

An aerial photograph of a resort lake at sunset. The sun is low on the horizon, creating a warm orange glow. A fountain in the center of the lake is spraying water upwards, reflecting the sunset. In the background, there are rows of residential buildings and a distant city skyline.

ANNUAL REPORT

2019/20


sanctuary
LAKES RESORT

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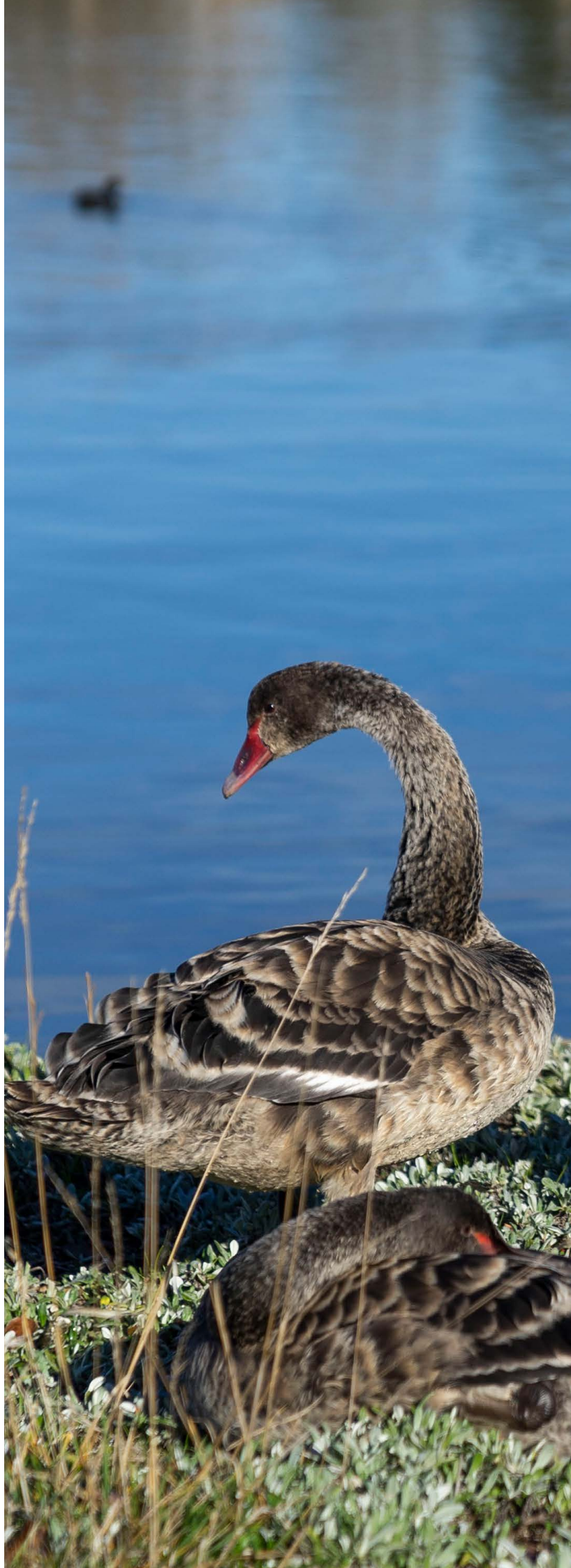
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Audited Accounts

Sanctuary Lakes Resort
Services Limited

ACN 092 610 449



CORPORATE INFORMATION

Chief Executive Officer

Trent Curwood

Human Resources Manager

Emma Bartlett

Community Manager

Garry Theobald

OC Portfolio Manager

Natalie Bianchini

Security Manager

John Pollard

Resort Presentation Manager

Greg Fryer

Project Manager

Katarina Nave

Communications Coordinator

Kayleigh Cockerill-Wright

Architectural Review Committee Manager

George Phua

Recreation Club Manager

Hadi Kerbaj

Total Number of Employees

43.75 full-time equivalent

KEY PERSONNEL

Directors

Craig Pitts (Chair)

Thomas Parkinson (Vice Chair)

Edward Boucaut

David Rava

Amelia Wilson

Brett Hernadi

Susan McIntyre (appointed 7th Oct 2019)

Company Secretary

Robert Allen

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

INTRODUCTION

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

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

Separately, SLRS has the responsibility of managing and maintaining assets, such as the lake, community centre, security hut, maintenance compound, tennis courts, wharves and piers, which were handed over by the developers to SLRS, in trust for all lot owners within Sanctuary Lakes Resort.

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





MISSION STATEMENT

To maintain a high quality residential lifestyle through:

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

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



It would be easy to dwell on the major health upheaval of the 2019/20 year but the media has done enough of that, so I won't. Instead, the last 12 months has brought us an unlikely opportunity to reflect on all the great things that Sanctuary Lakes provides to all members of our Community.

CHAIRMAN'S REVIEW

The last year has seen a vast step up in use of our Estate for recreation services, parks, walking tracks, tennis courts, gym, pool and very importantly, the additional assurance of safety provided by our Security team. The estate has reach new levels of presentation quality under very trying times and the Estate Maintenance team have outdone themselves.

The Board of Directors has worked closely with Trent (SLRS CEO) and the SLRS team to deliver a suite of high quality and continuous services in line with Vic Government COVID regulation whilst also continuing our journey of refresh, renewal and modernisation of our home by the lake. On behalf of the residents, employees and Committee members, I'd like to thank our dedicated team at SLRS and the Board of Directors for providing their time and commitment to our community.

Our refresh project for the Estate presentation has been tendered, refined and selected whilst the Recreation Center refresh has gone through a strong community consultation phase in preparation for Go/No Go decision. We are eager to restart the Recreation Center refresh in 20/21 to ensure the best ongoing service and economic outcome for all lot owners and residents within the parameters of the previously promised community consultation.

If the year of Covid showed us anything, it's that the Community really does appreciate the safe, homely environment that Sanctuary Lakes provides and the true value of the services provided to all residents and lot owners. As a Board, we are committed to continue delivering these services at a level that the Community support.

Most importantly though, I would also like to thank every resident and lot owner for making the most of and supporting the many aspects of Sanctuary Lakes that people enjoy, whether it's gardens, the lake, parks, beaches, Recreation Center, Gym, tennis courts, pool, Security or just the relaxing environment that a simple walk around the boulevard provides.

We look forward to a strong rebound through 2020/2021 to put us back on track and keep making our home a beautiful, modern and safe place to live.

A handwritten signature in blue ink, appearing to read 'Craig Pitts'. The signature is stylized with a large, sweeping initial 'C'.

Craig Pitts
Chairman





It gives me great pleasure to again present the CEO's Report for the 2020 Financial Year. While we started the year with a focus of renewal and refresh of the resort including the Recreation Club, security offer and parks and gardens, Covid-19 has seen a significant refocus and pivot during the last four months of the financial year.

CHIEF EXECUTIVE OFFICER'S REVIEW

WHAT DOES SLRS MANAGE?

Sanctuary Lakes Resort Services Limited (SLRS) is the licensed owners corporation manager for the 44 owners corporations that comprise Sanctuary Lakes Resort. There is presently 2,949 Lots, all privately owned with approximately 70 vacant lots.

SLRS owns and maintains assets on behalf of the owners corporations including the lake, Waterfront Building (including the Recreation Club), tennis courts, maintenance compound, second wharf compound and security hut as well as significant infrastructure including the irrigation network. SLRS continues to deliver Owners Corporation, security, recreation, administration, resort and lake presentation services throughout the year including during the pandemic.

SLRS also maintains various other assets by agreement with the Wyndham City Council including all parks, gardens and over 10,000 trees in Sanctuary Lakes Resort but excluding maintenance of roads, footpaths and playground equipment.

SLRS is a company limited by guarantee and its members (owners) are each of the 44 owner's corporations. SLRS is a not-for-profit organisation which operates for the benefit of all lot owners in Sanctuary Lakes Resort. Any surpluses retained are there for the future benefit of all lot owners.

KEY HIGHLIGHTS

Before Covid-19 impacted operations in March 2020 we continued to focus on renewing and refreshing the resort with the consultation process for community feedback on whether the recreation club needed expansion. We also started the initial steps in formulating a Landscape Master Plan to update the current plan which is 20 plus years old. The focus on this being sustainability. We he also continued to work on new communication mediums primary a new app which will be available to residents in mid-2021.

With the pandemic forcing changes to our operations, we were able to deliver all services with some modifications e.g., recreation went to an on-line video-based portal, but security and resort presentation had very limited operational impact with all staff on-site throughout the pandemic. We also took the opportunity to do vital repairs and maintenance during this time including painting of the pool deck, pool ceiling and changerooms, refitting of the sauna and replacement of the pool filters and spa heater.

We continued to focus on delivery of security services including 24/7 patrolling, expansion of the camera network (including the upgrading of infrastructure to handle new license reading cameras (due in April 2021)). Over 1,600 homes are now on cellular based alarm communications and will have uninterrupted service even when the copper network is turned off (still scheduled to be switched off in October 2020). Our focus is still on the service standard of eight-minute response time for panic, home or fire alarms.

SLRS continues to work closely with key stakeholders including Wyndham City Council, City West Water, Melbourne Water, Parks Victoria, NBN Co, LBN Co and others.

OUR FINANCES

SLRS recorded an audited after-tax operating surplus for the year ended 30th June 2020 of \$310,049 and an underlying negative net cash flow of \$9,284. SLRS was ineligible for job keeper during the pandemic however was able to get a payroll tax relief of \$126,242. This rebate, although received in September 2020, has been included in this year surplus figure as it related to the 2020 financial year.

The final loan payment for the Maintenance Compound was paid to Sanctuary Lakes club occurred in October 2019. There are no remaining outstanding loans to SL Club.

Debt collection has continued to be an area of focus and we collected 99.0% of the 2019-20 year's fee. This is well above industry standards. We continue to actively pursue lot owners however instituted a hardship policy in June 2020 for those negatively impacted by Covid-19.

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

BUDGET FY2020/2021

This year fees had not change from the previous year. This was despite an increase in monitoring costs due to the new cellular based PermaConn System. Other costs continue to see upward pressure including insurances affected by the bushfires and Covid-19, increased cleaning and staff required for the recreation club, recycled water and software licensing. Fair Work also increased minimum wages by 1.75% which had flow on effects to the Gardening and Landscaping Services Award and the Security Services Industry Award. Greater than half of all staff employed are on these two awards.

We continue to look for additional cost savings the primary saving being the reduction of our workforce by 14.4% to a headcount of 38.34 people. We have also replaced lighting (including the tennis court) to LED which will see a significant reduction in electricity costs.

CLOSING

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

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

Finally, I would like to thank my senior management team Natalie Bianchini, Garry Theobald, John Pollard, Greg Fryer, Emma Bartlett and Katarina Nave along with their respective teams. It has been a challenging year with a need to adjust quickly and the team have continued to focus on delivering high quality service.



Trent Curwood
Chief Executive Officer

FEE BREAKDOWN

01. _____

Resort Maintenance

\$932

02. _____

Lake Maintenance

\$251

03. _____

Recreation

\$181

04. _____

Security

\$388

05. _____

Owners Corporation
Management

\$249

06. _____

Administration

\$283

07. _____

Surplus Carried
Forward

\$116

08. _____

GST

\$240









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Auditor's Report
to the Members

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 2020.

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

- Amelia Wilson (resigned 3rd December 2019)
- Brett Hernadi (resigned 30th September 2020)
- Craig Pitts
- David Rava
- Edward Boucaut
- Jeanette Ward (appointed 3rd December 2019)
- Susan McIntyre (appointed 7th October 2019)
- Thomas Parkinson
- Adrian Dent (appointed 30th October 2020)

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

- Robert Allen (appointed 1st August 2018)

Results

The net surplus of the Company for the financial year was \$310,049 (2019: surplus \$1,406,707).

Principal Activities

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

Dividends

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

State of Affairs

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

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' 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.

Organisation	Number of Meetings attended	Number of Meetings held whilst in office
Amelia Wilson	1	1
Brett Hernadi	2	2
Craig Pitts	2	2
David Rava	2	2
Edward Boucaut	2	2
Susan McIntyre	2	2
Thomas Parkinson	2	2
Jeanette Ward	2	2
Adrian Dent	-	-

Controlled Entities

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

Members Guarantee

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

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..

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 3.

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

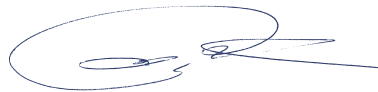
On behalf of the Directors.



Craig Pitts

Chair

Dated: 24 February 2021



Thomas Parkinson

Vice-Chair

Dated: 24 February 2021



BOARD OF DIRECTORS

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



Craig Pitts

Chair

Craig has been a member of the SLRS Board since 2013 and Chair since 2017. He currently resides in Kingfisher Island (Stage 33) and has been living in Sanctuary Lakes Resort since 2008.

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

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



Thomas Parkinson

Vice Chair

Tom has been a member of the SLRS Board since 2016 and Vice Chair since 2018. He currently resides in Beachcomber (Stage 3) and has been living in Sanctuary Lakes Resort since 2008.

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

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



Edward Boucaut

Ed has been a member of the SLRS Board since 2014. He currently resides in Gleneagles (Stage 21) and has been living in Sanctuary Lakes Resort since 2011.

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

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



**David
Rava**

David has been a member of the SLRS Board since 2015. He lived in Sanctuary Lakes Resort from 2001 until 2019.

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

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



**Jeanette
Ward**

Jeanette Ward currently resides in Gleneagles (Stage 21) and has been living in Sanctuary Lakes Resort since 2014.

Jeanette is a licensed estate agent with over 20 years of property management experience, including managing body corporates for industrial commercial properties and contractor management.

Jeanette has vast experience in owners corporation management, property management and contractor management and has experience when it comes to making business decisions.



**Susan
McIntyre**

Susan has been a member of the SLRS Board since 2019. Susan currently resides in Regatta (Stage 37) and has been living in Sanctuary Lakes Resort since 2011.

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

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



**Adrian
Dent**

Adrian has been a member of the SLRS Board since October 2020. He is currently resides in the Signature Estate (Stage 28) and has been living in Sanctuary Lakes Resort since 2015.

Adrian brings with him an extensive background in senior management in the service industry, previously working for the Accor and Lancemore Groups of Hotels across Australia. His experience ranges from high end luxury boutique hotels, mid-scale business hotels, facilities management and large scale events, conferencing and wedding operations.

Adrian brings this service experience to the Board along with strong financial business acumen, management experience and leadership skills.



TOWARDS A VISION SHARED



**Collins & Co
Audit Pty Ltd**

127 Paisley Street
Footscray VIC 3011
Australia

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

www.collinsco.com.au

**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 2020 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: 24 February 2021

Address: Collins & Co Audit Pty Ltd
127 Paisley Street
Footscray VIC 3011

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



	2020 \$	2019 \$
Revenue from Ordinary Activities	7,844,659	7,775,370
	7,844,659	7,775,370
Employment Expenses	(3,624,670)	(3,369,315)
Administration Expenses	(977,037)	(828,968)
Resort Maintenance Expenses	(1,162,267)	(1,278,350)
Lake Management Expenses	(493,174)	(482,465)
Security Monitoring & Patrolling Expenses	(695,005)	(568,274)
Recreation Club Expenses	(542,457)	(502,030)
	(7,494,610)	(7,029,402)
Operating Surplus before income tax	350,049	745,968
Income tax expense	(40,000)	(40,542)
Net Surplus for the year	310,049	705,426
Other Comprehensive Income for the year	-	701,281
Total Comprehensive Income for the year	310,049	1,406,707

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

	2020 \$	2019 \$
CURRENT ASSETS		
Cash & Cash Equivalents	2,303,312	2,312,596
Trade & Other Receivables Inventory	824,441	703,072
Inventory	21,578	23,459
Total Current Assets	3,149,331	3,039,127
NON CURRENT ASSETS		
Property, Plant & Equipment	10,218,787	10,414,636
Total Non Current Assets	10,218,787	10,414,636
Total Assets	13,368,118	13,453,763
CURRENT LIABILITIES		
Trade & Other Payables	318,357	615,535
Provisions	453,990	393,901
Financial Liabilities	62,620	204,781
Total Current Liabilities	834,967	1,214,217
NON CURRENT LIABILITIES		
Provisions	79,853	33,686
Financial Liabilities	36,348	98,959
Total Non Current Liabilities	116,201	132,645
Total Liabilities	951,168	1,346,862
Net Assets	12,416,950	12,106,901
MEMBERS' EQUITY		
Members' Surplus	5,370,132	5,060,083
Members' Asset Revaluation Reserve	7,046,818	7,046,818
Total Members' Equity	12,416,950	12,106,901

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

	Members' Surplus \$	Members' Asset Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2018	3,653,376	1,935,095	5,588,471
Surplus attributable to Members	705,426	-	705,426
Other Comprehensive Income for the year	-	-	-
Increase in Asset Revaluation Reserve	-	5,111,723	5,111,723
Balance at 30 June 2019	5,060,083	7,046,818	11,405,620
Surplus attributable to Members	310,049	-	310,049
Other Comprehensive Income for the year	-	-	-
Increase in Asset Revaluation Reserve	-	-	-
Balance at 30 June 2020	5,370,132	7,046,818	11,715,669

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 CASH FLOWS

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	8,383,023	9,039,239
Payments to suppliers and employees	(8,018,687)	(7,929,451)
Interest received	64,602	119,435
Interest paid	(10,335)	(15,403)
Net Cash from Operating Activities	418,603	1,213,820
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment (Net of leased financed assets)	(223,115)	(691,117)
Net Cash (used in) Investing Activities	(223,115)	(691,117)
CASH FLOWS FROM FINANCING ACTIVITIES		
Equipment finance & loan repayments	(204,772)	(127,415)
Net Cash (used in) Financing Activities	(204,772)	127,415
Net Increase/(Decrease) in Cash	(9,284)	395,287
Cash Held at the Beginning of the Financial Year	2,312,596	1,917,309
Cash Held at the End of the Financial Year	2,303,312	2,312,596

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.



Summary Of Accounting Policies

Financial Reporting Framework

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

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

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cash Flows

AASB 108 Account Policies, Changes in Accounting Estimates and Errors

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

Reporting Basis and Conventions

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

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

Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial Liabilities

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

Financial Assets

Financial instruments are subsequently measured at:

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

Measurement is on the basis of two primary criteria:

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

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

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

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

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

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

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

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

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

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

Derecognition

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

Derecognition of Financial Liabilities

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

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

Derecognition of Financial Assets

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

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

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

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

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.

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.

Inventories

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

Property, Plant and Equipment

Land and Buildings

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

Plant and Equipment

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

Depreciation

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

Class	Depreciation Rates
Buildings	2.5% - 33%
Plant and Equipment	10% - 33%
Office Equipment	25% - 33%

Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Revenue

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

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

Taxation

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

Goods and Services Tax (GST)

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

Critical Estimates and Judgements

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

Comparative Figures

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





DEPARTMENTAL OVERVIEW OF INCOME AND EXPENSES

	Owners Corporation Management		Administration		Resort Maintenance	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
REVENUE						
Owners Corporation Management Fee	7,048,792	6,943,121				
Maintenance & Admin Levies	172,889	238,200				
Interest	28,518	37,185	36,073	82,045		
Other Revenue	56,463	83,401	185,069	74,756	14,875	52,202
Total Revenue	7,306,662	7,301,907	221,142	156,801	14,875	52,202
EXPENSES						
Employee Benefits	461,286	467,639	570,552	465,739	1,602,026	1,503,725
Management / Contractor Fees	-	-	-	-	-	-
Insurance	9,364	9,514	33,756	32,838	32,543	25,349
Occupancy Expenses	19,974	15,407	27,371	28,159	47,741	34,196
Materials & Landscaping Expenses	-	-	-	-	264,162	464,319
Equipment Maintenance & Depreciations	14,858	17,299	117,969	118,263	264,198	331,964
Recycled Water	-	-	-	-	-	287,173
Other Expenses	486,517	419,205	307,228	228,825	553,623	135,349
Total Expenses	991,999	929,064	1,056,876	873,824	2,764,293	2,782,075
Net Contribution	6,314,663	6,372,843	(835,734)	(717,023)	(2,749,418)	(2,729,873)

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



Lake Management		Security		Recreation		TOTAL	
2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
						7,048,792	6,943,121
						172,889	238,200
		11	205			64,602	119,435
		293,714	255,996	8,255	8,259	558,376	474,614
-	-	293,725	256,201	8,255	8,259	7,844,659	7,775,370
246,950	238,741	743,856	693,471	-	-	3,624,670	3,369,315
-	-	340,440	254,262	252,772	260,272	593,212	514,534
25,080	24,440	6,539	6,297	-	-	107,282	98,438
109,304	84,113	5,490	5,733	193,192	115,880	403,072	283,488
23,069	50,938	-	-	-	-	287,231	515,257
167,641	200,631	44,677	37,438	90,978	124,815	700,321	830,410
-	-	-	-	-	-	-	287,173
168,080	122,343	297,859	264,544	5,515	1,063	1,818,822	1,171,329
740,124	721,206	1,438,861	1,261,745	542,457	502,030	7,534,610	7,069,944
(740,124)	(721,206)	(1,145,136)	(1,005,544)	(534,202)	(493,771)	310,049	705,426



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 2020 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 Directors are satisfied that the entity is a going concern, and can pay its debts as and when they fall due.


On behalf of the Board



Craig Pitts

Chair

Dated: 24 February 2021



Thomas Parkinson

Vice-Chair

Dated: 24 February 2021



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 2020, 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 2020 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.

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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 Audit Pty Ltd
127 Paisley Street
Footscray VIC 3011

Date: 24 February 2021



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