

SANCTUARY LAKES RESORT SERVICES LIMITED

ACN 092 610 449

# ANNUAL REPORT 2016-17

*Living the Lifestyle*

Resident Owned, Resident Run



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# CORPORATE INFORMATION

## DIRECTORS

Craig Pitts (*Chairman*)  
Edward Boucaut  
Theo Krug  
David Rava  
Garry Sleeman

Amelia Wilson  
(*appointed 10th Oct 2017*)  
Thomas Parkinson  
(*appointed 21st Nov 2016*)  
John Anderson  
(*resigned 23rd Aug 2017*)

Joseph Matina  
(*resigned 26th Oct 2017*)  
Graeme Young  
(*resigned 11th Sep 2017*)

## COMPANY SECRETARY

Susan Quill

## 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

Tony Ferreri  
(*resigned 29th Sep 2017*)

Trent Curwood  
(*appointed 29th Sep 2017*)

## OPERATIONS MANAGER

Trent Curwood  
(*until 29th Sep 2017*)

## FINANCE MANAGER

Jessica Sciberras  
(*appointed 21st Aug 2017*)

## COMMUNITY MANAGER

Garry Theobald

## OC PORTFOLIO MANAGER

Natalie Bianchini

## SECURITY MANAGER

John Pollard

## RESORT PRESENTATION MANAGER

Greg Fryer

## COMMUNITY DEVELOPMENT MANAGER

Kevin Birtles

## ARCHITECTURAL REVIEW COMMITTEE MANAGER

George Phua

## RECREATION CLUB MANAGER

Dan Tipples  
(*resigned 22nd Sep 2017*)  
Hadi Kerbaj  
(*appointed 22nd Sep 2017*)

## TOTAL NUMBER OF EMPLOYEES

45 (including part-time  
& casual employees)

# 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, tennis courts, wharves and piers, which were handed

over by the developers to SLRS, together with the maintenance compound acquired during this year, 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.

All of the directors of SLRS are residents and/or lot owners.



SLRS IS A NON-PROFIT ORGANISATION WHICH IS  
RESIDENT OWNED AND RESIDENT RUN.



# 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.



# CHAIRMAN'S REVIEW

## THE YEAR IN REVIEW

Having just taken over as Chairman of Sanctuary Lakes Resort Services Ltd from John Anderson in August 2017, I would like to thank John for his invaluable service to SLRS since Transition in 2013 and, prior to that, with the Sanctuary Lakes Residents Association Advisory Committee since 2007.

On behalf of the Board of Directors, it is my pleasure to report that the year under review has been one of continued consolidation. The acquisition of the Maintenance Compound from Sanctuary Lakes Club Ltd during the year secured the network of assets required to permanently manage and maintain the Resort to high standards for the benefit of lot owners.

Our Lake remains a central feature of the Resort. The abundance of wildlife and regular positive scientific testing results show the environmental quality of lake continues to improve with some of our best results ever during 2016 and 2017 calendar years. Our contractual agreement with Melbourne Water, City of Wyndham and City West Water places great emphasis on the water quality, especially as it is discharged into Port Phillip Bay. While water quality is our #1 priority in managing our lake, presentation is equally as important. Weather and wind continue to

be the main challenge in delivering all our desired goals for the lake. The arrival of our second Truxor (shallow water harvester) has allowed management to redirect our lake staff to be more responsive to those ever-changing conditions.

Like all companies, SLRS can have delivery impacted when dealing with external parties; two key issues for Sanctuary Lakes Resort fall into that category.

The Boardwalk, adjacent to the Community Centre, which would provide pedestrian

access beside our Lake from the security Building to the Community Centre, is still not complete. Management and the Board have continued to strongly negotiate with Sanctuary Lakes developer and Sanctuary Lakes Village Pty Ltd to finish its construction. Completion of that Boardwalk is now more than 3 years late.

Sanctuary Lakes as a Suburb is our other overdue project. The strong support of lot owners and residents was demonstrated when a petition with 2307 accepted signatures was presented to the Victorian Legislative Assembly on 24th November 2015 with a copy of the petition delivered to the City of Wyndham.

The SLRS Board and management is prioritising these 2 issues with a view to closing them out during FY 2017/18.

After ongoing negotiation, City West Water has implemented significant upgrades of the sewerage system at Sanctuary Lakes. While this is far from an exciting topic, it has made some significant gains for those residents affected. There are no longer tanker trucks

emptying sewer pits at night, nor toilets 'backing up' or not flushing. Further upgrades to the system, scheduled for late 2017 and early 2018, should future proof the system.

Last year's Chairman's review noted that SLRS had agreed to accept an invitation from the Golf Club to purchase the Sanctuary Lakes Maintenance Compound from the Golf Club with the transaction to be settled in December, 2016. I am pleased to note that the transaction was settled successfully.

The acquisition of the Maintenance Compound further strengthens SLRS's ability to deliver the expectations of our resident constituents giving us a home for all our staff and equipment needed to get things done.

Our Balance Sheet, detailed later in this Annual Report, shows that the Resort is in a very healthy financial position with net assets of over \$5 million, the fixed assets necessary to deliver and maintain the lifestyle desired by constituents, and adequate cash flows to operate.



## CHAIRMAN'S REVIEW

Continued on next page.



# CHAIRMAN'S REVIEW (CONTINUED)

FY2018 will see the Board direct focus on closing out these remaining Transition issues and continue to push forward with refreshing our engagement with the SL community while striving to remain a preferred location to live in Western Melbourne. The key tenants of presentation, security and cost effective delivery of service, as advised by you, the residents, are still at the heart of the agenda.

The success of Sanctuary Lakes Resort has been built on the contribution of many people - both staff and volunteers - who bring many and different skills to their roles. Again the year in review has not been an exception.

On behalf of the Board, Management and residents, I would like to thank our recently retired Chairman, John Anderson, as well as our recently retired CEO, Tony Ferreri, for their contributions over their many years in a variety of capacities.


The Management Team, now led by Trent Curwood, has had another outstanding year. Trent has been ably assisted by Jessica Sciberras, Natalie Bianchini, Greg Fryer, John Pollard and Garry Theobald 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 range of activities that face SLRS each year.



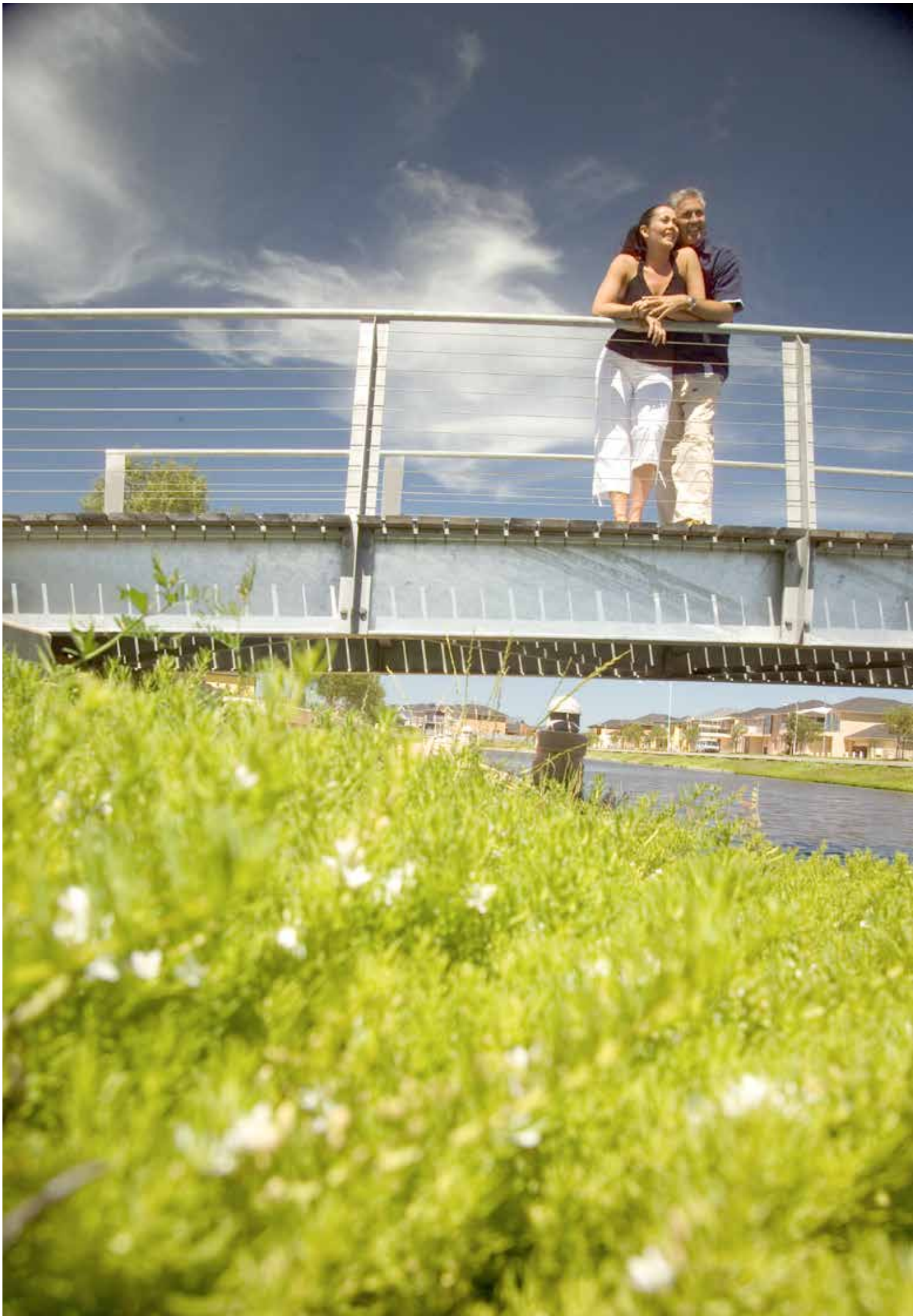
**CRAIG PITTS**  
**Chairman**

*Sanctuary Lakes Resort Services Ltd*



THE SUCCESS OF SANCTUARY LAKES RESORT  
HAS BEEN BUILT ON THE CONTRIBUTION OF  
MANY PEOPLE - BOTH STAFF AND VOLUNTEERS





# CHIEF EXECUTIVE OFFICER'S REVIEW

This is my first Annual Review having taken over as Chief Executive Officer on 30th September this year.

Whilst there have been changes in senior personnel with a new Chairman and a new Finance Manager also in place, the business of SLRS has operated smoothly and successfully since the last Annual Report.

## WHAT DOES SLRS DO?

Sanctuary Lakes Resort Services Limited (SLRS) is the licensed manager of over 40 owners corporations that make up the Sanctuary Lakes Resort. There are presently around 2,970 lots sold with around 20 remaining to complete the Resort – and there are close to 10,000 residents.

SLRS also owns a range of assets given to it by the Sanctuary Lakes developer for the benefit of lot owners, as well as the maintenance compound, acquired this year from the Sanctuary Lakes Club Ltd.

In addition, SLRS manages some critical contracts which benefit the Resort including the recycled water contract with City West Water, the parks and gardens maintenance contract with

the City of Wyndham and the lake management agreement with Melbourne Water.

SLRS is a company limited by guarantee and therefore has members rather than shareholders – the members of SLRS are the owners corporations mentioned above. SLRS operates only within Sanctuary Lakes Resort and solely for the benefit of the lot owners of Sanctuary Lakes Resort.

Our Management Team reports to our resident Board of Directors who are elected by the Authorised Representatives of each of the Owners Corporations. Those Authorised Representatives are elected by the lot owners of each owners corporation at their individual annual general meetings held during August each year.



SLRS is responsible for the following activities within Sanctuary Lakes Resort:

## **OWNERS CORPORATION MANAGEMENT**

Working with the individual 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**

Delivery 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 Club management contract and maintenance of the Recreation Club facility including the tennis courts and the outdoor gyms located in three of our parks.

## **RESORT AND LAKE MAINTENANCE**

Presentation of the boulevard, parks and gardens, maintenance of the recycled water irrigation system to our parks, gardens and all street trees, management of the lake to standards agreed with Melbourne Water.

## **ADMINISTRATION**

Management of Sanctuary Lakes Resort Services Limited, its people, its contracts with third parties, and its assets which include our Lake (with 2 wharves and our fleet of lake management equipment), the Community Centre (including the Recreation Club, Waterstone Café and SLRS office), the Security Building, Maintenance Compound and the Tennis Courts.

SLRS is required to operate to service standards set in consultation with the resident Board of Directors.

Separately, SLRS acts as an advocate for the owners corporations, both collectively and individually. The past year has been another very busy one in this area of our activities:

- Attempting to negotiate/settle outstanding Transition items such as the tennis courts land title, the missing boardwalk beside our lake, a range of administrative issues, etc,
- Progressing our request for Sanctuary Lakes to be proclaimed a separate suburb (see below),
- Dealing with ongoing issues relating to the adjacent residential development, The Address, and
- Objecting to the application for a 5-storey development adjacent to the Golf Club car park, now settled as a 3-storey development that should complement the central precinct.

## **CEO'S REVIEW**

Continued on next page.



# CHIEF EXECUTIVE OFFICER'S REVIEW<sub>(CONTINUED)</sub>

## THE WIDER COMMUNITY

Management deals with a range of authorities on an ongoing basis with a view to ensuring that Sanctuary Lakes Resort remains the premier residential estate in the west of Melbourne.

Negotiations with City of Wyndham and the State Government for recognition of Sanctuary Lakes as a suburb are continuing with the Wyndham City Council. After passing a resolution in September 2016 to continue

down the path to that recognition, activities stalled for around nine months but we are pleased to note that a Suburb Naming Team has been created by Wyndham City Council and activities have recommenced.

We have also settled arrangements between City West Water and the Golf Club so that a further upgrade of parts of the Sanctuary Lakes sewerage system can be completed in coming months.

## BUDGET FOR FY2017/18

The biggest challenge facing the Board of Directors and Management in framing the FY2017/18 Budget was a potential increase in the cost of electricity of just over \$200,000, which equates to nearly \$70 per residential lot in the Resort. Although recently (October 2017) we have negotiated a new electricity contract which has limited the increase to \$118,000.

Given that, together with general CPI increases at 2.5%, it was very pleasing to be able to limit our fee increase to 2.2% for the current year.

In fact, it has been the long-term aim of the Board of Directors and Management to limit fee increases, whenever possible, to CPI and this has been achieved in the last three Budgets.





## OUR FINANCES

SLRS recorded an audited after tax operating surplus for the year ended 30th June, 2017 of \$622,665 which underpins the required level of operating cash necessary to run the business. On a cash flow basis there was a net inflow of \$1,374,124.

It is critical that SLRS continues to successfully collect all Owners Corporation fees as and when they fall due and it is pleasing to note that in the year just ended, SLRS collected 97.8% of all current year fees.

As reported last year, we received a gift of \$500,000 from the Sanctuary Lakes developer as part of the Transition Agreements but no money changed hands and we received the gift by way of assignment of a debt due by the Golf Club to the developer. During the year, agreement was reached with the Sanctuary Lakes Club to purchase the maintenance compound at the market value in December 2016. The outstanding debt was forgiven as part of the deposit payment with the balance of the purchase price payable in three instalments in December 2017, 2018, and

2019. SLRS cannot operate without access to the maintenance compound and this acquisition secures the maintenance operations of SLRS permanently. The Golf Club is now a rent paying tenant of SLRS at the maintenance compound.

In addition, we were able to achieve some operational savings during the year allowing SLRS to limit fee increases to less than CPI.

The formal audited financial accounts follow later in this Annual Report.

### CEO'S REVIEW

Continued on next page.



# CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)

## OUR BALANCE SHEET

SLRS is holding significant assets, received from the developer, on behalf of the Owners Corporations that comprise the Sanctuary Lakes Resort:

- The Community Centre including Recreation Club, Waterstone Café and SLRS office,
- The Security Building,
- The Lake, Canal and Regatta Beach,
- Two pier/wharf areas, and
- The Tennis Courts,

as well as the Maintenance Compound acquired this year from the Sanctuary Lakes Club Ltd.

As a result, our Balance Sheet is very strong and we are in great shape to meet any eventuality.

## CLOSING

I would like to take this opportunity to thank our Chairman, Craig Pitts, our previous Chariman, John Anderson and former CEO, Tony Ferreri, together with all the directors for their support during the year.

I would also like to thank the Chairs and Committees of all Owners Corporations for their hard work, dedication and support and I look forward to working with them in the year ahead.

Finally, I want to thank my team leaders, Jessica Sciberras, Natalie Bianchini, Garry Theobald, John Pollard and Greg Fryer, along with their teams, for a fantastic job during another extremely busy year.



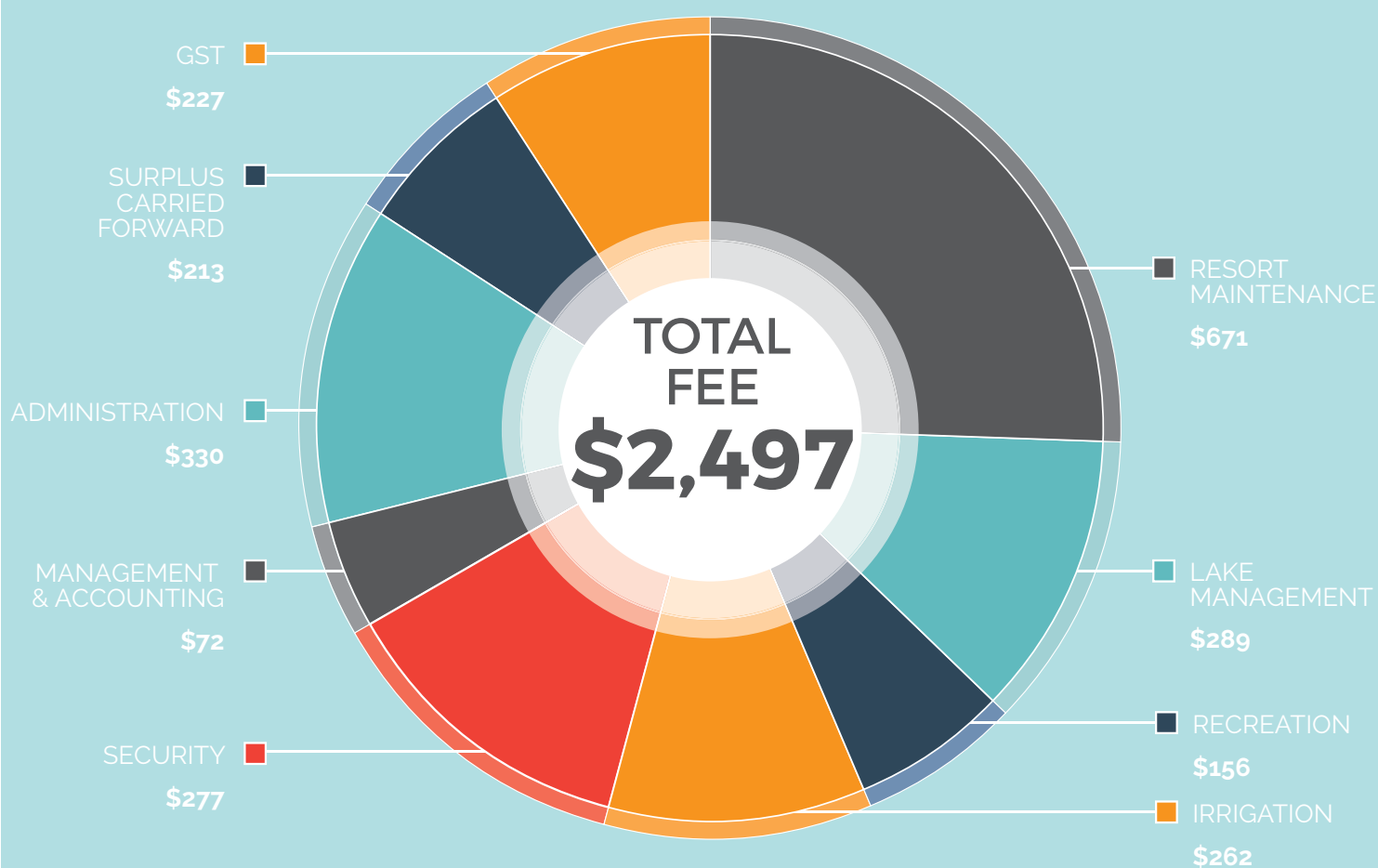
**TRENT CURWOOD**  
**Chief Executive Officer**

*Sanctuary Lakes Resort Services Ltd*

SANCTUARY LAKES RESORT SERVICES LIMITED

# FEE BREAKDOWN

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017



## 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 \$196 for FY2016-17 (\$191 in FY2015-16).







# AUDITED ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS  
FOR YEAR ENDED 30 JUNE 2017

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

ACN 092 610 449



# DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

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 2017.

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

- Amelia Wilson  
(appointed 6 October 2017)
- Craig Pitts
- David Rava
- Edward Boucaut
- Garry Sleeman
- Graeme Young  
(resigned 11 September 2017)
- John Anderson  
(resigned 23 August 2017)
- Joseph Matina  
(resigned 26 October 2017)
- Theo Krug
- Tom Parkinson  
(appointed 21 November 2016)

The following person was the Company Secretary for the year and to the date of this report:

- Susan Quill

## RESULTS

The net surplus of the Company for the financial year was \$622,665 (2016: surplus \$1,031,536).

## 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 residential community, with any surpluses generated being carried forward to reduce the financial impost to member's in subsequent financial years.

## DIVIDENDS

SLRS is a company limited by guarantee and therefore has members rather than shareholders.

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

**DIRECTORS'  
REPORT**  
Continued on  
next page.

# DIRECTORS' REPORT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

## STATE OF AFFAIRS

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

On 12 December 2016 the company purchased the Maintenance Compound from Sanctuary Lakes Club Ltd at fair market value.

The following assets have also been recognised at valuation despite the appropriate titles not as yet being registered:

- THE WHARF AND BOAT RAMP - Lot AP on Plan of Subdivision 645360; and
- THE TENNIS COURTS - Lot AT on Proposed Plan of Subdivision 718248.

The titles for these assets are expected to be registered in the near future and such assets have been recognised as the Company can demonstrate control and ownership despite the titles not being registered.

## 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.

**DIRECTORS'  
REPORT**

Continued on  
next page.

# DIRECTORS' REPORT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

## 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
John Anderson	2	2
Edward Boucaut	-	2
Theo Krug	2	2
Joseph Matina	2	2
Tom Parkinson	1	1
Craig Pitts	2	2
David Rava	1	2
Garry Sleeman	1	2
Graeme Young	2	2
Amelia Wilson	0	0

## CONTROLLED ENTITIES

The Company owns Share Capital of Sanctuary Lakes Residents Association Pty Ltd which has been dormant since its incorporation. SLR Security Pty Ltd commenced operations 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.

**DIRECTORS' REPORT**  
Continued on next page.



# DIRECTORS' REPORT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

## 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.

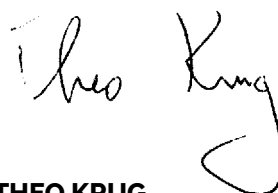
Signed in accordance with a resolution of the Directors made pursuant to the Corporations Act.  
On behalf of the Directors.



**CRAIG PITTS**  
Chairman

*Sanctuary Lakes Resort  
Services Limited*

Dated: 30 October 2017



**THEO KRUG**  
Director

*Sanctuary Lakes Resort  
Services Limited*

Dated: 30 October 2017

## 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 CHAIRMAN BAPPS

Craig is a Change Agent with an Enterprise Architecture, Technology, Regulation and Security driven focus that is pragmatic and rational. He has over 20 years experience in delivering many aspects of complex global and national M&A, divestment and change agendas. He works directly with the C suite and Senior Management to deliver effective and efficient results and is not constrained by legacy or historic processes or technologies, working to deliver future facing results that support business growth and evolution.

Additionally, Craig has also worked on Boards and Executive Committees for 10 years to further refine his business accumen and execution. He is regularly invited to speak at peer conferences to help raise the knowledge level of other Australian technology leaders.

Craig's expertise and experience includes: Board and CxO engagement, Change Agent, Snr IT Management and Executive interaction (technology translator), diverse team management (national and international; technology and management), delivery to a global level, Technology Security including Cloud, IT Projects, Project, Business and IT management, Legislation driven Controls frameworks.

## THEO KRUG DIRECTOR

Theo has been a member of the SLRS Board since 2013. He currently resides in Riverwalk – Stage 23.

During Theo's long career managing large complex technology projects in Federal, State, Local Government as well as many Global Retailers, Theo brings a mature and effective strategic input to the management of the Sanctuary Lakes Resort.

Theo has also been involved at a political level Campaign managing several candidates during Federal and State Government

**EXPERIENCE &  
QUALIFICATIONS**  
Continued on next page.

# SANCTUARY LAKES RESORT SERVICES LIMITED

## DIRECTOR & OFFICER

### EXPERIENCE & QUALIFICATIONS (CONTINUED)

elections. His role was to develop and promote the policies and ideals of the various candidates in a number of electorates.

#### GARRY SLEEMAN

**DIRECTOR FIE AUST, CPENG (RET)**

Garry Sleeman is a retired Chartered Professional Civil Engineer with over 40 years' experience in design, construction and project management of major civil engineering projects in New South Wales, Northern Australia and Victoria. He is a Fellow of the Institution of Engineers Australia and owns and manages an aviation services business in northern Australia.

#### ED BOUCAUT

**DIRECTOR B APP SC (NAT RES)**

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 has extensive knowledge of environmental legislation and management systems which he has used to assist companies and governments to meet and exceed environmental compliance. He has been a Senior Manager for AECOM and GHD, a Managing Director for 2 environmental

consulting companies, and has been Project Director for the preparation of environmental impact assessments to World Bank Standards (including the Palm Island, Dubai and Industrial Cities in Saudi Arabia).

#### DAVID RAVA

**DIRECTOR AGENT'S REPRESENTATIVE COURSE, SALES AND PROPERTY MANAGEMENT VICTORIA, THE AUSTRALIAN INSTITUTE OF PROPERTY**

David has a strong commercial background. Having spent many years in the clothing industry in various managerial roles, David moved to construction industry in June 2009, where he spent three years in the procurement department with ThiessDegremont, the construction contractor for the Victorian Desalination Plant in Wonthaggi. David oversaw the procurement of all major capital equipment for the plant and was also involved in setting up service contracts for the operational company. In September 2012 David joined Chassis Brakes International as Procurement Category Manager in the automotive manufacturing industry and continued until the shutdown of the company due to the closure of the industry.

In 2016 David started in Real Estate, based in the Point Cook area with the Eview Real Estate Group. David has sold numerous properties

**EXPERIENCE & QUALIFICATIONS**  
Continued on next page.

# DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS (CONTINUED)

in Sanctuary Lakes. He is currently working with SLRS management to develop a starters package for all agents, so they can better promote the life changing benefits of buying a home and living in Sanctuary Lakes.

## THOMAS PARKINSON

**DIRECTOR BA (FINE ARTS) DIP.R.C.A.**

*Appointed 21 November 2016*

Tom's career of 55 years has been 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 plus productions. For seven years, he was CEO of Australia's leading production house, Crawford Productions. Tom has had a successful working experience in individual and mass communications, marketing, finance, developing concepts from an idea to fruition and long term planning.

## AMELIA WILSON

**DIRECTOR BA**

*Appointed 10 October 2017*

Amelia joined the SLRS Board in 2017 and has a strong background in communications, training, stakeholder engagement, and OC management. Amelia has over ten years experience consulting with clients in education, human resources, and government

across a range of sectors and industries.

Amelia has also been involved in several Owners Corporations, and has been working on the Super OC committee for several years.

## JOHN ANDERSON

**DIRECTOR AND CHAIRMAN BENG**

*Resigned 23 August 2017*

After completing the degree of Bachelor of Engineering in Civil Engineering at Sydney University, John spent more than 30 years in the design, supply and manufacture of concrete reinforcement with the ARC Group of companies.

John's introduction to the various aspects of community titles schemes and a role involved in the tourism industry commenced in 1994 when John and his wife Jillian managed an 18-unit holiday apartment block in Caloundra, Queensland.

As Executive Officer of ARAMA, John was involved in negotiations with the Queensland and NSW governments and other industry stakeholders on legislative issues involving community title schemes. He also served on a number of industry bodies in this field.

**EXPERIENCE &  
QUALIFICATIONS**  
Continued on next page.



# SANCTUARY LAKES RESORT SERVICES LIMITED

## DIRECTOR & OFFICER

### EXPERIENCE & QUALIFICATIONS (CONTINUED)

**JOSEPH MATINA**  
**DIRECTOR B.BUS (ACCOUNTANCY), DIP.**  
**FP, CFP, FNTAA, FIPA**

*Resigned 26 October 2017*

Joseph Matina has been a resident of Sanctuary Lakes for over 13 years and has been an active member in the local community.

He is a qualified Accountant and a Fellow of Institute of Public Accountants and a Fellow of the National Tax Agents Association, Certified Financial Planner and a member of The Financial Planning Association, SMSF auditor registered with ASIC and a fully Licenced Real Estate Agent. He is also one of the responsible manager for an AFSL.

Joseph was involved on the advisory transition committee for Sanctuary Lakes on both the Sanctuary Lakes Club Ltd and Sanctuary Lakes Resort Services Ltd. In June 2013, he was appointed director of both Sanctuary Lakes Club Ltd and Sanctuary Lakes Resort Ltd. He retired from the Sanctuary Lakes Club Ltd at the AGM in November 2016 and Sanctuary Lakes Resort Services Ltd in October 2017.

His portfolio was finance and acted as the Chairman of the Finance committee for 3 years. Joseph was awarded a lifetime membership as appreciation for his work.

He remains a director of Sanctuary Lakes Resort Services Ltd and also has the Finance Portfolio and recently appointed vice chair by the Board.

Joseph has been involved in a number of Owner's Corporation Committees including the McPherson Building in Collins Street and D Division at Pentridge Coburg.

Recently Wyndham City Council appointed Joseph on the Future Focus Portfolio Committee. He was also awarded the inaugural Hobson's Bay Community Key Partner Award presented by Bendigo Bank.

**EXPERIENCE & QUALIFICATIONS**  
Continued on next page.

# DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS (CONTINUED)

## GRAEME YOUNG DIRECTOR

*Resigned 11 September 2017*

Graeme has over 30 years business and consulting experience including an extensive track record of successfully delivering Information Technology (IT) initiatives across a broad range of industries.

Graeme's experience includes over 15 years in key operational and business transformation roles with American Express, both locally and internationally. Graeme has also held senior management positions in the Utilities, Telecommunications, Hospitality and IT industries with companies including AGL, Integral Energy and Optus.

## SUSAN QUILL COMPANY SECRETARY BA/LLB (HONS), GRADDIPLEGPRAC

Sue has many year of legal experience working in major law firms in Sydney and London as well as in-house. She is currently company secretary of a number of public and private companies. Sue is General Counsel & Company Secretary of the Clublinks Group.

**AUDITORS'  
INDEPENDENT  
DECLARATION**

Continued on  
next page.



ABN 15 893 818 045

127 Paisley Street,  
Footscray Vic 3011  
Australia

Phone (03)9680 1000  
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**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 2017 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: 30 October 2017

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 2017

	2017 \$	2016 \$
Revenue from Ordinary Activities	7,461,967	7,193,952
	<b>7,461,967</b>	<b>7,193,952</b>
Employment Expenses	(3,333,931)	(3,139,605)
Administration / Waterfront Expenses	(1,132,112)	(1,035,106)
Resort Maintenance / Irrigation Expenses	(1,131,017)	(1,269,932)
Lake Maintenance Expenses	(643,186)	(572,158)
Security Monitoring & Patrolling Expenses	(249,316)	(265,795)
Recreation Club Expenses	(331,782)	(359,313)
	<b>(6,821,344)</b>	<b>(6,641,909)</b>
<b>Operating Surplus before Income Tax</b>	<b>640,623</b>	<b>552,043</b>
Income Tax (Expense) / Benefit	(17,958)	(20,507)
<b>NET SURPLUS FOR THE YEAR</b>	<b>622,665</b>	<b>531,536</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		
Assets Transferred from Developer at Valuation	-	500,000
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>622,665</b>	<b>1,031,536</b>

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**

Continue on  
next page.



SANCTUARY LAKES RESORT SERVICES LIMITED

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	2017 \$	2016 \$
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	1,374,124	780,518
Trade & Other Receivables	883,905	1,038,614
Inventory	27,410	35,438
<b>Total Current Assets</b>	<b>2,285,439</b>	<b>1,854,570</b>
<b>NON CURRENT ASSETS</b>		
Trade & Other Receivables	13,334	511,559
Property, Plant & Equipment	5,749,297	4,200,772
<b>Total Non Current Assets</b>	<b>5,762,631</b>	<b>4,712,331</b>
<b>TOTAL ASSETS</b>	<b>8,048,070</b>	<b>6,566,901</b>
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	1,218,079	1,415,003
Provisions	372,344	292,575
Financial Liabilities	499,559	157,871
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,089,982</b>	<b>1,865,449</b>
<b>NON CURRENT LIABILITIES</b>		
Provisions	18,168	22,356
Financial Liabilities	790,919	152,761
<b>Total Non Current Liabilities</b>	<b>809,087</b>	<b>175,117</b>
<b>TOTAL LIABILITIES</b>	<b>2,899,069</b>	<b>2,040,566</b>
<b>NET ASSETS</b>	<b>5,149,001</b>	<b>4,526,336</b>
<b>MEMBERS' EQUITY</b>		
Members' Surplus	3,213,906	2,591,241
Members' Reserve	1,935,095	1,935,095
<b>TOTAL MEMBERS' EQUITY</b>	<b>5,149,001</b>	<b>4,526,336</b>

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 2017

	Members' Surplus \$	Members' Asset Revaluation Reserve \$	Total EQUITY \$
<b>Balance at 1 July 2015</b>	<b>1,559,705</b>	<b>1,935,095</b>	<b>3,494,800</b>
Surplus / (Deficit) attributable to Members	531,536	-	531,536
Gift from Developer	500,000	-	500,000
<b>Balance at 30 June 2016</b>	<b>2,591,241</b>	<b>1,935,095</b>	<b>4,526,336</b>
Surplus / (Deficit) attributable to Members	622,665	-	622,665
<b>Balance at 30 June 2017</b>	<b>3,213,906</b>	<b>1,935,095</b>	<b>5,149,001</b>

*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 2017

	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	7,988,666	7,347,090
Payments to Suppliers and Employees	(6,910,203)	(6,980,201)
Interest Received	126,235	100,967
Interest Paid	(21,031)	(55,579)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,183,667</b>	<b>412,277</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Plant and Equipment (Net of Lease Financed Assets)	(387,991)	(850,581)
Proceeds from the Disposal of Assets	7,000	37,500
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(380,991)</b>	<b>(813,081)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Equipment Finance Repayments	(209,070)	183,500
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(209,070)</b>	<b>183,500</b>
Net Increase / (Decrease) in Cash	593,606	(217,304)
<b>CASH HELD AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>780,518</b>	<b>997,822</b>
<b>CASH HELD AT THE END OF THE FINANCIAL YEAR</b>	<b>1,374,124</b>	<b>780,518</b>

*NOTE: The Statement of Cash Flows should be read in conjunction with the notes to and forming part 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 2017

## 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.

### 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.

**NOTES ON  
ACCOUNTS**  
Continued on  
next page.

# NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

## SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

**AASB 9: Financial Instruments and associated Amending Standards** (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in

equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

**AASB 15: Revenue from Contracts with Customers** (applicable to annual reporting periods beginning on or after 1 January 2019, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services

NOTES ON  
ACCOUNTS

Continued on next page.

# NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

## SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

### **AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors**

(subject to certain practical expedients in AASB 15 ); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

The directors anticipate that the adoption of AASB 15 will not have an impact on the company's financial statements.

**AASB 16: Leases** (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all a lease; and
- inclusion of additional disclosure requirements.



# NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

## SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors anticipate that the adoption of AASB 16 will not have an impact on the company's financial statements.

### 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.

### FINANCIAL INSTRUMENTS

#### **Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### ***Financial Assets at Fair Value Through Profit and Loss***

A financial asset is classified in this category if acquired principally for the purpose of settling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

#### ***Loans and Receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### ***Financial Liabilities***

Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments using the effective interest rate method.

# NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

## SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### FAIR VALUE

The Company measures some or its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. Unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset

or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use. The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statement.

### IMPAIRMENT OF ASSETS

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

**NOTES ON  
ACCOUNTS**  
Continued on  
next page.

# NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

## SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

### 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.

### PROVISION FOR EMPLOYEE BENEFITS

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since

the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

### 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.

### 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

**NOTES ON  
ACCOUNTS**  
Continued on  
next page.



# NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

## SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

on a gross basis, except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

### PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

### 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%

### INVENTORIES

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

### 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.

### CHANGE IN CLASSIFICATION

Employment expenses incurred in the subsidiary SLR Security Pty Ltd were disclosed as part of Security Monitoring & Patrolling Expenses in the Statement of Profit or Loss and Other Comprehensive Income in the 2016 financial statements. In the 2017 financial statements and the 2016 comparatives, these expenses have been included in Employment Expenses.



SANCTUARY LAKES RESORT SERVICES LIMITED

# DEPARTMENTAL OVERVIEW OF INCOME & EXPENSES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Owners Corporation Management		Administration		Resort Maintenance	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
Owners Corporation Management Fees	6,637,481	6,527,802	-	-	-	-
Maintenance & Admin Levies	412,878	382,073	-	-	-	-
Interest	100,090	100,796	26,145	171	-	-
Other Revenue	125,507	95,917	92,861	46,518	20,285	35,659
<b>TOTAL REVENUE</b>	<b>7,275,956</b>	<b>7,106,588</b>	<b>119,006</b>	<b>46,689</b>	<b>20,285</b>	<b>35,659</b>
<b>EXPENSES</b>						
Employee Benefits	516,508	421,635	587,539	554,477	1,234,644	1,077,532
Management / Contractor Fees	-	-	-	-	-	-
Insurance	4,538	-	31,746	34,632	14,839	14,447
Occupancy Expenses	30,033	27,685	29,818	29,744	53,195	49,581
Materials & Landscaping Expenses	-	-	-	-	319,363	401,537
Equipment Maintenance & Depreciations	37,192	32,106	186,844	31,399	203,443	143,913
Recycled Water	-	-	-	-	-	-
Other Expenses	376,167	416,966	332,040	330,952	134,537	170,338
<b>TOTAL EXPENSES</b>	<b>964,438</b>	<b>898,392</b>	<b>1,167,987</b>	<b>981,204</b>	<b>1,960,021</b>	<b>1,857,348</b>

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 2017

Lake Management		Irrigation		Security		Recreation		TOTAL	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-	6,637,481	6,527,802
-	-	-	-	-	-	-	-	412,878	382,073
-	-	-	-	-	-	-	-	126,235	100,967
-	-	-	-	42,331	32,630	4,389	5,016	285,373	215,740
-	-	-	-	42,331	32,630	4,389	5,016	7,461,967	7,226,582
203,763	255,914	229,109	222,878	562,368	616,002	-	-	3,333,931	3,148,438
-	-	-	-	228,004	288,477	233,585	230,597	461,589	519,074
22,689	24,752	-	-	-	-	-	-	73,812	73,831
50,093	25,579	-	-	-	-	193,600	106,947	356,739	239,536
53,948	38,887	127,811	217,490	-	-	-	-	501,122	657,914
290,051	297,161	63,924	4,045	19,988	216	27,883	128,716	829,325	637,556
-	-	211,707	289,987	-	-	-	-	211,707	289,987
226,405	185,779	2,198	24,675	(270)	-	-	-	1,071,077	1,128,710
846,949	828,072	634,749	759,075	810,090	904,695	455,068	466,260	6,839,302	6,695,046



SANCTUARY LAKES RESORT SERVICES LIMITED

# DIRECTORS' DECLARATION

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

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 2017 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.

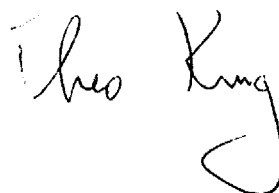
On behalf of the Board



**CRAIG PITTS**  
**Chairman**

*Sanctuary Lakes Resort  
Services Limited*

Dated: 30 October 2017



**THEO KRUG**  
**Director**

*Sanctuary Lakes Resort  
Services Limited*

Dated: 30 October 2017



## 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 2017, 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 2017 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  
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Footscray VIC 3011

**Date:** 30 October 2017

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