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CORPORATE INFORMATION AS AT 30 JUNE 2012

Directors Stephen Head (Chairman)

Colin Cass Ken Roche AO Nicholas Roche

Company Secretary Susan Quill

Registered Office 600 Thompson Road Sandhurst Victoria 3977

Main Business Address 72 Greg Norman Drive

Sanctuary Lakes Victoria 3030

Auditors Stannards Accountants and Advisors Pty Ltd

Level 1, 60 Toorak Road South Yarra Victoria 3141

Managers ClubLINKS Pty Ltd

Number of Employees

Sanctuary Lakes Resort Services Limited 32

REVIEW CHAIRMAN'S REVIEW

I am pleased to present this year's Annual Report for Sanctuary Lakes Resort Services Limited ("SLRS"), manager of the Resort and the Owners Corporations within the Resort.

The Board had anticipated that by now there would have been transfer of control to a board populated by representatives of the members of SLRS. Although this has not yet occurred, an enormous amount of work has continued on transition. Despite the continued work, the Board felt that it was not yet timely for SLRS to transition to a member controlled Board as we wish to ensure that not only SLRS but also Sanctuary Lakes Club are as strong and financially viable as possible before transition for both entities occurs.

On behalf of the Board, I thank all those who have continued to work long and hard on the future of SLRS and devoted many hours throughout the year to the transition process.

The year in review has been a busy and successful year. Not only has a great deal of time been spent by the Board, Management and SLRS Advisory Council (SLRSAC) on transition, but there has also been the continued day-to-day work by Management, in consultation with the Executive Committee of the SLRSAC, which has resulted in a great improvement in the health and aesthetics of the Lake and Canal, as well as the introduction and management of recycled water for the nature strips, parks and other common areas of the Resort. The Board is also delighted with the provision of OC services and the supervision of security and all other services at Sanctuary Lakes, which continue to be at the high standards expected by residents of the Resort.

Also during the year in review the last major stages of the Sanctuary Lakes Resort development were completed and we are pleased to report the sale of the central site of the Resort. This will result in the development of a residential precinct of townhouses as well as a commercial precinct comprising a restaurant, a number or shops and a commercial office building. We are sure that this development will enhance the Resort and be enjoyed by the existing residents of Sanctuary Lakes Resort.

On a very positive note, SLRS recorded a surplus for the 2011/12 financial year of \$1,059,974 (the 2010/11 result was \$265,833). Although the main contributing factor to the surplus was a gift from the Developer in the amount of \$687,595, the underlying surplus of \$372,379 is still very encouraging. Moreover, as SLRS operates on the basis that any surpluses are to be used for the benefit of the members of SLRS, residents of the Resort will be able to continue to enjoy living in a community with tremendous facilities, higher house values and lower crime rates than the rest of Point Cook and neighbouring suburbs.

On behalf of the Board and residents I would like to thank the ClubLINKS team under the leadership of Mark Brayshaw, Tony Ferreri and Garry Theobald and all of our SLRS staff. I would also like to extend my thanks and appreciation to the members of the SLRS Advisory Council and especially the Chairman, Ian Brown, and his Deputy, John Anderson.

My fellow Directors and I are very proud to have been involved in the development of the community at Sanctuary Lakes Resort and we continue to wish SLRS and all residents of Sanctuary Lakes the very best for the future.

Stephen Head

Chairman



KEY PERSONNEL

ClubLINKS

Chief Executive Officer Mark Brayshaw

General Manager - SLRS Tony Ferreri

General Manager - Communities Garry Theobald

Manager - Architectural Review Committee George Phua

Payroll Manager & HR Administrator Melissa McCarthy

Chief Financial Officer Cameron Davidson

General Manager - Information Technology Kristy Chong

SANCTUARY LAKES RESORT SERVICES LTD

Owners Corporation Manager Natalie Gavriel

Resort Facilities Manager John Pollard

Resort Maintenance Manager Greg Fryer

RECREATION CLUB

Rec Club Manager Corpfit Health Management

Dan Tipples



REPORT ClubLINKS

ClubLINKS provides owners corporation and community management services in Victoria and New South Wales. We have been involved at Sanctuary Lakes Resort for many years. Our expertise behind the scenes is lead by Garry Theobald and supports on-site management for General Manager Tony Ferreri and his staff.

We are responsible for the delivery of the day to day activities at Sanctuary Lakes for Sanctuary Lakes Resort Services Ltd, including owners corporation compliance and administration, financial management, billing and receipting, budget preparation, lake and estate management, staff management, reporting to the Board and planning.

During the past 12 months, lots of hard work has been completed behind the scenes and after hours, by the SLRS Advisory Council. I would like to thank Chairman lan Brown and his Deputy, John Anderson, ably supported by the executive members Theo Krug (part year), Simon McLean, Joe Matina, Craig Pitts, Garry Sleeman and Dean Trovarelli. Their work has been tireless and vision far-sighted.

Also thanks to our hard-working team led, of course, by Tony. His team works tirelessly to assist residents at Sanctuary Lakes enjoy a relaxed lifestyle, with superior capital returns for investors. Well done to all!

During the past 12 months, further success has been achieved in the collection of debtors, with compliance levels and collection rates remaining high. Our billing process makes collecting fees and levies much easier and we have begun to establish a culture of prompt payment. Notwithstanding progress, this will continue to be an important focus. Well done to Garry and his team on this important front.

The final lots have been sold at Sanctuary Lakes and construction continues at a frantic pace. With this timing in mind, the Board, SLRS Advisory Council Executive Committee and the Manager have spent much time developing and fine-tuning a viable Business Plan for SLRS. I am pleased to report that Sanctuary Lakes Resort Services is in a strong financial position.

We are all very excited about the next phase in the life of Sanctuary Lakes Resort. As your Manager, we look forward to our part in ensuring SLRS' growth and success.

Mark Brayshaw

Chief Executive Officer - ClubLINKS Pty Ltd



REPORT GENERAL MANAGER'S

The year just ended saw the completion of the last major Stages of the Sanctuary Lakes Resort development, stages 43, 46 and 88, and the sale of the central site to two groups that will develop a residential precinct of 70 townhouses, Lakeside Central, and a commercial precinct comprising a restaurant, 10-12 shops and a commercial office building.

With currently around 2,835 lots and around 7,000 residents, Sanctuary Lakes forms a significant community within the Point Cook area. The Executive Committee of the Sanctuary Lakes Resort Services Advisory Council (SLRSAC) is now embarking on the exciting task of converting Sanctuary Lakes Resort from a huge, fifteen year long, construction site into a Community. The Management Team at Sanctuary Lakes Resort Services Limited (SLRS) looks forward to supporting that change by providing effective management of the 40 Owners Corporations (OCs) that make up the resort and efficient delivery of the Security, Recreation, Resort and Lake Maintenance and Administrative services that separate Sanctuary Lakes from other residential estates around Melbourne.

Ian Brown's report, as Chairman of the SLRSAC, details the work of the Advisory Council and the Executive Committee. This report covers the work of SLRS.

As the Resort grows and matures, the role of the Manager is constantly changing. Currently, the SLRS Management Team deals with the following issues:

- OWNERS CORPORATION MANAGEMENT –
 working with the OC Committees to manage the
 OCs, resident/neighbour disputes, billing and
 collection of fees, oversight of the Architectural
 Review Committee (ARC), enforcement of OC and
 Building Code rules;
- SECURITY oversight of the provision of the Security service and co-ordination of the work of the Security service with other services such as the ARC and OC and Building Code rules compliance;

- RECREATION oversight of the Recreation Centre management and maintenance of the Recreation Centre facility;
- RESORT AND LAKE MAINTENANCE –
 maintenance of the Boulevard, parks and gardens,
 roll out of recycled water to the Boulevard, parks,
 gardens and all street trees, management of the
 lake to standards agreed with Melbourne Water;
 and
- ADMINISTRATION management of Sanctuary Lakes Resort Services Limited, its people, its contracts with third parties, and its assets.

SLRS is required to operate to service standards agreed with the Executive Committee of the SLRSAC.

SLRS, as the licensed manager of the Owners Corporations that are the members of SLRS, is the contact point for all Owners Corporation issues and, when appropriate, individual Owners Corporation committees will become involved. It is important to recognise that SLRS does not operate as an Owners Corporation Manager outside Sanctuary Lakes – it has only 40 clients, being the 40 Owners Corporations that are its members and that comprise the Sanctuary Lakes Resort. SLRS takes its direction from its Directors and the Executive Committee of the SLRSAC.

There is one issue that, unfortunately, I must bring to the attention of our members and all lot owners. The incidence of verbal and electronic abuse and bullying has increased dramatically in recent times. With the support of both the Board of Directors and the Executive Committee of the SLRSAC, SLRS has adopted a zero tolerance policy for such behaviour. Staff members have been instructed to politely disconnect such calls and refer repeat offenders to Management for prosecution as appropriate.

I would like to take this opportunity to thank lan Brown, his deputy John Anderson, and all of the Executive Committee of SLRSAC and the Chairs and Committees of all Owners Corporations for their hard work, dedication and support and look forward to working with them in the year ahead.

Day to day management of SLRS is contracted to ClubLINKS Pty Ltd which provides senior management, accounting and finance, human resources and IT services to SLRS – my thanks to Mark Brayshaw, Garry Theobald, Cameron Davidson and their teams for their support in the background.

Finally I must thank my team leaders, Natalie Gavriel, John Pollard and Greg Fryer for their tireless work during the year – we may have only 40 official clients but behind those 40 OCs are over 2,800 lot owners and over 7,000 residents requiring first class service 365 days per year.

Tony Ferreri

General Manager - Sanctuary Lakes Resort Services Ltd For and on behalf of ClubLINKS Pty Ltd



REPORT RESIDENT COMMITTEE

Sanctuary Lakes Resort is a residential community planned to consist of approximately 2,900 lots.

Each lot (house or unit) is part of an Owners Corporation (OC) structure currently made up of 26 unlimited Owners Corporations plus 14 limited Owners Corporations. The members of each Owners Corporation, each lot owner, are all bound by both State legislation (the Owners Corporation Act 2006) and the specific rules that are in place for Sanctuary Lakes (Sanctuary Lakes Resort Code). Together, the OCs are membres of the entity Sanctuary Lakes Resort Services Ltd (SLRS). SLRS is their licensed registered Owners Corporation Manager who in turn appointed ClubLINKS to manage the day-to-day operations of the overall community. Each OC elects a delegate to attend meetings of the Residents' Council, Sanctuary Lakes Resort Services Advisory Council (SLRSAC), and any general meetings of SLRS. Hence the community is largely managed by residents on behalf of all Owners Corporations.

The Executive of SLRSAC was formally recognised by the Board of SLRS pursuant to a Delegation of Authority dated 17 November 2010, and as a result, subject to the Board of SLRS reserving certain powers and discretions as required by law, has responsibility for all day-to-day operating matters, and the budgeting process since that time has been handled by the Manager under the direction of the Executive.

The deadline for full transition, advised in last year's Annual Report, has passed without the Board handing over control. The reason for this delay has little to do with the ability of residents to successfully manage the entity but is more the result of the Developer controlled Board wishing to ensure the on-going viability of Sanctuary Lakes Club Ltd, the Golf Club, before relinquishing control of SLRS Ltd. This has caused much frustration and disappointment amongst the Executive. However, it continues to represent the interests of the entity, individual Owners Corporations and all Lot Owners to ensure that Developer promises made, and obligations negotiated, are delivered before transition takes place.

Realising that the Developer would decide the timing of transition, the Executive has spent more of its time on other matters. The 2011/12 year has therefore seen a number of key matters addressed. The usual priority items such as Lake Maintenance, Parks and Gardens, Security, availability of re-cycled water and the Streetscape were vigorously pursued by the Management team and, due to the breaking of the drought and application of new strategies, the service delivery in these areas is at historically high standards. As well, the Executive focused on improving the services provided into the Resort by outside entities and has been successful in addressing major issues of concern to residents. These include improving the availability of high speed internet services to the Resort and successfully challenging the logic behind household flood insurance and the associated very large increases in premiums which have since been reduced. Discussions with Wyndham City Council have resulted in a resource being allocated to explore improvements to the "open space" within Sanctuary Lakes- including playground equipment, shade trees and an exercise trail. Sanctuary Lakes residents pay rates of around \$6,000,000 annually to Wyndham City Council and we all need to be active in ensuring that Sanctuary Lakes is not overlooked when Council services are being allocated.

Financially the entity is in a very sound position and the coming year's budget will cement that position whilst allowing for some improvements in facilities available to all residents and friends. Outstanding debtors have been successfully pursued and pressure on the collection of outstanding debt will continue.

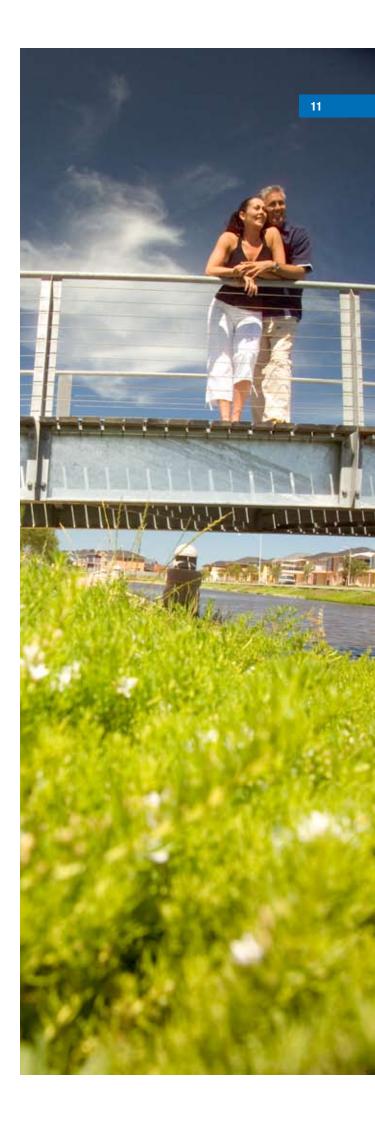
The Security Team has continued to provide an invaluable service to the residents of Sanctuary Lakes. The combination of 24/7 back-to-base monitoring and patrolling is a great comfort to residents. The recent provision of defibrillators – one in the security vehicle and the other in the Recreation Centre - and appropriate training in their use, further adds to the value of both the Security service and the Recreation Centre.

On behalf of all owners within the Sanctuary Lakes community, I would like to thank the willing and very talented band of professional people who give their valuable time and skill to the workings of the SLRS Advisory Council and Executive. My thanks also go to Mark Brayshaw, Tony Ferreri and Garry Theobald from ClubLINKS, as well as to Natalie and her OC Management Team, plus John Pollard, Greg Fryer and their teams for their commitment to Sanctuary Lakes and the professional manner in which they have performed their duties during a year.

Ian Brown

Chairman

Sanctuary Lakes Resort Services Advisory Council



REPORT FINANCIAL SUMMARY REPORT FOR THE YEAR ENDED 30 JUNE 2012

Sanctuary Lakes Resort Services Limited ("SLRS") recorded a surplus for the 2011/12 financial year of \$1,059,974 (the 2010/11 result was \$265,833).

The main contributing factor to the surplus was a gift from the Developer in the amount of \$687,595. However, the underlying surplus of \$372,379 was still a positive result. This surplus combined with the prior year's surplus provides SLRS with a sound basis to continue to provide services to its members independently of any developer assistance.

However, in order to create an actual cash surplus SLRS must collect all outstanding amounts from its debtors. During the year SLRS managed to collect 93% of all OC fees compared to 92% in the previous year and as at 30 June 2012 there are still amounts to the order of \$1.4 million that remain outstanding (of which \$371k relates to the year just ended).

Management has been particularly successful in being awarded judgments in favour of SLRS at VCAT, including collecting \$595k of debt that pre dated 2011/12. Management will continue to pursue all lot owners who choose not to pay their fees on time.

It is imperative that SLRS collects all outstanding amounts in order to create a reserve that it may call on in the future to fund any unforeseen circumstances. Should it not do so, it may be required to increase fees by amounts greater than would otherwise be required.

The key highlights of the financial result for the 2011/12 financial year are as follows;

- 1. Revenues (excluding the developer's gift) increased by 16%;
- 2. The trading result was a favourable variance of \$354,936 to budget;
- 3. Lake maintenance expenses continued to be in line with budget after the introduction of the Truxor; and
- Resort Maintenance expenses decreased by 1%, despite a significant increase in the area of the resortrequiring maintenance and the Sanctuary Lakes development nearing completion.

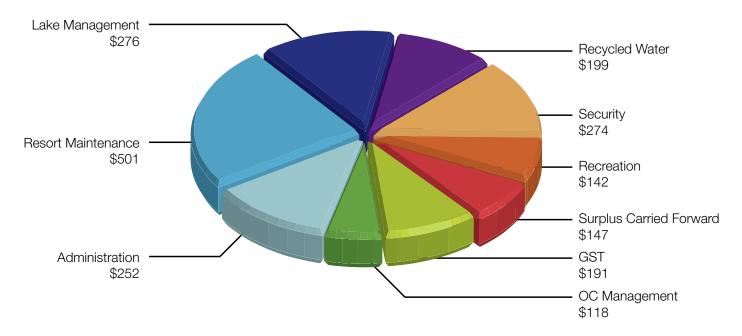
With the Resort now reaching maturity and a number of strategic plans now either complete or well underway, the upcoming year and subsequent years are expected to remain positive. Management will need to continue to operate efficiently; minimising costs and diligently pursuing debtors in order to develop a reserves that it may call upon should the need arise.

Cameron Davidson

Chief Financial Officer - ClubLINKS Pty Ltd

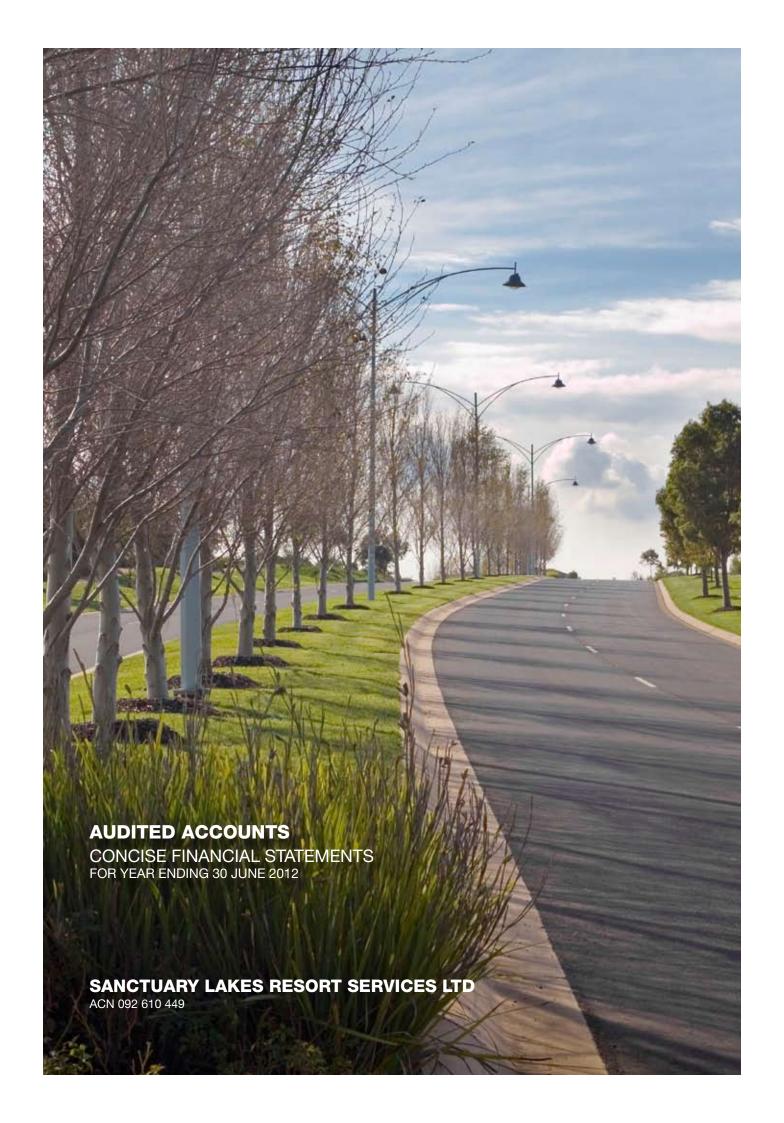


CHARTS SANCTUARY LAKES RESORT OC FEES BREAKDOWN FOR THE FINANCIAL YEAR 2011-12



TOTAL FEE \$2,100.00





REPORT DIRECTORS' REPORT

The Directors of Sanctuary Lakes Resort Services Limited (formerly known as Sanctuary Lakes Residents Association Limited) submit herewith their report together with the accounts of the Company for the year ended 30 June 2012.

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

- Stephen Head
- Ken Roche
- Nicholas Roche
- Colin Cass

RESULTS

The profit of the Company for the financial year was \$1,059,974 (2011: profit \$265,833).

PRINCIPAL ACTIVITIES

The Company acts as manager of each of the Owners Corporations (OC) contained within Sanctuary Lakes Resort. 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 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

On 13 March 2012 the Company changed its name from Sanctuary Lakes Residents Association Limited to Sanctuary Lakes Resort Services Limited, in order to more accurately reflect its purpose after the Company restructured its affairs to provide management, estate and maintenance services to the Owners Corporations throughout Sanctuary Lakes Resort on 1 July 2010.

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.

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.

REPORT CONT. DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of Directors' meetings held and attended by each director of the Company during the financial period up to and including the date of this report were:

	Number of Meetings attended	Number of Meetings held whilst in office
Stephen Head	2	3
Ken Roche	3	3
Nicholas Roche	3	3
Colin Cass	3	3

OTHER MATTERS

There are no unissued shares under option as at the date of this report.

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.

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.

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

On behalf of the Directors,

Stephen Head

Chairman

Dated 30 October 2012

Ken Roche

Director

Dated 30 October 2012



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SANCTUARY LAKES RESORT SERVICES LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 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.

Stannards, Accountants & Advisors

Michael Shulman Partner

Dated: 30/6/17



Independent Auditors Report to the Members of Sanctuary Lakes Resort Services Ltd

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report, being a special purpose concise financial report of Sanctuary Lakes Resort Services Limited which comprises the Statement of Financial Position as at 30 June 2012, Statement of Comprehensive Income, Statement of Changes in Member's Equity, and Statement of Cash Flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Declaration by the Directors of Sanctuary Lakes Resort Services Ltd.

DIRECTORS RESPONSIBILITY FOR THE CONCISE FINANCIAL REPORT

The Company's Directors are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the needs of the members. The Directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making estimates that are responsible in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports".

The financial report has been prepared for distribution to members for the purpose of fulfilling the Company's financial reporting requirements. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors would be in the same terms if provided to the Directors as at the date of this auditor's report.

AUDIT OPINION

In our opinion the concise financial report of Sanctuary Lakes Resort Services Limited complies with Accounting Standard AASB 1039 "Concise Financial Reports".

Stannards, Accountants and Advisors

Michael Shulman Partner Melbourne

Dated: 20/0/17

Stannards Accountants and Advisors Pty Ltd A.C.N. 006 857 441 Postal: PO Box 581, South Yarra, Vic 3141

Postal: PO Box 581, South Yarra, Vic 3141 Level 1, 60 Toorak Road, South Yarra, Vic 3141 Tel: (03) 9867 4433 Fax: (03) 9867 5118 Email: advisors@stannards.com.au

stannards.com.au

DECLARATION BY DIRECTORS

As detailed in Note 1 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 2012 and its performance for the year ended on that date in accordance with the Corporations Act 2001 and Accounting Standards as detailed in Note 1; and
- (ii) The financial statements have been derived from and are consistent with the Company's full financial report and AASB 1039: Concise Financial Reports.

On behalf of the Directors,

Stephen Head

Chairman

Dated 30 October 2012

Ken Roche

Director

Dated 30 October 2012

STATEMENT OF COMPREHENSIVE INCOMEFOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
Revenue from Ordinary Activities	6,637,383	5,128,099
	6,637,383	5,128,099
Employment Expenses	(1,925,836)	(1,606,986)
Administration Expenses	(859,134)	(1,002,843)
Resort Maintenance Expenses	(978,407)	(723,577)
Lake Maintenance Expenses	(596,894)	(513,988)
Security Monitoring & Patrolling Expenses	(787,349)	(670,000)
Recreation Club Expenses	(393,744)	(322,334)
	(5,541,364)	(4,839,728)
Operating Surplus before income tax	1,096,019	288,371
Income Tax Expense/(Benefit)	36,045	22,538
Net Surplus for the year	1,059,974	265,833
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	1,059,974	265,833

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	2012	2011 \$
Current Assets		
Cash & Cash Equivalents	1,256,902	946,789
Trade & Other Receivables	1,386,086	1,116,093
Inventory	41,924	35,730
Total Current Assets	2,684,912	2,098,612
Non Current Assets		
Improvements at Cost	19,941	12,402
Plant & Equipment	522,842	605,003
Total Non Current Assets	542,783	617,405
Total Assets	3,227,695	2,716,017
Current Liabilities		
Trade & Other Payables	1,493,349	1,331,279
Provisions	109,172	92,901
Financial Liabilities	132,562	827,050
Total Current Liabilities	1,735,083	2,251,230
Non Current Liabilities		
Provisions	20,012	3,664
Financial Liabilities	146,793	195,290
Total Non Current Liabilities	166,805	198,954
Total Liabilities	1,901,888	2,450,184
Net Assets	1,325,807	265,833
Members' Equity		
Members' Surplus	638,212	265,833
Members' Reserve	687,595	-
Total Members' Equity	1,325,807	265,833

STATEMENT OF CHANGES IN MEMBERS' EQUITYFOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Members' Surplus \$
Balance at 1 July 2010	-
Surplus / (Deficit) attributable to Members	265,833
Balance at 30 June 2011	265,833
Surplus / (Deficit) attributable to Members	1,059,974
Transfer to Members' Reserve	(687,595)
Balance at 30 June 2012	638,212

STATEMENT OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	2012	2011 \$
Cash Flows from Operating Activities		
Receipts from customers	6,365,477	5,640,909
Developer Gift	687,595	-
Payments to suppliers and employees	(5,861,198)	(4,431,697)
Interest Paid	(45,631)	24,223
Net Cash from Operating Activities	1,237,505	1,233,435
Cash Flows from Investing Activities		
Equipment Finance Repayments	(91,923)	(292,950)
Plant and Equipment (Net of Lease Financed Assets)	(147,874)	617,405
Net Cash (used in) Investing Activities	(239,797)	324,455
Cash Flows from Financing Activities		
Loan from Sanctuary Lakes Joint Venture	(687,595)	(611,101)
Net Cash (used in) Financing Activities	(687,595)	(611,101)
Net Increase/(Decrease) in Cash	310,113	946,789
Cash Held at the Beginning of the Financial Year	946,789	-
Cash Held at the End of the Financial Year	1,256,902	946,789

NOTES TO AND FORMING PART OF ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

This concise 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, and 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 30 June 2012.

The information contained within this concise financial report has been derived from and is consistent with the special purpose full financial report of the Company for the year ended. For a full understanding of the Company's performance and results, reference to the special purpose full financial report is recommended

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

AASB 107	Cash Flow Statements;
AASB 108	Accounting Policies,
	Changes in Accounting
	Estimates and Errors;
AASB 110	Events after the Balance
	Sheet Date;
AASB 117	Leases;
AASB 1031	Materiality;
AASB 1048	Interpretation and Applicable Standards.

No other Accounting Standards, Accounting Interpretations or other authoritive pronouncements of the Australian Accounting Standards Board were applied.

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-tomaturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.
 Dividends in respect of these investments that are a return on investment can be recognised in profit and loss and there is no impairment or recycling on disposal of the instrument;

NOTES CONT. TO AND FORMING PART OF ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

SUMMARY OF ACCOUNTING POLICIES CONT.

- requiring financial assets to be reclassified
 where there is a change in an entity's business
 model as they are initially classified based on:

 (a) the objective of the entity's business model
 for managing the financial assets; and (b) the
 characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a
 financial liability at fair value to present the portion
 of the change in its fair value due to changes in
 the entity's own credit risk in other comprehensive
 income, except when that would create an
 accounting mismatch. If such a mismatch would
 be created or enlarged, the entity is required to
 present all changes in fair value (including the
 effects of changes in the credit risk of the liability) in
 profit or loss.

The Company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

AASB 1053: Application of Tiers of Australian
Accounting Standards and AASB 2010-2:
Amendments to Australian Accounting Standards
arising from Reduced Disclosure Requirements [AASB
1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112,
116, 117, 119, 121, 123, 124, 127, 128, 131, 133,
134, 136, 137, 138, 140, 141, 1050 & 1052 and
Interpretations 2, 4, 5, 15, 17, 127, 129, & 1052]
(applicable for annual reporting periods commencing
on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements.

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards Reduced Disclosure Requirements

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Management believes that the Company qualifies for the reduced disclosure requirements for Tier 2 entities. However, it is yet to determine whether to adopt the reduced disclosure requirements.

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interest in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Company has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either 'joint operations' (whereby the parties that have joint control of the

NOTES CONT. TO AND FORMING PART OF ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. SUMMARY OF ACCOUNTING POLICIES CONT.

arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Company.

To facilitate the application of AASB's 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Company.

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Company.

AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the

requirement for entities to Company items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Company.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013.

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
 - (i) for an offer that may be withdrawn when the employee accepts;
 - (ii) for an offer that cannot be withdrawn when the offer is communicated to affected employees; and
 - (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Company has not yet been able to reasonably estimate the impact of these changes to AASB 119.

NOTES CONT. TO AND FORMING PART OF ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. SUMMARY OF ACCOUNTING POLICIES 2. RELATED PARTIES

Taxation

The Directors of the Company believe that 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.

The Directors of the Company are named in the Directors' Report.

During the year, the Company raised fees and other charges with the following related entities on normal commercial terms and conditions:

	General Services					
	2012 2					
Entity	\$	\$				
SLJV (i) (ii) (iii) (iv))	712,595	20,812				
	712,595	20,812				

SLJV Sanctuary Lakes Joint Venture

- (i) Stephen Head is a Director of this entity
- (ii) Ken Roche is a Director of this entity
- Nicholas Roche is a Director of this entity
- (iv) Colin Cass is a Director of this entity



ADDITIONAL INFORMATION ON THE 30 June 2012 FINANCIAL STATEMENTS

DISCLAIMER

The additional financial data presented on the following page is in accordance with the books and records of Sanctuary Lakes Resort Services Ltd ('our client') which has been subject to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2012. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.

Stannards, Accountants & Advisors

Michael Shulman Partner

Dated: 3º10/12

Stannards Accountants and Advisors Pty Ltd A.C.N. 006 857 441 Postal: PO Box 581, South Yarra, Vic 3141 Level 1, 60 Toorak Road, South Yarra, Vic 3141 Tel: (03) 9867 4433 Fax: (03) 9867 5118

Email: advisors@stannards.com.au stannards.com.au

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Peter Angelini, CA

OVERVIEW DEPARTMENTAL OVERVIEW OF INCOME & EXPENSES

TRADING PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

	Owners Co Manag		Adminis	stration	Resort Ma	intenance	Lake Maii	ntenance	Recycle	d Water	Seci	urity	Recre	ation	TOTAL	CLUB
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																
Owners Corp Management Fees	5,336,743	4,553,129	-	-	-	-	-	-	-	-	-	-	-	-	5,336,743	4,553,129
Maintenance & Admin Levies	164,978	163,800	-	-	-	-	-	-	-	-	-	-	-	-	164,978	163,800
Interest	92,354	123,095	45,637	20,436	-	-	-	-	-	-	-	-	-	-	137,991	143,531
Developer Gift	687,595	-	-	-	-	-	-	-	-	-	-	-	-	-	687,595	-
Other Revenue	103,512	105,890	62,332	-	120,232	161,749	-	-	-	-	24,000	-	-	-	310,076	267,639
Total Revenue	6,385,182	4,945,914	107,969	20,436	120,232	161,749	-	-	-	-	24,000	-	-	-	6,637,383	5,128,099
Expenses																
Employee Benefits	421,671	391,530	243,342	241,804	925,813	973,652	172,201	92,187	162,809	-	-	-	-	-	1,925,836	1,699,173
Management/Contractor Fees	-	-	106,092	103,000	-	-	272,380	268,445	-	-	709,178	670,000	130,321	129,996	1,217,971	1,171,441
Accounting, IT & Payroll Fees	84,363	73,491	148,758	149,209	-	-	-	-	-	-	-	-	-	-	233,121	222,700
Insurance	-	-	29,113	29,622	9,240	3,295	10,690	1,774	-	-	-	-	-	-	49,043	34,691
Occupancy Expenses	28,796	14,643	25,135	3,075	59,887	20,232	-	-	90,000	12,500	-	-	102,016	107,656	305,834	158,106
Materials & Landscaping Expenses	-	-	-	-	212,611	354,589	190,019	128,547	142,675	-	-	-	-	-	545,305	483,136
Equipment Maintenance & Depreciation	-	-	-	-	226,138	186,570	121,403	23,035	3,793	-	-	-	48,071	48,819	399,405	258,424
Recycled Water	-	-	-	-	-	-	-	-	153,293	115,196	-	-	-	-	153,293	115,196
Doubtful Debts	(31,473)	296,656	-	-	-	-	-	-	-		-	-	-	-	(31,473)	296,656
Other Expenses	211,489	215,301	256,861	117,846	80,770	31,195	2,402	-	-		78,171	-	113,336	35,863	743,029	400,205
Total Expenses	714,846	991,621	809,301	644,556	1,514,459	1,569,533	769,095	513,988	552,570	127,696	787,349	670,000	393,744	322,334	5,541,364	4,839,728
Net Contribution	5,670,336	3,954,293	(701,332)	(624,120)	(1,394,227)	(1,407,784)	(769,095)	(513,988)	(552,570)	(127,696)	(763,349)	(670,000)	(393,744)	(322,334)	1,096,019	288,371
											Current Income Tax Expense				36,045	22,538
												Net PROFIT	/ (LOSS)		1,059,974	265,833

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



Sanctuary Lakes Resort Services Limited

ACN 092 610 449

Address 72 Greg Norman Drive, Sanctuary Lakes Resort (off Point Cook Road)

Sanctuary Lakes Victoria Australia 3030

Phone +61 3 9394 9400 Fax +61 3 9394 9433

Email ocmanager@sanctuarylakes.com.au
Web www.sanctuarylakesresort.com.au