

The background of the cover is an aerial photograph of a lake resort. In the center, there is a large island with several houses. The water is calm, reflecting the sky. In the foreground, there is a small inlet with some rocks and a small boat. The overall scene is peaceful and scenic.

# ANNUAL REPORT 2017-18

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

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# CORPORATE INFORMATION

## DIRECTORS

Craig Pitts *(Chair)*

Edward Boucaut

Theo Krug *(Vice-Chair)*

David Rava

Garry Sleeman

*(resigned 29th Nov 2017)*

Amelia Wilson

*(appointed 6th Oct 2017)*

Thomas Parkinson

John Anderson

*(resigned 23rd Aug 2017)*

Joseph Matina

*(resigned 26th Oct 2017)*

Graeme Young

*(resigned 11th Sep 2017)*

Brett Hernadi

*(appointed 29th Nov 2017)*

## COMPANY SECRETARY

Susan Quill

*(resigned 1st Aug 2018)*

Robert Allen

*(appointed 1st Aug 2018)*

## REGISTERED OFFICE & MAIN BUSINESS ADDRESS

72 Greg Norman Drive

Sanctuary Lakes Victoria 3030

ACN 092 610 449

## SUBSIDIARIES

SLR Security Pty Ltd

ACN 604 300 549

Sanctuary Lakes Residents

Association Pty Ltd

ACN 137 881 906

## AUDITORS

COLLINS & CO

Certified Practising Accountants

127 Paisley Street

Footscray Victoria 3011

# KEY PERSONNEL

## CHIEF EXECUTIVE OFFICER

Tony Ferreri

*(resigned 29th Sep 2017)*

Trent Curwood

*(appointed 29th Sep 2017)*

## OPERATIONS MANAGER

Trent Curwood

*(until 29th Sep 2017)*

## FINANCE MANAGER

Jessica Sciberras

*(appointed 21st Aug 2017)*

## COMMUNITY MANAGER

Garry Theobald

## OC PORTFOLIO MANAGER

Natalie Bianchini

## SECURITY MANAGER

John Pollard

## RESORT PRESENTATION MANAGER

Greg Fryer

## ARCHITECTURAL REVIEW COMMITTEE MANAGER

George Phua

## RECREATION CLUB MANAGER

Dan Tipples

*(resigned 22nd Sep 2017)*

Hadi Kerbaj

*(appointed 22nd Sep 2017)*

## TOTAL NUMBER OF EMPLOYEES

42.85 full-time equivalent



# INTRODUCTION

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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.

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



# MISSION STATEMENT

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To maintain a high quality residential lifestyle through:

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

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





# CHAIR'S REVIEW

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## THE YEAR IN REVIEW

On behalf of the Board of Directors, it is my pleasure to report that the year under review has been one of evolution and change. Communications, Security, core infrastructure and relationship building have all been key focus areas for Sanctuary Lakes Resort Services (SLRS) and the Board.

We've all felt and seen the changes that have come with our new Communications Strategy, along with new and refreshed online presence and with our first YouTube reviewable Town Hall meeting for greater transparency and accessibility for all residents.

In 2017 we committed to closing out Sanctuary Lakes as a Suburb discussion and the completion of the Boardwalk beside the Recreation Centre. We had mixed success with both. The Suburb name proposal didn't succeed at Council despite extremely strong community support and the Boardwalk construction is heading gradually to completion with discussions ongoing with the third party developer.

This year has also had the Board stop and look at the longer term visions and direction for Sanctuary Lakes Resort, as we move

from a transitioning mode into a steady state operational space. We've stopped looking at the issues in front of our feet and are now looking up to the horizon. This has given us the opportunity to think about the future and where we want to be with the core Resident offerings:

- Estate presentation
- Security
- Resident recreational Services
- Value for money



The lake remains in excellent condition and is still a central feature of the entry, recreation and leisure activities for the Resort, with a wonderful array of wildlife including a large flock of pelicans joining us this Spring. It always surprises me just how many people use the lake on a daily basis, if only to walk their dog by or to have a family gathering next to.

The civil infrastructure in Sanctuary Lakes Resort has seen more attention this year with City West Water implementing further significant upgrades of the sewerage system, providing further stability for the largest vacuum sewerage system in the Southern Hemisphere.

Additionally, NBN internet connectivity is finally becoming a reality for Sanctuary Lakes Resort! Internet connectivity has been a long lamented issue around the estate and NBN will allow some households to have cabled internet for the first time. SLRS has invested significant research in ensuring our services (especially in home security alarm systems) transition to NBN enabled homes.

Our Balance Sheet, detailed later in this Annual Report, shows that SLRS is tracking well financially and we preserve adequate cash flows to operate. Such a strong position

should give Residents the comfort that, if needed, SLRS can take on challenges to push and extend our residential offerings as per our four key offerings listed earlier.

FY2018-19 will see the Board focus future direction on building out our recreational services to fit the requests of the broader resident base. For this reason, we have asked for input via a survey. We are also reviewing the presentation of the entire estate to begin a refresh works program to keep Sanctuary Lakes Resort modern, fresh and the most desirable residential destination in the West of Melbourne. It is expected that this program will execute over multiple years (at least five) and deliver a significant refresh, bringing us to a more modern estate model.

We also want to see all homes brought onto updated security monitoring solution that is NBN compatible. With legacy copper connections being retired in 2019, this is critical to ensuring homes aren't dropped off our monitoring network.

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



# CHAIR'S REVIEW

## (CONTINUED)

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passion for the place we live and the proud community we have become.

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

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

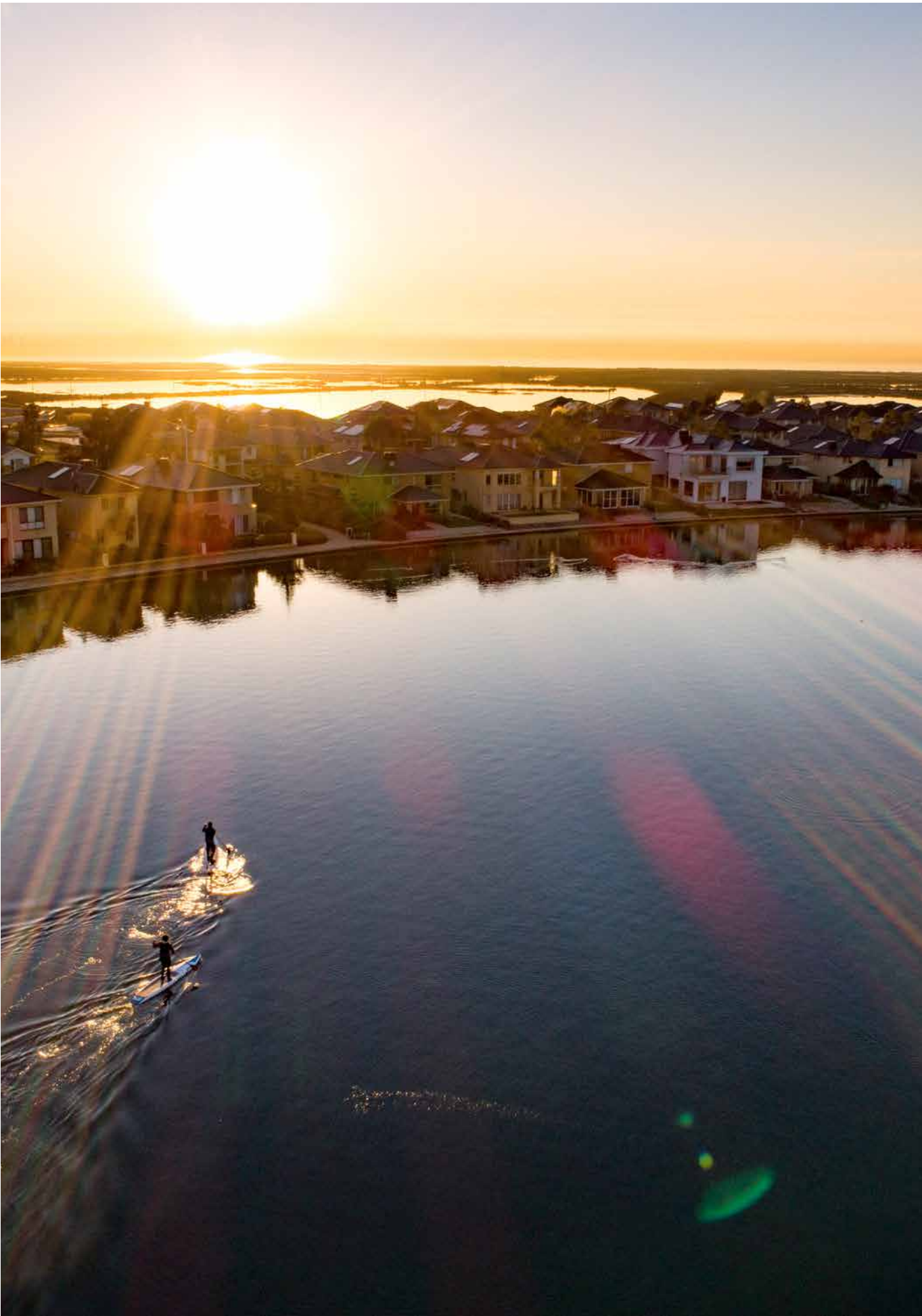


**CRAIG PITTS**  
**Chair**

*Sanctuary Lakes Resort Services Ltd*









# CHIEF EXECUTIVE OFFICER'S REVIEW

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It gives me great pleasure to present the CEO's Report for the 2018 Financial Year. The past 12 months were my first full year as CEO which has proven very busy. We have focused on identified improvements to the way the Resort is managed and how services are delivered, whilst maintaining a renewed focus on communications and relationship development with key stakeholders.

## WHAT DOES SLRS MANAGE?

Sanctuary Lakes Resort Services Limited (SLRS) is the licensed owners corporation manager for the 45 owners corporations that comprise Sanctuary Lakes Resort. There are presently 2,942 Lots, all privately owned, with the previously developer of Sanctuary Lakes having no involvement in the ongoing management of the Resort.

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 and security hut. SLRS

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

SLRS also maintains various other assets by agreement with the City of Wyndham including all parks and gardens in Sanctuary Lakes Resort.

SLRS is a company limited by guarantee and its members are each of the 45 owner's corporations. SLRS is a not for profit which operates for the benefit of all lot owners in Sanctuary Lakes Resort.





## KEY HIGHLIGHTS

The year has seen many highlights including the adoption of a new communications strategy that included new fortnightly newsletters, a new simplified website and multi-channel communications including Facebook, Instagram and Twitter.

We continue to focus on security with an additional 28 cameras being added to our network. We will also soon release details of a new NBN-ready alarm system rollout, which will modernise 15 plus year-old technology.

SLRS continues to work closely with key stakeholders including Wyndham City Council, City West Water, Melbourne Water, Parks Victoria, NBN Co and others. This has assisted in getting the entrance and exit roads resurfaced, NBN rolled out and the sewerage network upgraded. However, we were unsuccessful in having the council support Sanctuary Lakes as a suburb, despite 84.5% of residents supporting the proposal.

The Recreation Club opening hours were extended to accommodate an increasingly broad range of residents' lifestyles. We have also taken our first steps in the masterplan

development with the recent recreation survey. The board and management are now, working on a draft recreation strategy as a result of the survey and will further consult residents in due course.

We also continue to work closely with Sanctuary Lakes Club, ensuring synergies between the two entities are optimised where possible. The board have worked tirelessly with the aim to ensure that green open spaces in Sanctuary Lakes Resort are protected.

Unfortunately, the boardwalk next to the Waterfront building has yet to be completed. While we have an agreement with the original developer for them to complete the boardwalk, we do not have an agreement with the current owners of 76 Greg Norman Drive to ensure they uphold their agreement with the developer, which is necessary for the developer to fulfil their obligation to SLRS. We will continue to work towards resolving this matter as a priority.

# CHIEF EXECUTIVE OFFICER'S REVIEW

## (CONTINUED)

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### OUR FINANCES

SLRS recorded an audited after tax operating surplus for the year ended 30th June 2018 of \$439,470 and an underlying net cash inflow of \$543,185. SLRS continued in reducing debt having fulfilled its obligation by making the third instalment payment for the purchase of the maintenance compound to Sanctuary Lakes Club and leaving \$600,000 outstanding, to be paid by December 2019 per the original purchase contract.

Debt collection has continued to be an area of focus and we collected 97.6% of the 2017-18 year's fee. We continue to actively pursue outstanding fees at VCAT and have, this year, taken fifteen long-term debtors to the Magistrate Court.

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

### BUDGET FOR FY2018/19

We were pleased to be able to limit the increase in our fee to \$40 plus GST, which represented an increase of 1.7%, as compared to the CPI increase of 2.5% for the same period. We have pleasingly been able to achieve some efficiencies and savings around the Resort, in particular the use of electricity for lake maintenance. This was due to an introduction of a seven-variable lake management system.

We continue to review operations identifying operational efficiencies, however, an additional future budget pressure has been the recent fair work ruling increase in minimum wages in modern awards of 3.5%, which is adding increased wage pressure to some areas of our workforce.



## CLOSING

I would like to take this opportunity to thank our Chair, Craig Pitts, together with all the directors for their support this year.

I would also like to thank the many chairs and committee members of all the individual owners corporations. They have welcomed me openly and I have developed great working relationships for the future.

Finally I would like to thank my senior management team, Jessica Sciberras, Natalie Bianchini, Garry Theobald, John Pollard and Greg Fryer along with all of their respective teams. It has been a year of change, review and consolidation and their efforts and dedication have been appreciated.



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

*Sanctuary Lakes Resort Services Ltd*

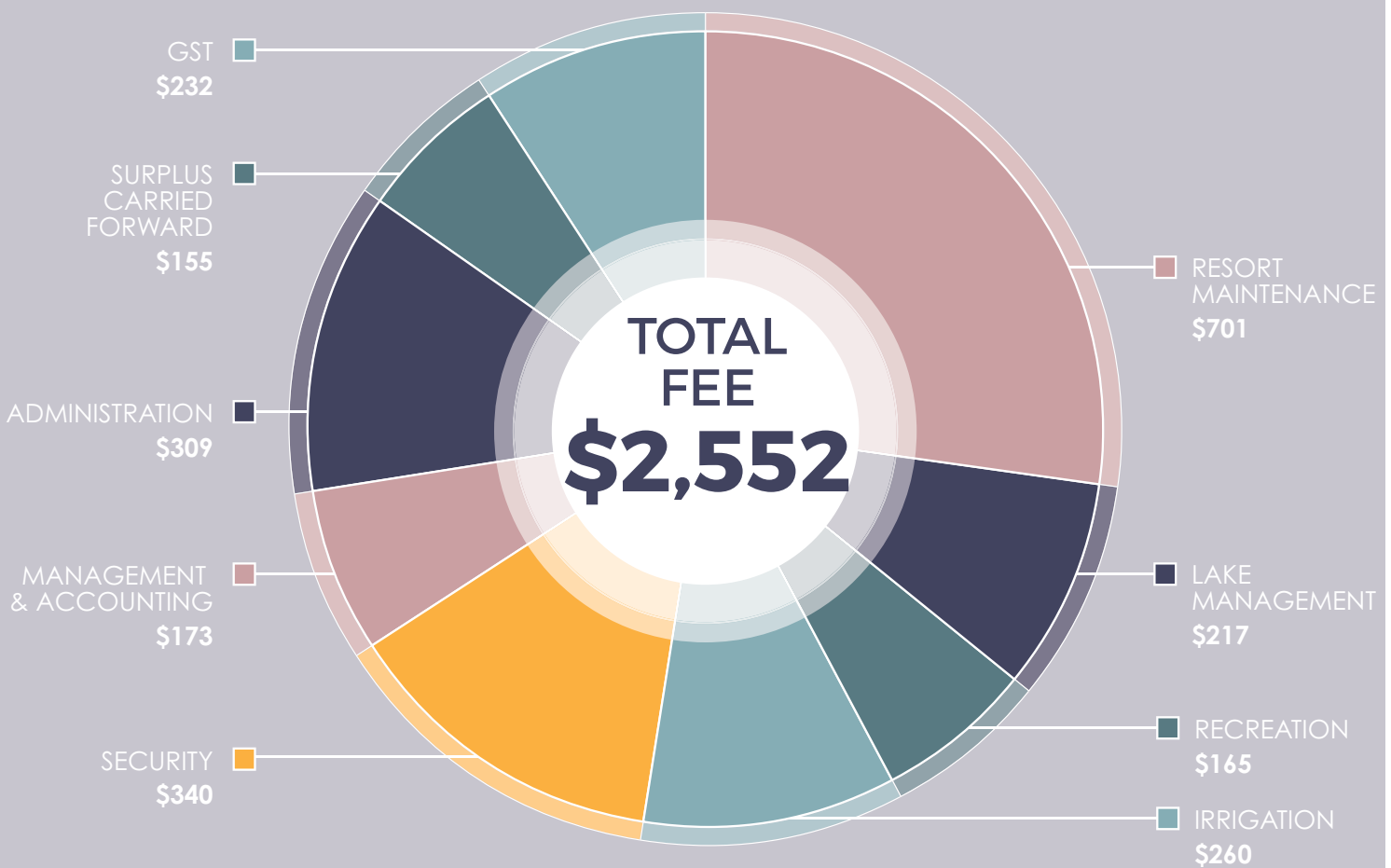
**FEE BREAKDOWN**

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SANCTUARY LAKES RESORT SERVICES LIMITED

# FEE BREAKDOWN

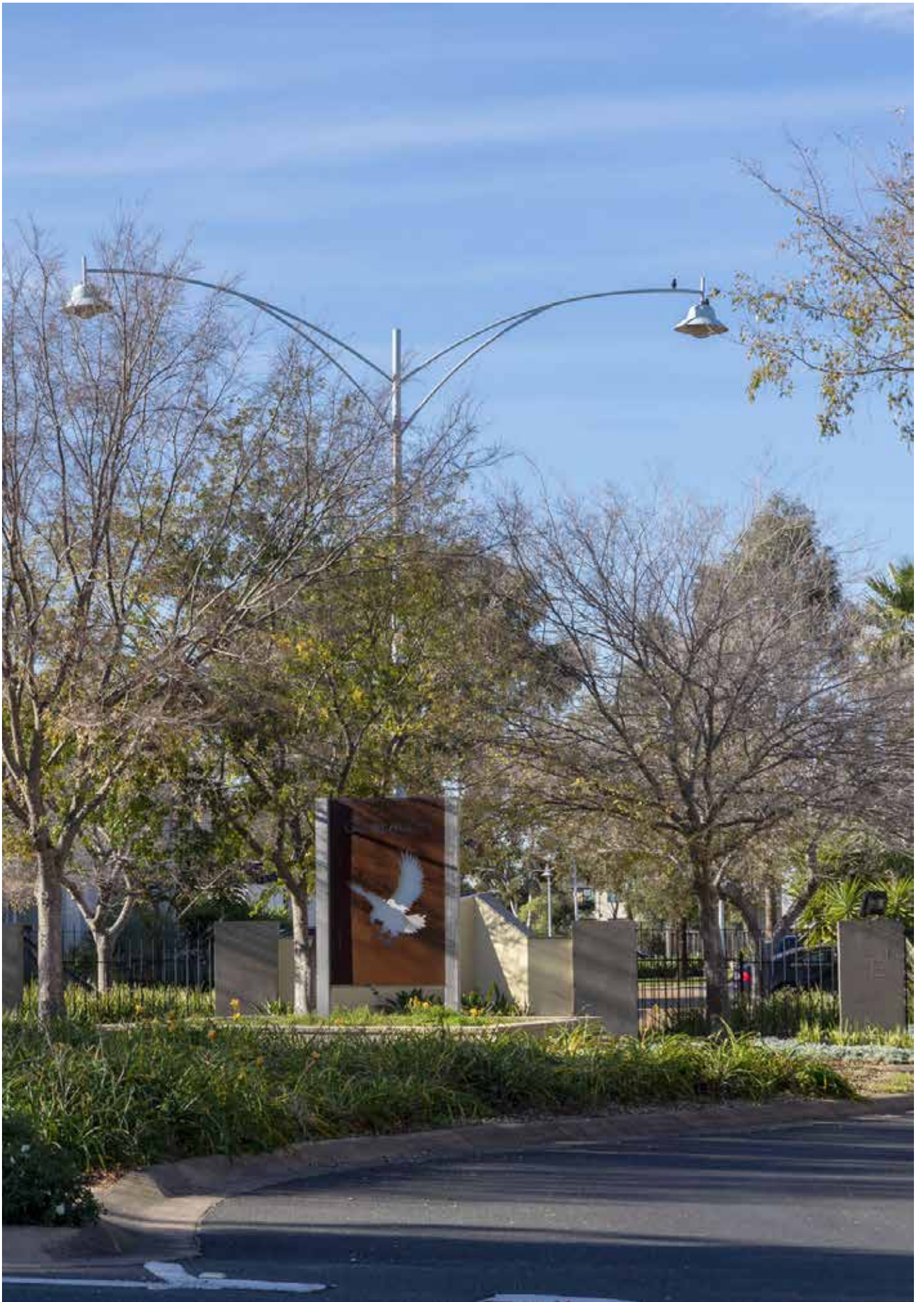
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



**NOTE:**

Under the Terms of the Maintenance Contract between Sanctuary Lakes Resort Services Ltd and the City of Wyndham, lot owners received a Sanctuary Lakes Rebate of \$201 for FY2017-18 (\$196 in FY2016-17).









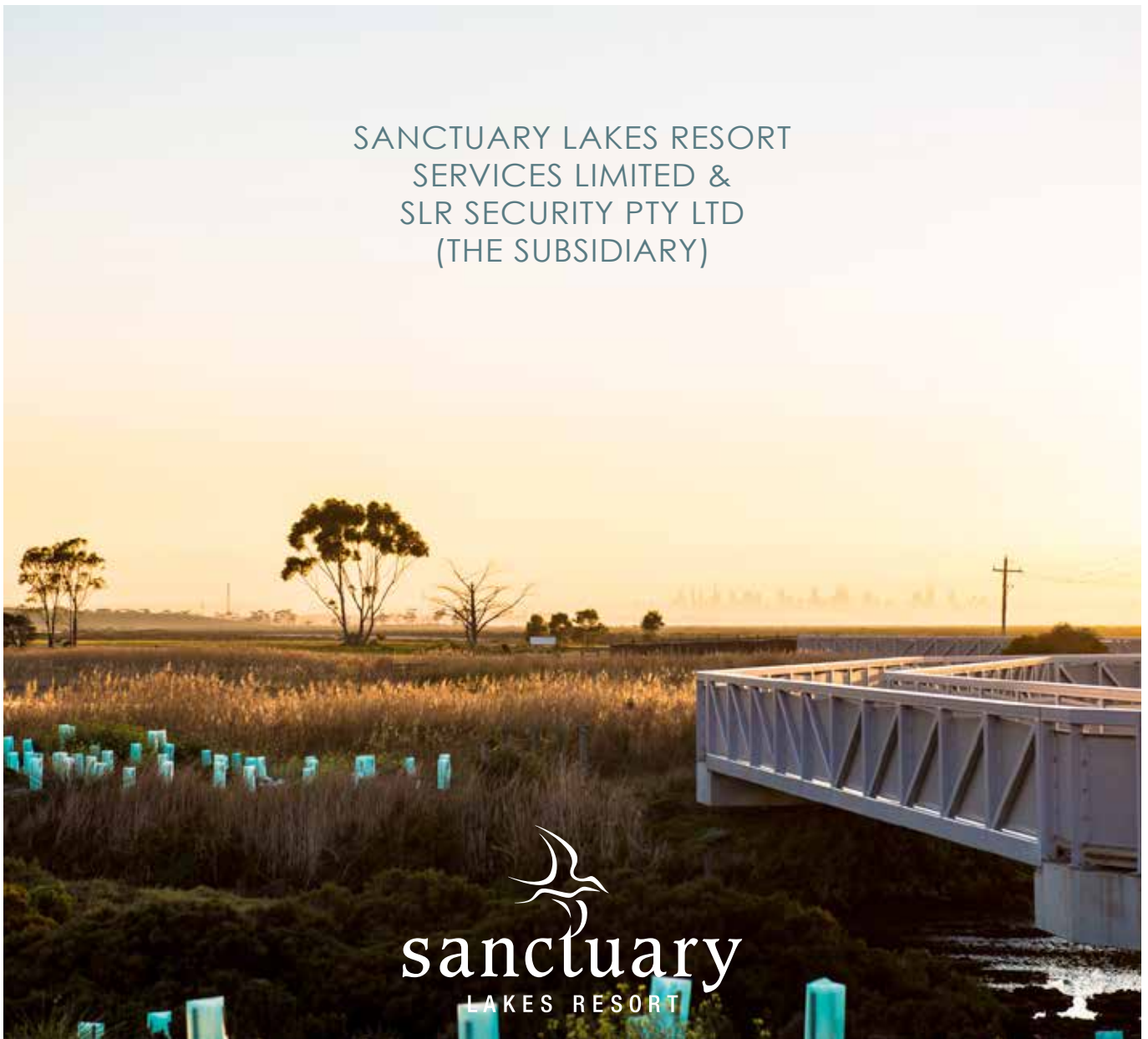


# AUDITED ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2018

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



# SANCTUARY LAKES RESORT SERVICES LIMITED

# DIRECTORS' REPORT

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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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 2018.

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

- Amelia Wilson  
(appointed 6 October 2017)
- Brett Hernadi  
(appointed 29 November 2017)
- Craig Pitts
- David Rava
- Edward Boucaut
- Garry Sleeman  
(resigned 29 November 2017)
- Graeme Young  
(resigned 11 September 2017)
- John Anderson  
(resigned 23 August 2017)
- Joseph Matina  
(resigned 26 October 2017)
- Theo Krug
- Thomas Parkinson

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

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

## RESULTS

The net surplus of the Company for the financial year was \$439,470 (2017: surplus \$622,665).

## 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.

SANCTUARY LAKES RESORT SERVICES LIMITED

# DIRECTORS' REPORT

(CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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## LIKELY DEVELOPMENTS

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

## SUBSEQUENT EVENTS

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

## DIRECTORS' INTERESTS AND BENEFITS

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

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



DIRECTOR'S REPORT

Continued on next page.



# SANCTUARY LAKES RESORT SERVICES LIMITED

# DIRECTORS' REPORT

## (CONTINUED)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### DIRECTORS' MEETINGS

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

	Number of Meetings attended	Number of Meetings held whilst in office
Amelia Wilson	1	1
Brett Hernadi	1	1
Craig Pitts	2	2
David Rava	2	2
Edward Boucaut	2	2
Garry Sleeman	-	1
Graeme Young	1	1
John Anderson	-	-
Joseph Matina	1	1
Theo Krug	2	2
Thomas Parkinson	2	2

### CONTROLLED ENTITIES

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

### MEMBERS GUARANTEE

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

SANCTUARY LAKES RESORT SERVICES LIMITED

# DIRECTORS' REPORT

(CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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## 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 27.

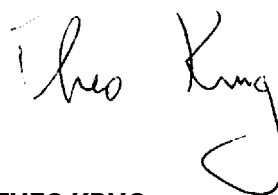
Signed in accordance with a resolution of the Directors made pursuant to the Corporations Act.  
On behalf of the Directors.



**CRAIG PITTS**  
**Chair**

*Sanctuary Lakes Resort  
Services Limited*

Dated: 23 October 2018



**THEO KRUG**  
**Vice-Chair**

*Sanctuary Lakes Resort  
Services Limited*

Dated: 23 October 2018

EXPERIENCE &  
QUALIFICATIONS

Continued on next page.



## SANCTUARY LAKES RESORT SERVICES LIMITED

# DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS

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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. 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 IT consulting arena, working with local, national, regional and global companies. His specialisation is IT security, information protection, audit and regulatory control (including SOX).

The breadth of organisational coverage and strong consultative nature, communication skills and genuine interest in both the residents and SLRS allow Craig to bring a unique and valuable view on building solutions for SLRS.



**THEO KRUG**  
VICE-CHAIR

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

and has been living in Sanctuary Lakes Resort since 2010.

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

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

## SANCTUARY LAKES RESORT SERVICES LIMITED

# DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS (CONTINUED)

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### 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 currently resides in Centrestage (Stage 18)

and has been living in Sanctuary Lakes Resort since 2001.

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.



# SANCTUARY LAKES RESORT SERVICES LIMITED

## DIRECTOR & OFFICER

### EXPERIENCE & QUALIFICATIONS

#### (CONTINUED)

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#### **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 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.



#### **AMELIA WILSON**

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

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

Amelia has over 10 years' experience

consulting with clients in education, human resources and government across a range of sectors and industries.

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



#### **BRETT HERNADI**

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

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

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

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

# SANCTUARY LAKES RESORT SERVICES LIMITED

## DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS

### (CONTINUED)

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#### GARRY SLEEMAN

Garry was a member of the SLRS Board from 2013 until November 2017. He resides in The Pinnacle (Stage 8) and has been living in Sanctuary Lakes Resort since 2003.

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

#### JOSEPH MATINA

Joseph was a member of the SLRS Board from 2013 until October 2017. He resides on Sand Piper Island (Stage 3) and has been living in Sanctuary Lakes Resort since 2006.

Joseph is a qualified Accountant, a Certified Financial Planner and a self-managed superannuation fund auditor. He is a Fellow of the Institute of Public Accountants, a Fellow of the National Tax Agents Association and a member of The Financial Planning Association. Joseph is also a licenced Real Estate Agent.

#### GRAEME YOUNG

Graeme was a member of the SLRS Board from 2013 until September 2017. He resided in Jardin (Stage 31) and lived in Sanctuary Lakes Resort from 2011 until 2017.

Graeme has over 30 years business and consulting experience and 15 years in key operational and business transformation roles with American Express, both locally and internationally. Graeme has also held senior management positions in the utilities, telecommunications, hospitality and information technology industries with companies including AGL, Integral Energy and Optus.

#### JOHN ANDERSON

John was a member of the SLRS Board from 2013 until August 2017. He resides in St Andrews (Stage 1) and has been living in Sanctuary Lakes Resort since 2003.

John has more than 30 years' experience in the design, supply and manufacturing of concrete reinforcement with the ARC Group of companies. As an Executive Officer of ARAMA, John was involved in negotiations with the Queensland and New South Wales governments and other industry stakeholders on legislative issues involving community title schemes.



SANCTUARY LAKES RESORT SERVICES LIMITED

# DIRECTOR & OFFICER EXPERIENCE & QUALIFICATIONS

(CONTINUED)

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## ROBERT ALLEN

Robert became the company secretary for SLRS in August 2018.

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

## SUSAN QUILL

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

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



AUDITOR'S INDEPENDENT DECLARATION

Continued on next page.

TOWARDS A VISION SHARED



**ABN 15 893 818 045**

127 Paisley Street,  
Footscray Vic 3011  
Australia

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

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Auditor: Frederik R.L. Eksteen

Date: 23 October 2018

Address: Collins & Co  
127 Paisley Street  
Footscray VIC 3011



# SANCTUARY LAKES RESORT SERVICES LIMITED

# STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Revenue from Ordinary Activities	7,417,802	7,461,967
	<b>7,417,802</b>	<b>7,461,967</b>
Employment Expenses	(3,378,343)	(3,333,931)
Administration Expenses	(1,107,494)	(1,132,112)
Resort Maintenance Expenses	(1,353,353)	(1,131,017)
Lake Management Expenses	(442,503)	(643,186)
Security Monitoring & Patrolling Expenses	(304,916)	(249,316)
Recreation Club Expenses	(376,009)	(331,782)
	<b>(6,962,618)</b>	<b>(6,821,344)</b>
<b>Operating Surplus before Income Tax</b>	<b>455,184</b>	<b>640,623</b>
Income Tax Expense	(15,714)	(17,958)
<b>NET SURPLUS FOR THE YEAR</b>	<b>439,470</b>	<b>622,665</b>
Other Comprehensive Income for the Year	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>439,470</b>	<b>622,665</b>

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



STATEMENT OF FINANCIAL POSITION

Continued on next page.

SANCTUARY LAKES RESORT SERVICES LIMITED

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	2018 \$	2017 \$
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	1,917,309	1,374,124
Trade & Other Receivables	623,987	883,905
Inventory	26,405	27,410
<b>Total Current Assets</b>	<b>2,567,701</b>	<b>2,285,439</b>
<b>NON CURRENT ASSETS</b>		
Trade & Other Receivables	-	13,334
Property, Plant & Equipment	5,622,595	5,749,297
<b>Total Non Current Assets</b>	<b>5,622,595</b>	<b>5,762,631</b>
<b>TOTAL ASSETS</b>	<b>8,190,296</b>	<b>8,048,070</b>
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	1,283,451	1,218,079
Provisions	383,594	372,344
Financial Liabilities	413,030	499,559
<b>Total Current Liabilities</b>	<b>2,080,075</b>	<b>2,089,982</b>
<b>NON CURRENT LIABILITIES</b>		
Provisions	19,165	18,168
Financial Liabilities	502,585	790,919
<b>Total Non Current Liabilities</b>	<b>521,750</b>	<b>809,087</b>
<b>TOTAL LIABILITIES</b>	<b>2,601,825</b>	<b>2,899,069</b>
<b>NET ASSETS</b>	<b>5,588,471</b>	<b>5,149,001</b>
<b>MEMBERS' EQUITY</b>		
Members' Surplus	3,653,376	3,213,906
Members' Asset Revaluation Reserve	1,935,095	1,935,095
<b>TOTAL MEMBERS' EQUITY</b>	<b>5,588,471</b>	<b>5,149,001</b>

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



STATEMENT OF  
CHANGES IN  
MEMBERS' EQUITY

Continued on next page.



SANCTUARY LAKES RESORT SERVICES LIMITED

# STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Members' Surplus \$	Members' Asset Revaluation Reserve \$	Total Equity \$
<b>Balance at 1 July 2016</b>	<b>2,591,241</b>	<b>1,935,095</b>	<b>4,526,336</b>
Surplus attributable to Members	622,665	-	622,665
<b>Balance at 30 June 2017</b>	<b>3,213,906</b>	<b>1,935,095</b>	<b>5,149,001</b>
Surplus attributable to Members	439,470	-	439,470
<b>Balance at 30 June 2018</b>	<b>3,653,376</b>	<b>1,935,095</b>	<b>5,588,471</b>

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



## SANCTUARY LAKES RESORT SERVICES LIMITED

STATEMENT OF  
CASH FLOW

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	8,337,800	7,988,666
Payments to Suppliers and Employees	(7,294,947)	(6,910,203)
Interest Received	95,034	126,235
Interest Paid	(19,754)	(21,031)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,118,133</b>	<b>1,183,667</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment (Net of Lease Financed Assets)	(338,685)	(387,991)
Proceeds from the Disposal of Assets	-	7,000
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(338,685)</b>	<b>(380,991)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Equipment Finance Repayments	(236,263)	(209,070)
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(236,263)</b>	<b>(209,070)</b>
Net Increase / (Decrease) in Cash	543,185	593,606
<b>CASH HELD AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,374,124</b>	<b>780,518</b>
<b>CASH HELD AT THE END OF THE FINANCIAL YEAR</b>	<b>1,917,309</b>	<b>1,374,124</b>

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



NOTES ON ACCOUNTS

Continued on next page.

## SANCTUARY LAKES RESORT SERVICES LIMITED

# NOTES TO AND FORMING PART OF ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

## 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.



## SANCTUARY LAKES RESORT SERVICES LIMITED

# NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

## SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### FINANCIAL INSTRUMENTS

#### RECOGNITION

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

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

A financial asset is classified in this category if acquired principally for the purpose of settling in the short term or if so designated by management and within the requirements of AASB 139:

*Recognition and Measurement of Financial Instruments*. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

#### LOANS AND RECEIVABLES

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

### FINANCIAL LIABILITIES

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

#### FAIR VALUE

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

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

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

SANCTUARY LAKES RESORT SERVICES LIMITED

# NOTES TO AND FORMING PART OF ACCOUNTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

## SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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

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

### IMPAIRMENT OF ASSETS

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets

have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

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

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

# SANCTUARY LAKES RESORT SERVICES LIMITED

# NOTES TO AND FORMING

# PART OF ACCOUNTS (CONTINUED)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

#### DEPRECIATION

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

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

#### PROVISION FOR EMPLOYEE BENEFITS

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

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

in the event employees wish to use their leave entitlement.

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

#### REVENUE

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

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

#### 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



# SANCTUARY LAKES RESORT SERVICES LIMITED

# NOTES TO AND FORMING

# PART OF ACCOUNTS (CONTINUED)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

#### CRITICAL ESTIMATES AND JUDGEMENTS

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

#### COMPARATIVE FIGURES

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





## DEPARTMENTAL OVERVIEW OF INCOME & EXPENSES

Continued on next page.

SANCTUARY LAKES RESORT SERVICES LIMITED

# DEPARTMENTAL OVERVIEW OF INCOME & EXPENSES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Owners Corporation Management		Administration		Resort Maintenance	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
Owners Corporation Management Fees	6,810,936	6,637,481	-	-	-	-
Maintenance & Admin Levies	275,620	412,878	-	-	-	-
Interest	47,112	100,090	47,922	26,145	-	-
Other Revenue	96,171	125,507	68,883	92,861	41,347	20,285
<b>TOTAL REVENUE</b>	<b>7,229,839</b>	<b>7,275,956</b>	<b>116,805</b>	<b>119,006</b>	<b>41,347</b>	<b>20,285</b>
<b>EXPENSES</b>						
Employee Benefits	512,475	516,508	435,542	587,539	1,262,213	1,234,644
Management / Contractor Fees	-	-	-	-	-	-
Insurance	4,435	4,538	31,040	31,746	26,125	14,839
Occupancy Expenses	28,018	30,033	29,388	29,818	48,982	53,195
Materials & Landscaping Expenses	-	-	-	-	455,840	319,363
Equipment Maintenance & Depreciation	30,423	37,192	168,611	186,844	210,232	203,443
Recycled Water	-	-	-	-	-	-
Other Expenses	470,239	376,167	245,829	332,040	102,773	134,537
<b>TOTAL EXPENSES</b>	<b>1,045,590</b>	<b>964,438</b>	<b>910,410</b>	<b>1,167,987</b>	<b>2,106,165</b>	<b>1,960,021</b>
<b>NET CONTRIBUTION</b>	<b>6,184,249</b>	<b>6,311,518</b>	<b>(793,605)</b>	<b>(1,048,981)</b>	<b>(2,064,818)</b>	<b>(1,939,736)</b>

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



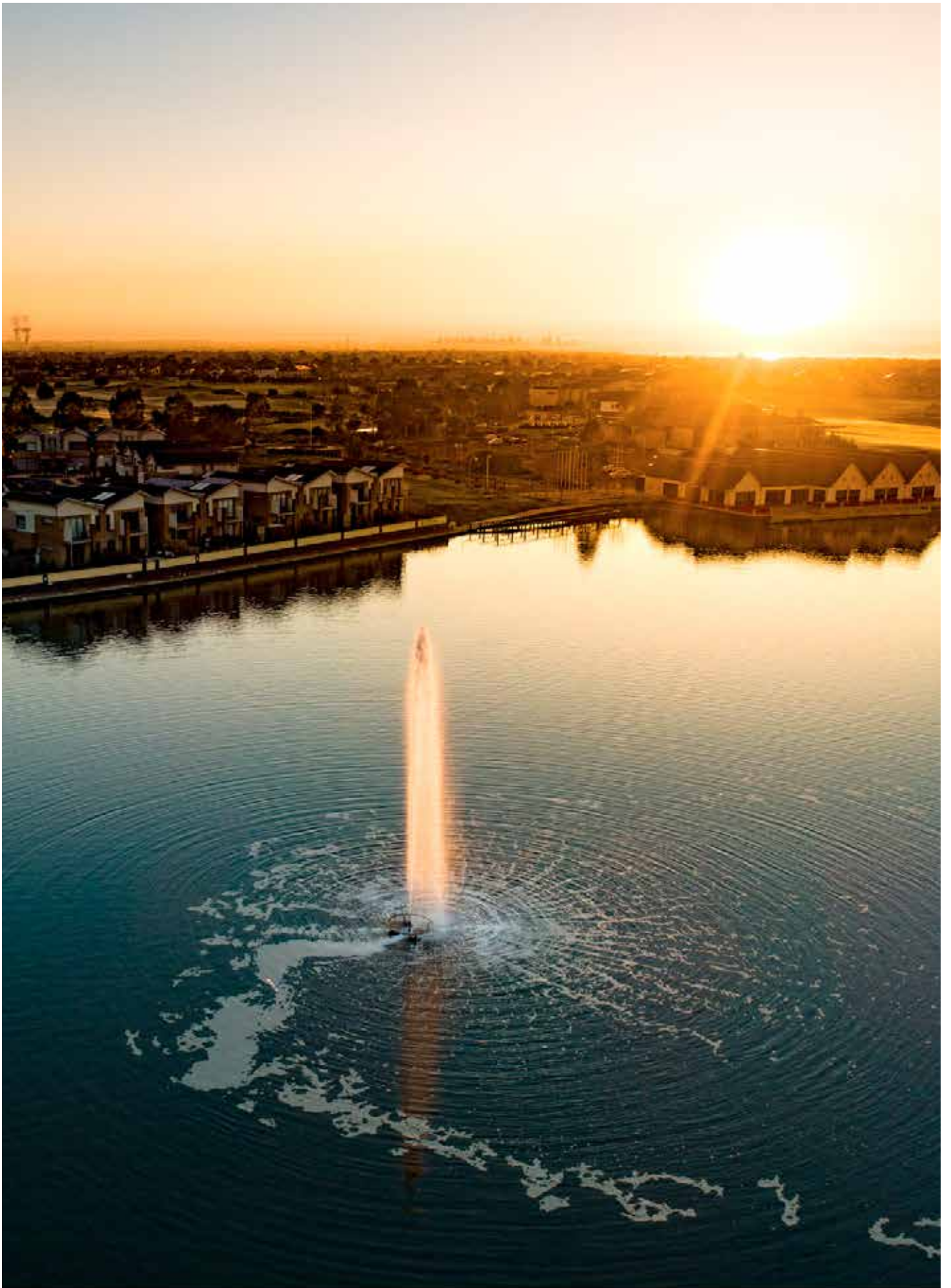
## SANCTUARY LAKES RESORT SERVICES LIMITED

# DEPARTMENTAL OVERVIEW OF INCOME & EXPENSES

(CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Lake Management		Irrigation		Security		Recreation		TOTAL	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-	6,810,936	6,637,481
-	-	-	-	-	-	-	-	275,620	412,878
-	-	-	-	-	-	-	-	95,034	126,235
-	-	-	-	25,154	42,331	4,657	4,389	236,212	285,373
-	-	-	-	25,154	42,331	4,657	4,389	7,417,802	7,461,967
195,682	203,763	254,011	229,109	718,420	562,368	-	-	3,378,343	3,333,931
-	-	-	-	267,977	228,004	243,055	233,585	511,032	461,589
22,183	22,689	-	-	-	-	-	-	83,783	73,812
34,313	50,093	-	-	-	-	171,335	193,600	312,036	356,739
30,915	53,948	151,186	127,811	-	-	-	-	637,941	501,122
212,698	290,051	99,929	63,924	33,303	19,988	74,464	27,883	829,660	829,325
-	-	256,586	211,707	-	-	-	-	256,586	211,707
142,394	226,405	1,700	2,198	6,016	(270)	-	-	968,951	1,071,077
638,185	846,949	763,412	634,749	1,025,716	810,090	488,854	455,068	6,978,332	6,839,302
(638,185)	(846,949)	(763,412)	(634,749)	(1,000,562)	(767,759)	(484,197)	(450,679)	439,470	622,665



SANCTUARY LAKES RESORT SERVICES LIMITED

# DIRECTORS' DECLARATION

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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

The Directors of the Company declare that:

- (i) The financial statements and notes present fairly the Company's financial position as at 30 June 2018 and its performance for the year ended on that date in accordance with the Corporations Act 2001 and Accounting Standards as detailed in the Summary of Accounting Policies; and
- (ii) The Directors are satisfied that the entity is a going concern, and can pay its debts as and when they fall due.

On behalf of the Board



**CRAIG PITTS**  
**Chair**

*Sanctuary Lakes Resort  
Services Limited*

Dated: 23 October 2018



**THEO KRUG**  
**Vice-Chair**

*Sanctuary Lakes Resort  
Services Limited*

Dated: 23 October 2018



## 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 2018, 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 2018 and of its performance for the year ended; and
- ii. complying with Australian Accounting Standards as per Note 1 and the Corporations Act 2001.

#### **Basis for Opinion**

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

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

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

#### **Emphasis of Matter - Basis of Accounting and Restriction on Distribution**

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

#### **Responsibilities of Directors for the Financial Report**

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

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



### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

**Name of Auditor:** Frederik R.L. Eksteen

**Address:** Collins & Co  
127 Paisley Street  
Footscray VIC 3011

**Date:** 23 October 2018



# SANCTUARY LAKES RESORT SERVICES LIMITED

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