCOME & EXPENSES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Owners Corporation Management		Administration		Resort Maintenance	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
REVENUE						
Owners Corporation Management Fees	6,943,121	6,810,936	-	-	-	-
Maintenance & Admin Levies	238,200	275,620	-	-	-	-
Interest	37,185	47,112	82,045	47,922	-	-
Other Revenue	83,401	96,171	74,756	68,883	52,202	41,347
TOTAL REVENUE	7,301,907	7,229,839	156,801	116,805	52,202	41,347
EXPENSES						
Employee Benefits	467,639	512,475	465,739	435,542	1,282,676	1,262,213
Management / Contractor Fees	-	-	-	-	-	-
Insurance	9,514	4,435	32,838	31,040	25,349	26,125
Occupancy Expenses	15,407	28,018	28,159	29,388	34,196	48,982
Materials & Landscaping Expenses	-	-	-	-	337,589	455,840
Equipment Maintenance & Depreciation	17,299	30,423	118,263	168,611	221,908	210,232
Recycled Water	-	-	-	-	-	-
Other Expenses	419,205	470,239	228,825	245,829	117,463	102,773
TOTAL EXPENSES	929,064	1,045,590	873,824	910,410	2,019,181	2,106,165
NET CONTRIBUTION	6,372,843	6,184,249	(717,023)	(793,605)	(1,966,979)	(2,064,818)

NOTE: These allocations are arbitrary, detailed allocations are not presented due the complex nature of indirect expenditure items.

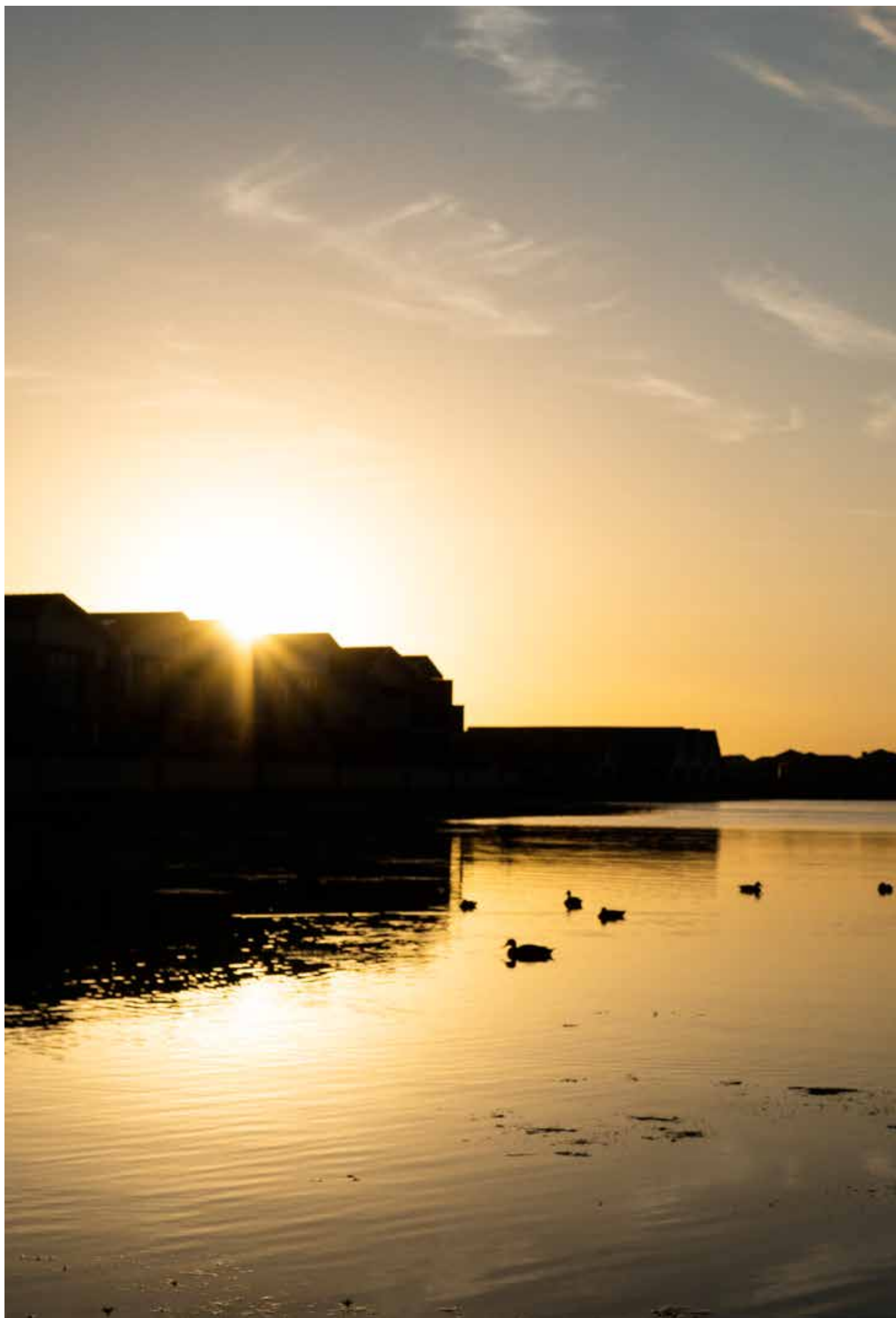
SANCTUARY LAKES RESORT SERVICES LIMITED

DEPARTMENTAL OVERVIEW OF INCOME & EXPENSES

(CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Lake Management		Irrigation		Security		Recreation		TOTAL	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-	6,943,121	6,810,936
-	-	-	-	-	-	-	-	238,200	275,620
-	-	-	-	205	-	-	-	119,435	95,034
-	-	-	-	255,996	25,154	8,259	4,657	474,614	236,212
-	-	-	-	256,201	25,154	8,259	4,657	7,775,370	7,417,802
238,741	195,682	221,049	254,011	693,471	718,420	-	-	3,369,315	3,378,343
-	-	-	-	254,262	267,977	260,272	243,055	514,534	511,032
24,440	22,183	-	-	6,297	-	-	-	98,438	83,783
84,113	34,313	-	-	5,733	-	115,880	171,335	283,488	312,036
50,938	30,915	126,730	151,186	-	-	-	-	515,257	637,941
200,631	212,698	110,056	99,929	37,438	33,303	124,815	74,464	830,410	829,660
-	-	287,173	256,586	-	-	-	-	287,173	256,586
122,343	142,394	17,886	1,700	264,544	27,393	1,063	-	1,171,329	990,328
721,206	638,185	762,894	763,412	1,261,745	1,025,716	502,030	488,854	7,069,944	6,978,332
(721,206)	(638,185)	(762,894)	(763,412)	(1,005,544)	(1,000,562)	(493,771)	(484,197)	705,426	439,470



SANCTUARY LAKES RESORT SERVICES LIMITED

DIRECTORS' DECLARATION

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

As detailed in the Summary of Accounting Policies to the financial report the Company is not a reporting entity because in the Directors' opinion, it is unlikely there are users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This financial report is therefore a "Special Purpose Financial Report" that has been prepared solely for the Directors and Members of the Company.

The Directors of the Company declare that:

- (i) The financial statements and notes present fairly the Company's financial position as at 30 June 2019 and its performance for the year ended on that date in accordance with the Corporations Act 2001 and Accounting Standards as detailed in the Summary of Accounting Policies; and
- (ii) The Directors are satisfied that the entity is a going concern, and can pay its debts as and when they fall due.

On behalf of the Board



CRAIG PITTS
Chair

*Sanctuary Lakes Resort
Services Limited*

Dated: 23 October 2019



THOMAS PARKINSON
Vice-Chair

*Sanctuary Lakes Resort
Services Limited*

Dated: 23 October 2019

TOWARDS A VISION SHARED



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SANCTUARY LAKES RESORT SERVICES LTD INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the accompanying concise financial report of Sanctuary Lakes Resort Services Ltd and its subsidiaries (the Consolidated Group), which comprises the balance sheet as at 30 June 2019, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the members of the Board.

In my opinion, the concise financial report of the Consolidated Group is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the Consolidated Group's financial position as at 30 June 2019 and of its performance for the year ended; and
- ii. complying with Australian Accounting Standards as per Note 1 and the Corporations Act 2001.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Consolidated Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the concise financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Consolidated Group would be on the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The concise financial report has been prepared to assist Sanctuary Lakes Resort Services Ltd and its subsidiaries to meet the requirements of the Corporations Act 2001. As a result, the concise financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The directors of the Consolidated Group are responsible for the preparation of the concise financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the concise financial report, the directors are responsible for assessing the ability of the Consolidated Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

Name of Auditor: Frederik R.L. Eksteen

Address: Collins & Co
127 Paisley Street
Footscray VIC 3011

Date: 23 October 2019

Liability limited by a scheme approved under Professional Standards Legislation



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sanctuary
LAKES RESORT