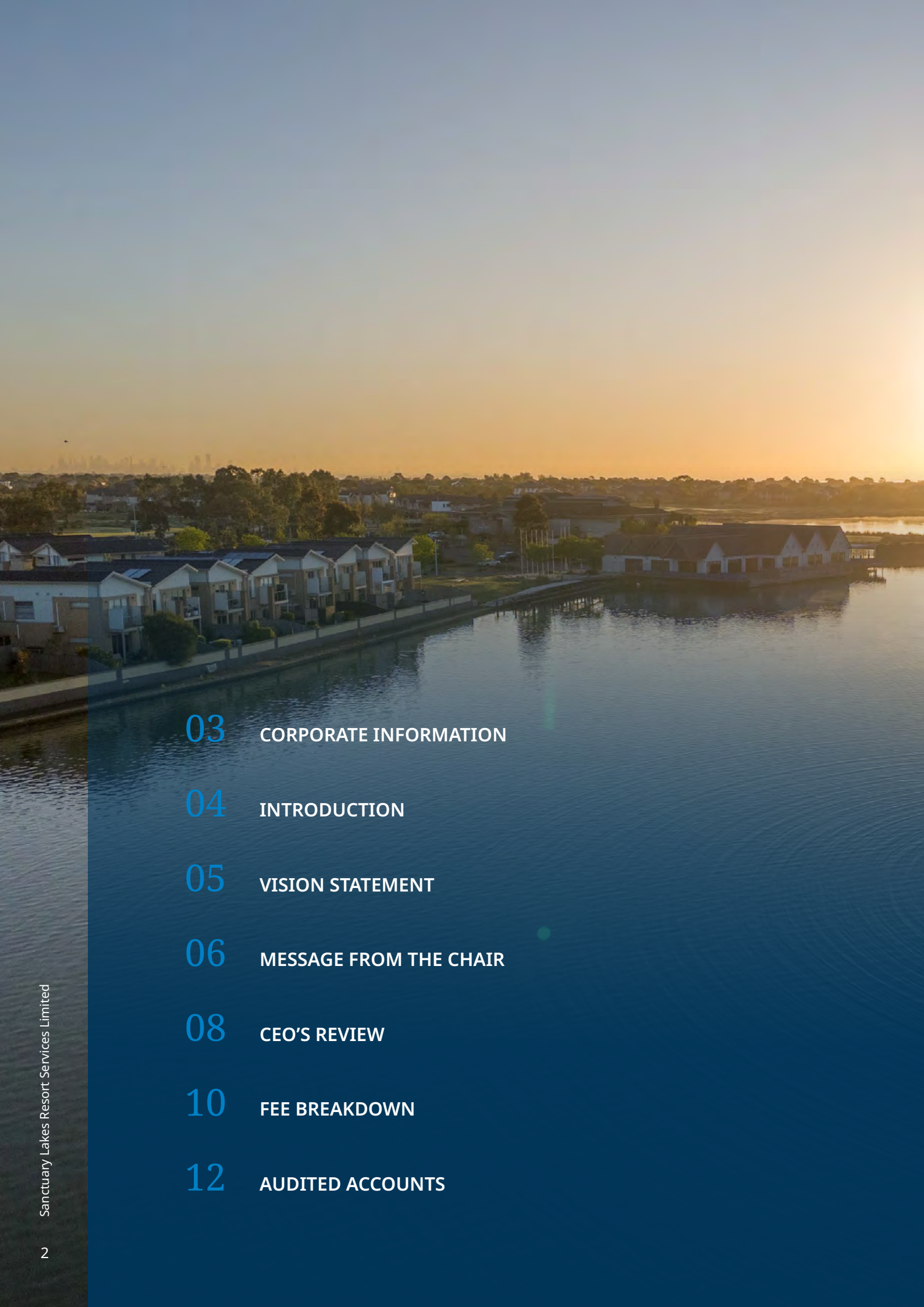




sanctuary
LAKES RESORT

ANNUAL REPORT 2022 – 2023





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Corporate Information

DIRECTORS

Jeanette Ward
Mark McGraw
Craig Pitts
Thomas Parkinson
Adrian Dent
Surjeet Dhanji
Dilbagh Guha
Ali Khan
Adam Rowland
Peng Wei

SECRETARY

Robert Allen

REGISTERED OFFICE

72 Greg Norman Drive
SANCTUARY LAKES VIC 3030

MAIN BUSINESS ADDRESS

72 Greg Norman Drive
SANCTUARY LAKES VIC 3030

AUDITORS

Frederik Eksteen
Collins & Co Audit Pty Ltd
127 Paisley St
FOOTSCRAY VIC 3011

Key Personnel

CHIEF EXECUTIVE OFFICER

Trent Curwood

FINANCE MANAGER

Amanda Farrell

OWNERS CORPORATION AND COMMUNITY MANAGER

Natalie Bianchini

SECURITY MANAGER

Dean McGrath

RESORT PRESENTATION MANAGER

Mark Brown

PROJECT MANAGER

Katarina Nave

COMMUNITY ENGAGEMENT MANAGER

Kayleigh Wright

RECREATION CLUB MANAGER

Hadi Kerbaj

TOTAL NUMBER OF EMPLOYEES

38.34 (full time equivalent)

Introduction

Sanctuary Lakes Resort Services Limited (SLRS) is a licensed owners corporation management company established by the original owners corporations of Sanctuary Lakes Resort.

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.

Additionally, 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.



VISION STATEMENT

Create resort living in a secure, sustainable and innovative environment.

Message from the Chair

On behalf of the Board of Directors it's my pleasure to report that the year 2022/23 has been a year where we have taken the steps to renew and refresh the resort which is now 20+ years old.



THE YEAR IN REVIEW

Throughout the year the Board's attention has centred around delivering the services to the resort that our residents seek and are proud to come home to every day that they live here. As a Board member and a resident, I share the level of expectation we all have for a great experience every time I drive into Sanctuary Lakes.

Our focus has been to maintain and look to areas that will enhance the living quality of the residents as well as ensuring that people are living in an estate that reflects the standard they expect whilst being distinctively different from the surrounding areas. Whether its walking amongst the flora and fauna of our boulevards and parks, ability to stay healthy through fitness, experiencing the extended environment around us or knowing that there is a team behind the scenes monitoring our safety, these are some of the key reasons we like to call Sanctuary Lakes home.

The Board and SLRS team have also taken on a different approach to engagement including looking at how we communicate. In seeking more input from residents and committees this year, they have helped shape the strategy of the Board and what Sanctuary Lakes looks like.

Consistent with our focus on maintaining and enhancing the quality of Sanctuary Lakes we have been able to achieve the following to underpin this:

- Extension of the Maintenance Agreement with Wyndham City Council for a further ten years. The relationship with Wyndham City Council has enabled us to collaborate with them to achieve
- park upgrades to both Gallery Place and Times Square. We will be adding more seating to Times Square which will enable people to sit and read a book in this beautiful park or sit and watch their children play.
- The Waterfront Building community consultation process was completed with two surveys and over 2,235 responses. While the survey response was a No to proceed, the level of input and feedback from the residents was more than ever before. We have put out to expression of interest the Waterfront Café space to attract a suitable offering for residents. A steering committee involving OC Committee representatives is currently reviewing the applications and we hope to update you soon on our progress.
- The acceptance of the new Landscape Master Plan occurred with the first of a series of projects already completed, being the upgrade of the Regatta Beach roundabout and new signage on Point Cook Road and the entry areas.
- Expansion of the CCTV network underpins a key service offering that make residents feel safe and we are taking steps to understand how we can improve this service by expanding our virtual network.
- The Recreation Club has also transitioned to digital access which not only modernises access but enables us to look at whether we can implement longer operating hours 24 hour access for all residents using this the platform. We will have a better understanding in the coming months once we have been able to investigate and review the costs and risks associated with opening.

- Implementation of new financial reporting on the back of feedback from residents around expenses and how their fees are spent in delivering services has been implemented and made available to OC Committees. The next phase of this work will be a full cost review on the services of Sanctuary Lakes which is due for completing early 2024.

Our commitment also extends to the engagement with our key stakeholders including Sanctuary Lakes Golf Club, Wyndham City Council, Melbourne Water, Greater Western Water, Victorian Government and Victoria Police. A positive outcome of our stakeholder engagement has seen the near completion of the of the Cheetham Wetlands portion of the Wyndham Bay Trail as set out in the Wyndham Coastal and Marine Management Plan. This part of the project will finally connect Sanctuary Lakes to Salt Water by bike or foot.

We know that there is a lot more work to do and have seen an increase in the participation by residents and in owners' committees as well as residents wanting to join the Board. New participation brings new ideas and voices helping shape our future which is centred around building a fresh Sanctuary Lakes so residents get better value for money where there is something for everyone.

I would like to thank all the voluntary members of the OC Committees for the frank and open feedback they provide in representing their residents. Your input helps shape the outcomes of the Board and SLRS teams planning.

To the Board and SLRS team I would like to take this opportunity to say thank you for your work including those Directors that have resigned during the year or will retire at the end of their term, Craig Pitts, Tom Parkinson, Dilbagh Guha and Mark McGraw. Each of you have contributed to shaping the current diversity of the Board and its strategic thinking for residents.

We look forward to engaging with you more as we continue to focus our evolving and renewing Sanctuary Lakes to be the living destination of choice in the western suburbs.



Jeanette Ward
Chairperson



Chief Executive Officer's Review

I am pleased to present the CEO report for Sanctuary Lakes Resort Services for the 2023 Financial Year. It is my privilege to share with you the highlights of our achievements, challenges, and the strategic direction we are heading towards.



WHAT DOES SLRS MANAGE?

Sanctuary Lakes Resort Services Limited (SLRS) provides owners corporation management services to the 44 owners corporations (2,949 lots) that comprise Sanctuary Lakes Resort.

SLRS provides security services, a recreation club (open seven days a week), resort presentation (including maintenance of parks, trees, garden beds and select turf areas), irrigation, lake maintenance, owners corporation management (including communications, compliance and administration), finance and administration services.

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 and the CCTV camera network

SLRS also maintains various other assets by agreement with Wyndham City Council (WCC) including all parks, gardens and over 8,000 trees in Sanctuary Lakes Resort, excluding maintenance of roads, footpaths and playspace 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

We were successful in negotiating a ten-year extension of our maintenance agreement with Wyndham City Council. Our excellent working relationship with Wyndham has led to significant developments, including the installation of the new park at Time Square, extensive footpath upgrades and repairs, and the upcoming opening of the Bay Trail extension path in collaboration with the State Government.

With a strategic commitment to enhancing the sustainability of Sanctuary Lakes, we have installed 96 solar panels on the maintenance compound. This not only promises to lower the utility expenses of the building but also contribute to reduced operational costs for the irrigation network and a reduced carbon footprint.

Year one of the five-year Landscape Master Plan has seen Regatta Beach roundabout receive a modern Australian feature design. These themes are currently being continued along Point Cook Road with the key goal to transition to a Resort landscape that is diverse, durable and sustainable.

New signage along Point Cook Road and entrance Boulevard has been completed as has render repair and painting of the Sanctuary Lakes wall along all of Point Cook Road. Installation of new furniture and bin surrounds at the tennis courts, Good Samaritan Beach and third beach with recycled material, that will require less ongoing maintenance.

Our resident app is now actively being used by

over 2,650 residents, with 4,872 helpdesk tickets logged and resolved, along with 3,318 tennis court bookings.

The recreation club has continued to transition to a digital access with over 1,700 cards issued and an average of 280 resident visits per day. We also had equipment upgrades of \$40,000 including four new treadmills.

As we continue to strive to make Sanctuary Lakes a safe place to live. We have upgraded eight cameras at the Boulevard (Entry and Exit) which has greatly enhanced coverage and viewer quality both during the day and at night. These upgrades have complemented the Automatic License Plate Recognition (ALPR) cameras and combined with our regular security patrols, have not only helped keep crime rates low but have assisted Victoria Police in numerous investigations. The security team have responded to 215 incidents and 11,490 alarm activations which resulted in 1136 physical attendances throughout the year.

SLRS continues to collaborate closely with key stakeholders including Sanctuary Lakes Owners Corporation Committees and Authorised Representatives (AR's), Sanctuary Lakes Golf Club, Wyndham City Council, Greater Western Water, Melbourne Water and Parks Victoria. SLRS continues to build on our relationship with our OC Committees and AR's. This includes bi-monthly meetings consulting on the strategic direction of SLRS including the structure and legal framework that we operate in, as well as providing updates regarding the day-to-day operations of the business.

OUR FINANCES

SLRS recorded an audited after-tax operating surplus for the year ended 30th June 2023 of \$92,136.00 and an underlying positive net cash flow of \$51,712.00.

The revaluation of the lake, waterfront building,

tennis courts, maintenance compound, second wharf compound and the security hut has resulted in an increase in the asset revaluation reserve of \$3,403,133.00 at the 30th June 2023.

The formal unqualified audited financial report provided by the external independent auditor follows later in this Annual Report.

BUDGET FY2023/2024

This year fees had an increase of \$121.00 (including GST). We continue to see a reduction in income due to less revenue from vacant lot maintenance.

We also see increased cost pressures across all cost categories with inflation at 6% and Fair Work increases of 5.75% to applicable awards. In particular, the cost of insurance, electricity, gas, and horticultural supplies (trees, turf, soil, sand) have far exceeded inflation.

We continue to look for additional cost savings and operational efficiencies. We will see reductions in monitoring costs, community management fees and strata bank management fees (on over 15,000 transactions.)

CLOSING

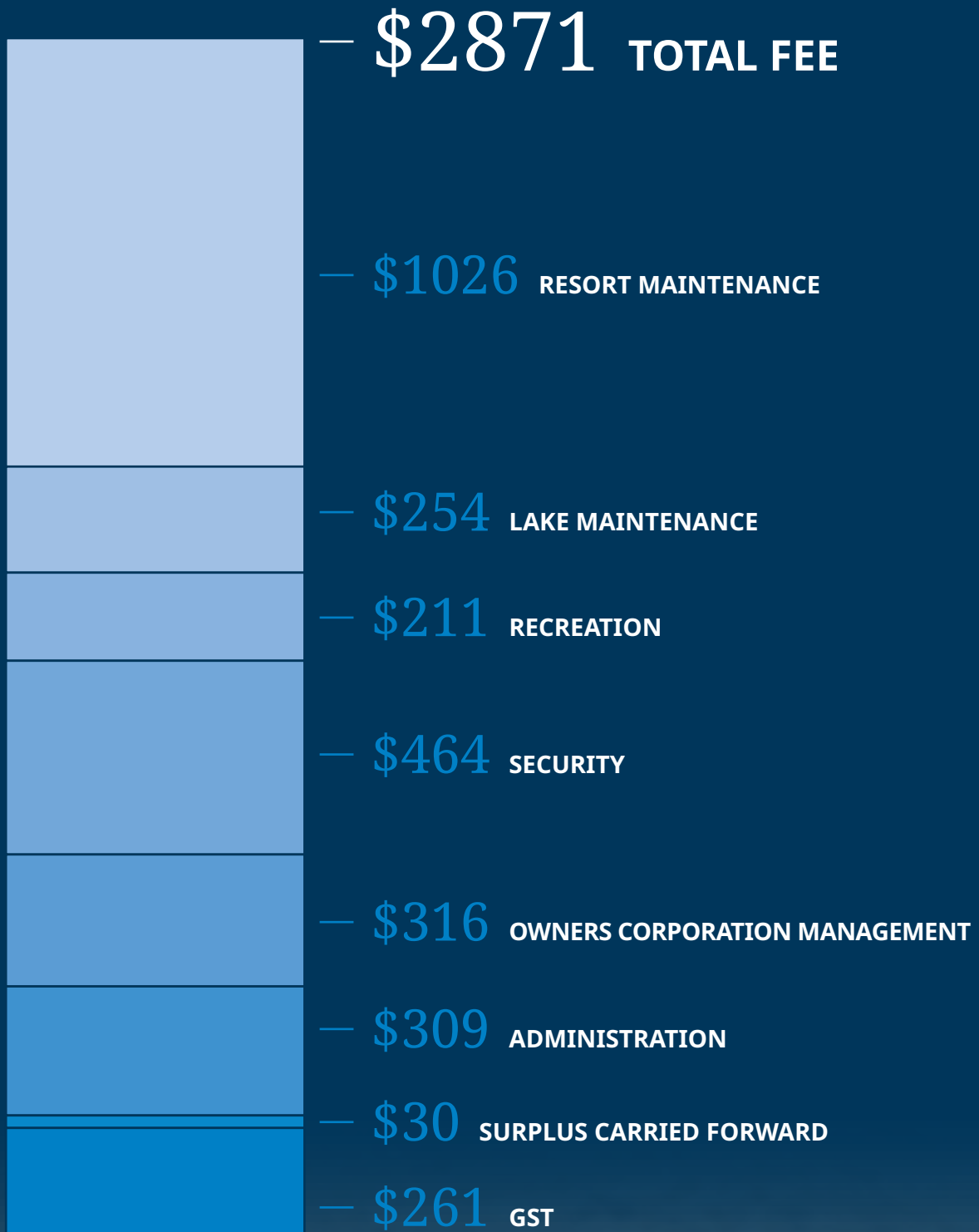
I would also like to take a moment to convey my appreciation to the Board of Directors, Authorised Representatives, Chairs, and Committee Members for volunteering your time. Your input is what makes Sanctuary Lakes a great place to live.

Finally, I would like to thank the Sanctuary Lakes Resort staff for your continued hard work in making Sanctuary Lakes secure, sustainable and innovative.



Trent Curwood
Chief Executive Officer

Fee Breakdown





Consolidated Financial Statements and Reports

For The Year Ended 30 June 2023



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Directors' Report

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 2023.

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

- Adam Rowland (appointed 29h November 2022)
- Adrian Dent
- Surjeet Dhanji
- Dilbagh Guha (resigned 8th May 2023)
- Ali Khan (appointed 29th November 2022)
- Thomas Parkinson (resigned 19 December 2022)
- Mark McGraw
- Craig Pitts
- Jeanette Ward
- Peng Wei (appointed 20th June 2023)

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

- Robert Allen

RESULTS

The net surplus of the Company for the financial year was \$92,136 (2022 surplus \$71,997)

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.

	Number of meetings attended	Number of meetings held whilst in office
Adam Rowland	1	1
Adrian Dent	2	2
Surjeet Dhanji	1	2
Dilbagh Guha	1	1
Ali Khan	2	2
Thomas Parkinson	1	1
Mark McGraw	2	2
Craig Pitts	2	2
Peng Wei	0	0
Jeanette Ward	2	2

CONTROLLED ENTITIES

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

Directors' Report (Cont'd)

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.



Jeanette Ward
Chair



Mark McGraw
Vice-Chair

Dated: 24/10/2023

Dated: 24/10/2023



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 2023 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: 20 October 2023

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

Board of Directors



**Jeanette
Ward**

CHAIRPERSON

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 and 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.



**Mark
McGraw**

VICE CHAIR

Mark and his family have been part of the Point Cook community since 2001. In 2016 he built in Stage 40 (Super OC). He joined the Super OC Committee in 2020 and is in his second year of service.

He has held senior management/director positions with Toll Global Express (Group General Manager), Telstra (Director Global Business Services), and BP Australia (Marketing Services Manager). Mark has a Bachelor of Commerce and Diploma in Business (Banking and Finance) from the University of Western Sydney.

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



Craig Pitts

Craig has been a member of the SLRS Board since 2013 and held the chair position from 2017-2021. 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

Tom has been a member of the SLRS Board since 2016. 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 brings managerial and communications expertise to SLRS.



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.



Surjeet Dhanji

Surjeet has been participating in various SLRS committee roles since 2007. She is the Chairperson for the Kingfisher Island committee (Stage 33).

Surjeet has extensive prior experience of working with resident associations overseas. Taking up issues for and on behalf of residents with government authorities,

successful ventures include installation of solar street lighting for security, planting trees, and conserving wetlands by prohibiting housing developments.

Currently, she is Manager for Victoria Government Projects and Director for Cultural Diplomacy at the Australia India Institute, and an Hon. Fellow, Asia Institute, University of Melbourne. Surjeet brings her multi-sector management skills, experience, and diverse community perspectives to the SLRS Board.



Dilbagh Guha

Dilbagh Kumar Guha Dilbagh currently resides in Beachview Parade (Super OC rep) and has been living in Sanctuary Lakes Resorts since 2019 after moving from Singapore. Dilbagh is a Data Science and Analytics professional with over 15 years of expertise in the banking and finance industry. Along with his vast experience in technology, he closely worked with global banks across multiple countries and regulators like AUSTRAC, Monetary Authority of Singapore (MAS), Office of Comptroller of Currency (OCC -USA). Most of the project/management roles involve Anti-money Laundering and terrorist financing domain.

Dilbagh believes Sanctuary Lakes Resort is one of the prestigious communities to live in. He brings strong financial acumen, thoughtful analysis, clear logic in underlying business decisions, close attention to key dimensions of operations and disciplined performance management.



Adam Rowland

Adam Rowland has been a resident of Sanctuary Lakes since 2014, and resides in Signature Estate (Stage 28), where he has been on the committee of Signature for the past 7 years, serving in various roles, and is the current Chairperson.

Adam has extensive management experience across government, tertiary, and private sectors, with several formal qualifications including a Master of Business (Management), Graduate Certificate in Policy and Human Services and a Bachelor of Business Studies. He has extensive experience in leading diverse teams within complex environments; managing change projects; process improvement; building strong collaborative partnerships; and delivery of organisational wide initiatives and solutions; with multi-million-dollar budgets.

Adam is committed to ensure Sanctuary Lakes Resort practices are affordable, sustainable, and risk managed, while seeking the ongoing betterment of facilities, parks and gardens throughout the estate.



Ali Khan

Dr. Ali Khan moved to Sanctuary Lakes (Stage 1) in 2020 from Berwick to join family who are residents of Sanctuary Lakes Resort since 2003. Dr Ali Khan is the Chair and Authorised Representative of SLRS (Stage1).

Dr. Khan is the Chief Executive / Chairman of Victoria Crescent Medical Group. He has served as the CEO of Local Government Councils and Indigenous Health Corporations in Victoria, Western Australia, Northern Territory and Queensland.

Dr. Khan has a Doctorate in Clinical Audiology, a PHD in Economics and an MBA degree. Dr. Khan will bring to the Board a wealth of experience in governance, financial management, community engagement and economic growth. Dr. Khan has served as a Bail Justice for the State of Victoria since 2004.



Peng Wei

It's such an honour to have the opportunity of serving my community as a Board Member of SLRS. Having lived in Sanctuary Lakes, Central Park (Stage 25D) for 10 years, I have seen its positive changes. I will strive to help the Board and Management team hear residents' voices so that we can all work together to make Sanctuary Lakes a better and happier community.

As a Chartered Financial Analyst charter holder, I have worked in the finance industry for more than 15 years. The companies that I served are across different fields such as asset management, brokerage, advisory, media, and Cryptos. Before I came to Australia, I studied and worked in the United States. I hope I can bring diversity and new perspectives to the board while trying my best to make a difference.



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	Consolidated Group	
		2023 \$	2022 \$
Revenue from Ordinary Activities	2	8,191,047	7,779,703
		8,191,047	7,779,703
Employment Expenses		(3,922,301)	(3,716,953)
Administration Expenses		(995,593)	(854,110)
Resort Maintenance Expenses		(1,303,758)	(1,358,007)
Lake Management Expenses		(428,429)	(482,977)
Security Expenses		(797,944)	(717,927)
Recreation Club Expenses		(623,003)	(548,995)
		(8,071,028)	(7,678,969)
Operating Surplus before income tax		120,019	100,734
Income tax expense		(27,883)	(28,737)
Net Surplus for the year		92,136	71,997
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		92,136	71,997

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
AS AT 30 JUNE 2023

	NOTE	2023 \$	2022 \$
Current Assets			
Cash & Cash Equivalents	3	2,733,687	2,681,974
Trade & Other Receivables	4	1,111,833	832,477
Inventory	5	5,257	9,612
Total Current Assets		3,850,777	3,524,063
Non Current Assets			
Property, Plant & Equipment	6	13,418,321	10,105,163
Total Non Current Assets		13,418,321	10,105,163
Total Assets		17,269,098	13,629,226
Current Liabilities			
Trade & Other Payables	7	543,621	443,513
Provisions	8	570,771	517,085
Financial Liabilities	9	445	11,546
Total Current Liabilities		1,114,837	972,144
Non Current Liabilities			
Provisions	8	29,358	27,448
Financial Liabilities	9	-	-
Total Non Current Liabilities		29,358	27,448
Total Liabilities		1,144,195	999,592
Net Assets		16,124,903	12,629,634
Members' Equity			
Members' Surplus		5,674,952	5,582,816
Members' Asset Revaluation Reserve		10,449,951	7,046,818
Total Members' Equity		16,124,903	12,629,634

**STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Members' Surplus	Members' Asset Revaluation Reserve	Total Equity
	\$	\$	\$
Balance at 1 July 2021	5,510,819	7,046,818	12,557,637
Surplus attributable to Members	71,997	-	71,997
Other Comprehensive Income for the year	-	-	-
Increase in Asset Revaluation Reserve	-	-	-
Balance at 30 June 2022	5,582,816	7,046,818	12,629,634
Surplus attributable to Members	92,136	-	92,136
Other Comprehensive Income for the year	-	-	-
Increase in Asset Revaluation Reserve	-	3,403,133	3,403,133
Balance at 30 June 2023	5,674,952	10,449,951	16,124,903

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 CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	2023 \$	2022 \$
Cash Flows from Operating Activities			
Receipts from customers		8,589,691	8,403,527
Payments to suppliers and employees		(8,389,008)	(8,002,976)
Interest received		141,105	44,775
Interest paid		(39)	(1,607)
Net Cash from Operating Activities	10(i)	341,749	443,719
Cash Flows from Investing Activities			
Property, Plant and Equipment (Net of leased financed assets)		(385,542)	(497,305)
Proceeds on Property, Plant and Equipment		99,859	83,001
Net Cash (used in) Investing Activities		(285,682)	(414,305)
Cash Flows from Financing Activities			
Equipment finance repayments		(4,354)	(32,889)
Net Cash (used in) Financing Activities		(4,354)	(32,889)
Net Increase/(Decrease) in Cash		51,712	(3,475)
Cash Held at the Beginning of the Financial Year		2,681,974	2,685,449
Cash Held at the End of the Financial Year	10(ii)	2,733,687	2,681,974

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 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: Accounting 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-

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 SUMMARY OF ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

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 2023.

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.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 SUMMARY OF ACCOUNTING POLICIES (CONT'D)

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

These standards are applicable to annual reporting periods beginning on or after 1 July 2021. AASB 2020-2 will prohibit certain for-profit entities from preparing special purpose financial statements and AASB 1060 provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. Given that the Company will be moving to general purpose financial statements in the future, there is likely to be increased disclosure for areas such as key management personnel, related parties, financial instruments; and some disclosures will be removed.



DEPARTMENTAL OVERVIEW OF INCOME & EXPENSES

TRADING PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Owners Corporation Management		Administration		Resort Ma
	2023	2022	2023	2022	2023
	\$	\$	\$	\$	\$
Revenue					
Owners Corporation Management Fee	7,686,745	7,359,459	-	-	-
Maintenance & Admin Levies	73,300	102,900	-	-	-
Interest	34,485	32,033	106,606	12,716	-
Other Revenue	65,490	80,269	135,488	102,617	46,020
Total Revenue	7,860,020	7,574,661	242,094	115,333	46,020
Employment Expenses					
Employee Expenses	432,981	405,064	603,725	474,870	1,056,131
Employee On Costs	84,660	72,420	104,779	88,223	246,851
Contingent Labour	-	-	-	-	-
Employee OH&S and Support	17,809	20,503	32,606	18,602	40,427
Total Employment Expenses	535,450	497,987	741,110	581,695	1,343,409
Operating Expenses					
Occupancy Expenses	27,826	20,700	37,901	22,307	36,024
Management / Contractor Fees	155,306	180,099	127,159	24,154	459,129
Materials , Waste and Landscaping Expenses	-	-	-	-	524,422
Plant/Building Repairs and Maintenance	10,288	12,223	4,312	1,655	58,881
Resident Support and Engagement	260,879	245,896	46,011	45,991	12,324
IT & CCTV	91,398	101,799	16,262	13,524	6,899
Recycled Water	-	-	-	-	318,694
Fuels, Oil and Lubricants	-	-	-	-	70,783
Total Operating Expenses	545,697	560,717	231,645	107,631	1,487,156
Admin/Overhead Expenses					
Subsidiaries	(5,721)	651	57,797	43,858	
Insurance	12,127	9,364	41,772	37,936	30,782
Income Tax	-	-	27,883	28,737	
Depreciation	14,898	10,303	52,521	52,688	204,522
Total Admin/Overhead Expenses	21,304	20,318	179,973	163,219	235,304
Total Expenses	1,102,451	1,079,022	1,152,728	852,545	3,065,869
Net Contribution	6,757,569	6,495,639	(910,634)	(737,212)	(3,019,849)

Maintenance		Lake Management		Security		Recreation		TOTAL	
2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-	7,686,745	7,359,459
-	-	-	-	-	-	-	-	73,300	102,900
-	-	-	14	26	-	-	-	141,105	44,775
36,524	-	-	40,675	43,969	2,224	9,190	289,897	272,569	
36,524	-	-	40,689	43,995	2,224	9,190	8,191,047	7,779,703	
1,029,572	264,062	188,088	496,816	465,387	-	-	2,853,715	2,562,981	
186,883	56,620	75,452	115,235	100,519	-	-	608,145	523,497	
-	-	-	176,607	229,784	-	-	176,607	229,784	
33,055	15,812	11,074	17,699	16,476	9,495	-	133,848	99,710	
1,249,510	336,494	274,614	806,357	812,166	9,495		3,772,315	3,415,972	
55,583	117,262	76,865	21,572	12,974	204,276	155,762	444,861	344,191	
392,548	-	-	420,189	409,361	271,279	286,879	1,433,062	1,293,041	
583,756	129,233	162,156	-	-	-	-	653,655	745,912	
46,829	70,334	140,853	60,235	49,696	73,654	76,441	277,704	327,697	
11,255	-	-	15,600	53,065	8,816	-	343,630	356,207	
7,161	-	-	59,841	149,611	-	-	174,400	272,095	
352,066	-	-	-	-	-	-	318,694	352,066	
59,824	15,379	18,507	-	-	-	-	86,162	78,331	
1,509,022	332,208	398,381	577,437	674,707	558,025	519,082	3,732,168	3,769,540	
35,009	28,815	25,080	1,058	1,660	-	-	53,136	46,169	
			6,907	6,539			120,403	113,928	
							27,883	28,737	
173,469	51,594	48,442	13,990	18,545	55,483	29,913	393,008	333,360	
208,478	80,409	73,522	21,955	26,744	55,483	29,913	594,428	522,194	
2,967,010	749,111	746,517	1,405,749	1,513,617	623,003	548,995	8,098,911	7,707,706	
(2,930,486)	(749,111)	(746,517)	(1,365,060)	(1,469,622)	(620,779)	(539,805)	92,136	71,997	

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 2023 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



Jeanette Ward
Chair



Mark McGraw
Vice-Chair

Dated: 24/10/2023

Dated: 24/10/2023



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

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

www.collinsco.com.au

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

Opinion

I have audited the accompanying financial report of Sanctuary Lakes Resort Services Ltd and its subsidiaries (the Consolidated Group), which comprises the balance sheet as at 30 June 2023, 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 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 2023 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 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 financial report has been prepared to assist Sanctuary Lakes Resort Services Ltd to meet the requirements of the Corporations Act 2001. As a result, the 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 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the 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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127 Paisley Street
Footscray VIC 3011
Australia

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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: 20 October 2023





Sanctuary Lakes Resort Services Limited

ACN 092 610 449

72 Greg Norman Drive
Sanctuary Lakes VIC Australia 3030

P +61 3 9394 9400

F +61 3 9394 9433

E ocmanager@sanctuarylakes.com.au

www.sanctuarylakesresort.com.au