



SANCTUARY LAKES
RESIDENTS ASSOCIATION LTD
Annual Report 2010/11



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CORPORATE INFORMATION

Directors	Stephen Head (Chairman) Colin Cass Ken Roche AO Nicholas Roche
Company Secretary	Susan Quill
Registered Office	c/o PGA National Office 600 Thompsons Road Sandhurst Victoria 3977
Main Business Address	72 Greg Norman Drive Sanctuary Lakes Victoria 3030
Auditors	Stannards Accountants and Advisors Pty Ltd Level 1, 60 Toorak Road South Yarra Victoria 3141
Managers	ClubLINKS Management Pty Ltd
Number of Employees	
Sanctuary Lakes Residents Association Limited	27

CHAIRMAN'S REVIEW

I am pleased to present this year's Annual Report for 2011 on behalf of the Sanctuary Lakes Residents Association ("SLRA").

This year's Annual Report is the first Annual Report for SLRA that is completely independent of Sanctuary Lakes Club Limited's Annual Report, and will be my last Chairman's Review for SLRA as we work towards "Transition" pursuant to the proposed suite of Agreements between the respective parties.

Naturally, during the past 12 months, Transition has been the focus of attention – especially agreeing and documenting the future relationship between SLRA and the Club to ensure that both parties will continue to cooperate in the future. This has been an extremely important task that has required the devotion of many hours throughout the year, often by volunteers, as a range of issues were carefully considered and addressed. Throughout the year, this task has been undertaken in good faith and by representatives of the SLRA Executive, Management and the Developer, together with the Club. On behalf of the Board, I thank all those participants who have worked so long and hard to finalise a suitable plan for the future of SLRA including the myriad of Owners Corporations for which it represents.

In my view, SLRA is well positioned to move forward in control of its own destiny. SLRA now has its own staff and Management that understand the needs of the lot owners and residents. On a very positive note, SLRA recorded a surplus for the 2010/11 financial year of \$265,833, noting that SLRA operates under the basis that any surpluses are to be used to fund capital projects that benefit the members of SLRA. Most importantly, from the Board's perspective, we are extremely proud of the fact that investors at Sanctuary Lakes Resort can reasonably expect to enjoy a superb, resort lifestyle, and at the same time experience a superior commercial return relating to land value premiums generated throughout the Resort.

The year in review has been a busy year. Not only has a great deal of time been spent by the Board, Management and SLRA Advisory Council on Transition, but there has also been the day-to-day work by Management of managing and improving the health and aesthetics of the Lake and Canal, the introduction of recycled water for the nature strips, parks and other common areas of the Resort, the provision of OC services, and the supervision of security and all other services at Sanctuary Lakes to the high standards expected by residents of the Resort.

As a result of all this hard work, the residents of the Resort can enjoy living in a community with higher house values, relatively lower crime rates, and tremendous facilities.

On behalf of the Board and residents I would like to thank the ClubLINKS team under the leadership of Mark Brayshaw, Tony Ferreri and Garry Theobald. I would also like to extend my thanks and appreciation to the members of the SLRA Advisory Council and especially Chairman Ian Brown and his Deputy, John Anderson, as well as executive members Cody Crocker, Andrew Grocholski, Craig Pitts, Garry Sleeman and Dean Trovarelli for their dedication and ongoing support as we move towards Transition.

On behalf of my fellow Directors, we are all very proud to have been involved in the development of the community at Sanctuary Lakes Resort and we wish SLRA and all residents of Sanctuary Lakes all the very best for the future.



Stephen Head

Chairman



KEY PERSONNEL

ClubLINKS MANAGEMENT PTY LTD

Chief Executive Officer

Chief Operating Officer

General Manager - SLRA

General Manager - Communities

Payroll Manager & HR Administrator

Mark Brayshaw

Nick Harvin

Tony Ferreri

Gary Theobald

Melissa McCarthy

ClubLINKS PTY LTD

General Manager - Finance & Administration

General Manager - Information Technology

Cameron Davidson

Kristy Chong

SLRA

Owners Corporation Portfolio Managers

Resort Services Manager

Resort Maintenance Manager

Natalie Gavriel

Melissa Mandros

John Pollard

Greg Fryer

REC CLUB

Rec Club Manager

Corpfit Health Management

Dan Tipples



ClubLINKS MANAGEMENT REPORT

ClubLINKS is in the business of providing Owners Corporation and community management services in Victoria (and New South Wales) and we have been involved at Sanctuary Lakes for many years. Our expertise behind the scenes is lead by Garry Theobald and supports on-site management for General Manager Tony Ferreri and his staff.

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

During the past 12 months, it is appropriate to give thanks to the hard work of the SLRA Advisory Council and especially Chairman Ian Brown and his Deputy, John Anderson, ably supported by executive members Cody Crocker, Andrew Grocholski, Craig Pitts, Garry Sleeman and Dean Trovarelli

Also thanks to our hard-working team lead, of course, by Tony and Garry. Much of their work is after hours and it's a credit to their efforts that the Sanctuary Lakes community is so beautiful and harmonious.

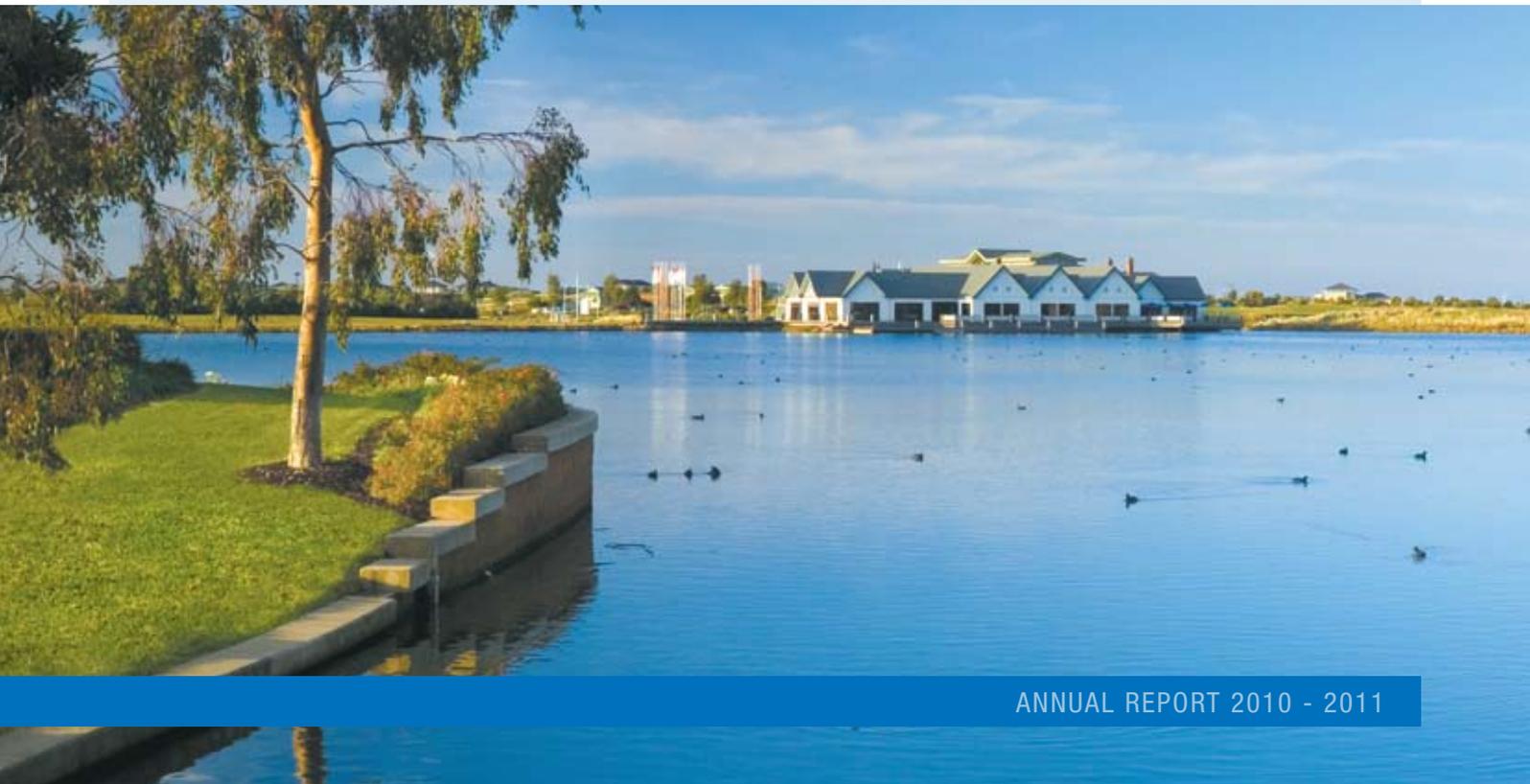
During the past 12 months, further success has been achieved in the collection of debtors. Under Garry's watch, compliance levels remain high and debtor collections continue to improve. Our billing process makes collecting fees and levies much easier and we have begun to establish a culture of prompt payment. Notwithstanding progress, this will continue to be an important focus.

The Developer has now sold virtually all its land at Sanctuary Lakes and will soon hand over control of the SLRA Board to Lot Owners. Consequently, the Board, SLRA Advisory Council Executive Committee and the Manager have spent much time developing and fine-tuning a viable Business Plan for SLRA. This Plan places SLRA in an enviable financial position for life after the Developer's departure and will continue to enhance the commercial return for investors in property at Sanctuary Lakes.

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

Mark Brayshaw

CEO of ClubLINKS Management Pty Ltd



GENERAL MANAGER'S REPORT

The year just ended has been a milestone year for SLRA and for the Sanctuary Lakes Resort as a whole.

The year started with our independence from the operations of Sanctuary Lakes Club Limited on 1 July 2010. As a result, SLRA has its own staff and freedom to manage a budget that truly reflects the needs of the lot owners and residents. I am pleased to report that we were able to deliver the planned services for a little under budget providing confidence that, when totally independent of the Developer, SLRA can operate on a financially sound basis.

In September agreement was reached between the SLRA Advisory Council's Transition Team, the Board of Directors of SLRA and the Developer on the key Transition issues leading to the announcement of those key terms at the 2010 Annual General Meeting of SLRA in November.

At the conclusion of that AGM, the Board of SLRA signed a Delegation of Authority in favour of the Executive Committee of the Sanctuary Lakes Residents Association Advisory Council whereby the Executive Committee assumed day to day oversight of SLRA's budget and operations, subject to the Board of SLRA reserving certain powers and discretions as required by law. SLRA's Management has met with the Executive Committee at least monthly since the 2010 AGM and works closely with Chairman, Ian Brown, and Deputy Chairman, John Anderson.

Also around that time, SLRA's Owners Corporation Management Team relocated from the Clubhouse into the Sales and Information Centre in the Waterfront Building. All of the operations of SLRA are now managed from that office.

Whilst the upkeep of our nature strips, parks and gardens is reasonably straightforward and can be managed to a programme, managing our Lake is completely the opposite. Sanctuary Lake changes with the seasons and with the quality of water coming into it from upstream. For many years there has been a contract in place for the cutting of the seagrass and another for the monitoring of the water quality, but this year we acquired our own equipment to enable SLRA to better deal with algal bloom outbreaks and general lake cleanliness. Our Truxor, a shallow water harvester, arrived in January to be joined mid-year by our transport barge and other related equipment. This has greatly improved our ability to manage the Lake and, whilst the water quality is our key focus, the aesthetics are also being addressed as time permits. The forward lake maintenance schedule will be published on our new web site when it comes on line later this year.

Recycled water has been available to Sanctuary Lakes from April. We are around half way through an ambitious plan to bring all common areas in the estate onto recycled water by the end of 2012, and earlier if possible. Much of the irrigation system has been idle through 6 years of water restrictions and each section must be tested and upgraded before it can be brought on line. Again, the upgrade schedule will be published on our new web site when it comes on line.



As regards Recreation, we are currently reviewing the operations of the Recreation Centre with the contract operator with a view to improving that service. At the same time, the new tennis courts adjacent to the golf driving range, are nearing completion and are expected to be ready for use around the end of October. The new courts have a synthetic grass finish and include one all purpose court marked out for basketball and netball as well as tennis. A seating area will be provided beside the courts.

The 2011 Annual General Meetings of our 39 Owners Corporations are taking place as this report is being prepared. It is clear that there is now a better understanding amongst lot owners regarding the role of SLRA as an in-house, licensed OC Manager owned, and ultimately controlled, by the 39 Owners Corporations that comprise Sanctuary Lakes Resort.

Day to day management of SLRA is contracted to ClubLINKS Pty Ltd, which provides senior management, accounting, human resources and IT services to SLRA.

Management is ultimately responsible to the Board of Directors however my team and I also work with the Executive of the Sanctuary Lakes Residents Association Advisory Council to deliver the following key services

- Owners Corporation Management,
- Resort Maintenance, including recycled water roll out,
- Lake Maintenance,
- Recreation Centre and Tennis Courts,
- Security, and
- Administration of SLRA as a legal entity.

I would like to thank my team leaders Garry Theobald, Greg Fryer and John Pollard for their tireless work during this year and Mark Brayshaw, Cameron Davidson and all the team at Clublinks for their support in the background.

Finally, I would also like to thank Ian Brown, John Anderson and the members of the Executive Committee, together with all the members of the Owners Corporation committees, for their advice and support.

Tony Ferreri

General Manager
Sanctuary Lakes Residents Association Limited

For and on behalf of ClubLINKS Management Pty Ltd



RESIDENTS' COMMITTEE REPORT

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

Each lot (house or unit) is part of an Owners Corporation (OC) structure currently made up of 26 unlimited Owners Corporations plus 13 limited Owners Corporations. The members of each Owners Corporation, each lot owner, are all bound by both State legislation (the Owners Corporation Act 2006) and the specific rules that are in place for Sanctuary Lakes (Sanctuary Lakes Resort Code). Together, all Owners Corporations control SLRA which manages the day to day operations of the overall community. Each OC appoints a delegate to attend any general meetings of SLRA. Hence the community is managed on behalf of all Owners Corporations.

Transition to a residents' appointed Board has again been a key issue to be addressed. In the most significant moves to date the operations of SLRA were separated from Sanctuary Lakes Club Ltd in July 2010. Further, the Executive of SLRAAC was formally recognised by the Board of SLRA pursuant to a Delegation of Authority dated 17 November 2010. As a result, and subject to the Board of SLRA reserving certain powers and discretions as required by law, all day-to-day operating matters, and the 2011/2012 budgeting process have been handled by the Manager at the recommendation of the Executive. It is intended that full transition will occur at the 2011 AGM.

As a consequence much work and some immediate changes, which are in both the short and in the long term interests of residents, have been implemented as the Executive work our way through various issues associated with transition. The transition team has been in continual discussions with the Developer and other stakeholders to ensure appropriate contracts and licences are in place that will allow SLRA to operate effectively when transition is completed. Additionally there has been a thorough review of operating documents so that the known liabilities that SLRA will accept at transition are correctly documented and manageable.

The 2010/11 year has seen a number of key matters addressed. A new strategy to maintain the health and improve the aesthetics of the Lake and Canal has been implemented, involving the purchase of new equipment and process improvements which have provided much needed flexibility and improved productivity. Lake maintenance is now much more effective and we are confident of a better response to Lake issues in the more challenging warmer months ahead.

While initially it was expected that a new Recreation Centre would be constructed on Golf Club land, the Executive has arranged with the Developer to be given freehold ownership and control of the Waterfront Building which includes the current recreation centre, café and office together with a cash contribution. SLRA does not own any other significant property and ownership of this building will allow SLRA to develop the building to address the changing needs of the Resort. Financially, ownership of our own freehold property is significantly better than leasehold improvements on Club land.



Following a sound financial performance in 2010/2011, the Executive reviewed Budgets and recommended an allocation of funds that best preserves the standards of Sanctuary Lakes Resort for the long term. Also from 1 July 2011 there will be greater consistency with services that are provided to each OC from the general OC levy paid by all lot owners. A consistent programme for recycled water delivery and garden maintenance will apply to both gated and "open" OCs.

Recycled water is now available for nature strips, parks and other common areas and those areas are being upgraded as fast as possible to take recycled water. Next summer should see a much greener Sanctuary Lakes.

The Security Team has continued to provide an invaluable service to the residents of Sanctuary Lakes. The combination of 24/7 back-to-base monitoring and patrolling is a great comfort to residents. The benefit is seen in the statistics that show a significantly lower crime rate in Sanctuary Lakes compared with the rest of Point Cook and the City of Wyndham.

Whilst the vast majority of lot owners accept the fact that they have chosen to buy into an Owners Corporation structure, enjoy the services provided and abide by the rules, there are some who have not. Non payment of the approved OC fee and instances of lot owners bullying the staff of SLRA are a major concern. Management has demonstrated a high degree of professionalism and patience in dealing with these problems but the future Board will take a zero tolerance position on matters such as these.

Nevertheless it is pleasing to report a high level of success in debt collection which will be a critical cash flow factor in the success of SLRA in the future. Those who default are taken to VCAT resulting in administrative expenses being added to the debt. Those who ignore the VCAT directive are taken to the Magistrate's Court.

On behalf of all owners within the Sanctuary Lakes community, I would like to thank the willing and very talented band of professional people from all disciplines who give their valuable time and skill to the workings of the SLRA Advisory Council and Executive. A special word of thanks goes to John Anderson and Tony Ferreri for their skilful and dedicated efforts on the transition team.

My thanks also go to Mark Brayshaw, Tony Ferreri and Garry Theobald from Clublinks, as well as to Natalie, Melissa and the OC Management Team, and John Pollard, Greg Fryer and their teams for their commitment to Sanctuary Lakes and the professional manner in which they have performed their duties during a year of many challenges and significant change.

Ian Brown

Chairman - Residents' Committee



RESIDENTS' COMMITTEE REPORT Cont.

As at 26th August the following people are members of the SLRAAC Executive:

SLRAAC Member	Executive Position	PS #	Stage
Ian Brown	Chairperson	430410G	21
John Anderson	Golf West cluster (Deputy Chairperson)	401006D	1
Cody Crocker	Lake cluster	412931D	6
Garry Sleeman	Golf East cluster	417943T	8
Vacant	Skeleton Creek cluster	-	-
Dean Trovarelli	Super - north cluster	511700W	Super
Craig Pitts	Super - centre cluster	511700W	Super
Andrew Grocholski	Super - south cluster	511700W	Super

As at 26th August the following people are members of the Sanctuary Lakes Residents Advisory Council:

SLRAAC Member	PS #	Stage	SLRAAC Member	PS #	Stage
John Anderson	401006D	1	John Carver	511693Q	28
Lyn Castillo	401008Y	2	Adrian Van Der Linde	520557X	31
Vacant	404770W	2A	Dean Trovarelli	511700W #1	Super
Stefan Deffert	403708H	3	Craig Cornwall	511700W #1	Super
Catherine Arnold	401009W	4	Kris Amato	511700W #1	Super
Phillip Truslove	506874Q	Lot M	Andrew Grocholski	511700W #1	Super
Jim Gray	433003E	5	Craig Pitts	511700W #1	Super
Cody Crocker	412931D	6	John Barron	511700W #1	Super
Terence Petersen	417942V	7	Tony Claringbold	511700W #1	Super
Suzanne Henty	417931B	7A	Vacant	401006D #2	1
Frank Caramanico	511024M	7C	Vacant	404770W #2	2A
Garry Sleeman	417943T	8	Vacant	403708H #2	3
Russell Drayton	416998W	9	Bryan Punshon	403708H #3	3
Stan Belcher	423642Y	10	Vacant	401009W #2	4
Frank de Kusel	437326G	17	Vacant	417942V #2	7
David Brown	431536C	18	Diana McGrath	417943T #1	8
Ian Brown	430410G	21	Vacant	417943T #3	8
Alex Sandles	528573G	Lot S	Alan Graf	423642Y #2	10
Alan Hutchinson	508305W	23	Craig Pitts	511700W #2	Super
Stacey Bourke	501104V	25A	Dwayne Hunt	511700W #3	Super
Andrew Hayes	502244X	25B	Vacant	511700W #4	Super
Lorraine Grimsditch	508291F	25C	Vacant	511700W #5	Super
Jeff Doell	506337T	25D	-	-	-



FINANCIAL SUMMARY REPORT

Sanctuary Lakes Residents Association Limited ("SLRA") recorded a surplus for the 2010/11 financial year of \$265,833 (the 2009/10 result was nil).

Being the first year of independent operation from Sanctuary Lakes Club Limited, this result is particularly positive and comes after several years of support from the Project developer, significant increases in Owners Corporation ("OC") Fees and the majority of lots now being developed and settled.

SLRA operates under the basis that any surpluses are to be used to fund projects that benefit the members of SLRA (the Owners Corporations). However in order to create a cash surplus SLRA must collect all outstanding amounts from its debtors. In the year in review SLRA managed to collect 92% of all OC fees compared to 90% in the previous year and as at 30 June 2011 there are amounts to the order of \$1.4 million outstanding (of which \$540k relates to the year just ended).

Management has been particularly successful in being awarded payment orders at VCAT and will continue to pursue all lot owners who choose not to pay their fees on time.

The key highlights of the financial result for the 2010/11 financial year are as follows:

1. no developer subsidy was required to fund the operations;
2. an overall favourable variance compared to budget of \$63,523;
3. lake maintenance expenses were as budgeted after the introduction of the Truxor; and
4. Resort Maintenance expenses increased by only 1%, despite a 5% increase in the number of lots within the resort and a far greater area requiring maintenance.

As the Project Developer is now finalising the last stages of the Resort and transition is imminent it is imperative that SLRA collects all outstanding amounts in order to create a reserve that it may call on in the future to fund any unforeseen circumstances. Should it not do so, it may be required to increase fees by amounts greater than would otherwise be required.

With the Resort now reaching maturity, and a number of strategic plans now either complete or well underway, the upcoming year and subsequent years are forecast to remain positive. Management will need to continue to operate efficiently: minimising costs and diligently pursuing debtors.

Cameron Davidson

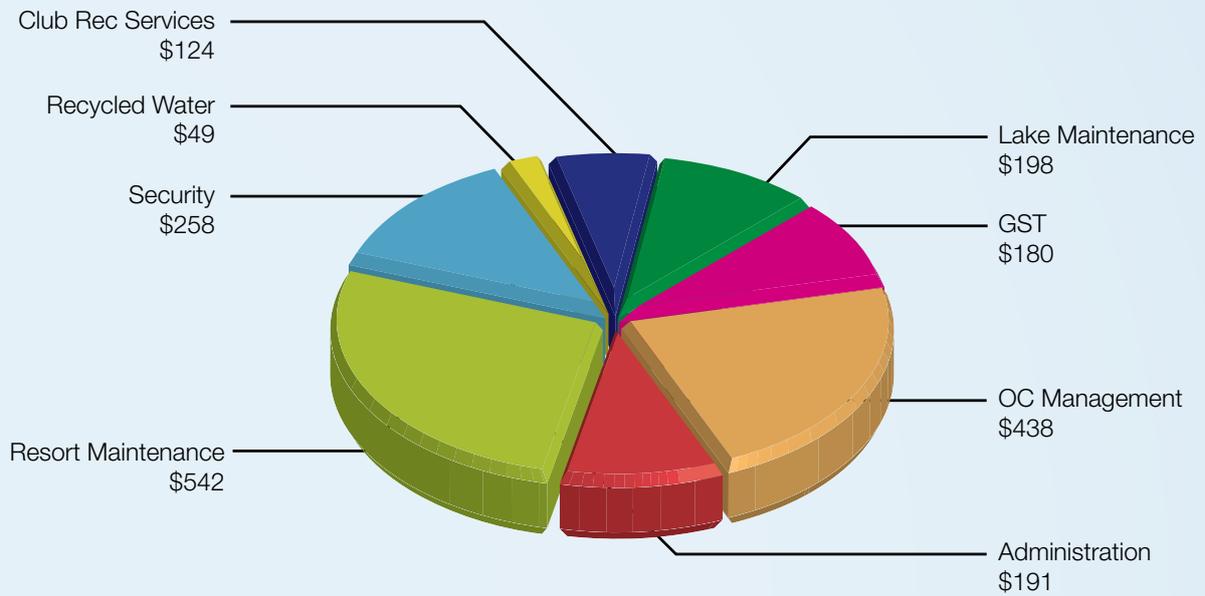
General Manager - Finance & Administration

For and on behalf of ClubLINKS Management Pty Ltd



SANCTUARY LAKES RESORT OC FEES BREAKDOWN

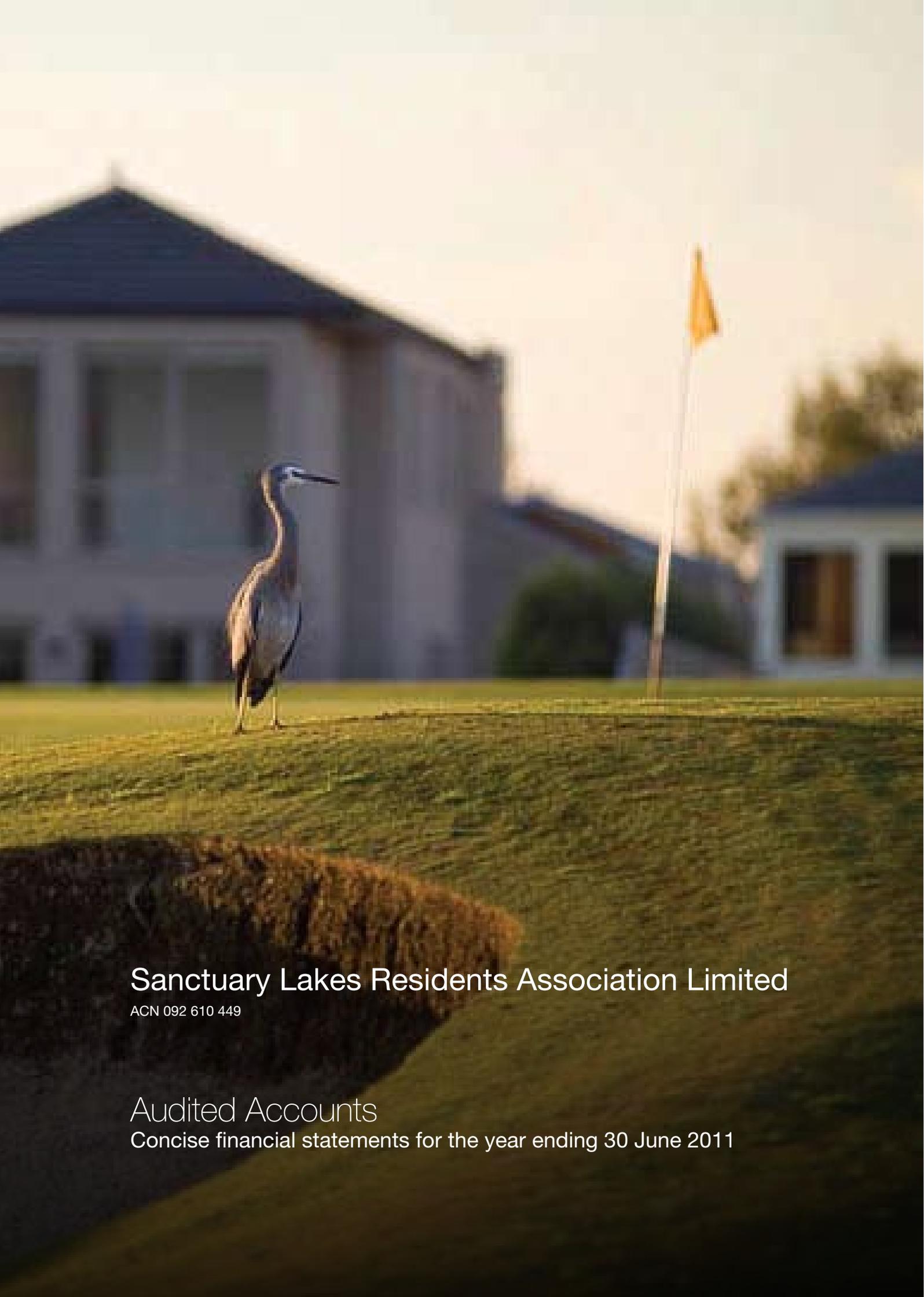
For the year ended 30 June 2011



TOTAL FEE \$1,980

Note: These allocations are arbitrary, and are provided as a guide for illustrative purposes only.



A blue heron stands on a golf green, looking towards the right. In the background, a large clubhouse with a gabled roof and a yellow flag on a tall pole are visible. The scene is set during the golden hour of late afternoon or early morning, with soft lighting and long shadows.

Sanctuary Lakes Residents Association Limited

ACN 092 610 449

Audited Accounts

Concise financial statements for the year ending 30 June 2011

SANCTUARY LAKES RESIDENTS ASSOCIATION LIMITED

DIRECTORS' REPORT

The Directors of Sanctuary Lakes Residents Association Ltd submit herewith their report together with the accounts of the Company for the year ended 30 June 2011.

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

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

RESULTS

The profit of the Company for the financial year was \$ 265,833 (2010: profit \$0).

PRINCIPAL ACTIVITIES

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

DIVIDENDS

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

STATE OF AFFAIRS

On 1 July 2010 the Company restructured its affairs. Effective from 1 July 2010 the agreement with Sanctuary Lakes Club Ltd to provide services to the Company ceased and the Company now provides management, estate and maintenance services to the Owners Corporations throughout Sanctuary Lakes Resort.

LIKELY DEVELOPMENTS

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

DIRECTORS' INTERESTS AND BENEFITS

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

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

SANCTUARY LAKES RESIDENTS ASSOCIATION LIMITED

DIRECTORS' REPORT CONT.

DIRECTORS' MEETINGS

The number of Directors' meetings held and attended by each Director of the Company during the financial period were:

	Number of Meetings attended	Number of Meetings held whilst in office
Stephen Head	3	4
Ken Roche	4	4
Nicholas Roche	3	4
Colin Cass	4	4

OTHER MATTERS

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

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company:

- (i) indemnified them or made any relevant agreement for indemnifying them against a liability including costs and expenses in successfully defending legal proceedings; or
- (ii) paid or agreed to pay a premium for them in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

ENVIRONMENTAL ISSUES

The Company's operations are believed to be in accordance with all significant environmental regulations under a law of the Commonwealth or of a State or Territory.

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

On behalf of the Directors,



Stephen Head
Chairman

Dated 21 October 2011



Ken Roche
Director

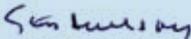
Dated 21 October 2011



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF Sanctuary Lakes Residents Association Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:-

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


Stannards, Accountants & Advisors


Michael Shulman
Partner

Dated: 22/6/11

Stannards Accountants and Advisors Pty Ltd
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Level 1, 60 Toorak Road, South Yarra, Vic 3141
Tel: (03) 9867 4433 Fax: (03) 9867 5118
Email: advisors@stannards.com.au

stannards.com.au

Liability limited by a scheme approved under Professional Standards Legislation

Partners
Marino Angelini, CA
Michael Shulman, CA
Nello Traficante, CPA
Jason Wall, CA
Nicole Postan, CA



**Independent Auditors Report
to the Members of Sanctuary Lakes Residents Association Ltd**

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report, being a special purpose financial report of Sanctuary Lakes Residents Association Limited which comprises the Statement of Financial Position as at 30 June 2011, Statement of Comprehensive Income, Statement of Changes in Member's Equity, and Statement of Cash Flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Declaration by the Directors of Sanctuary Lakes Residents Association Ltd.

DIRECTORS RESPONSIBILITY FOR THE CONCISE FINANCIAL REPORT

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

AUDITOR'S RESPONSIBILITY

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

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

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

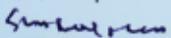
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

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

AUDIT OPINION

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


Stannards, Accountants and Advisors


Michael Shulman
Partner
Melbourne

Dated: 24/06/11

SANCTUARY LAKES RESIDENTS ASSOCIATION LIMITED

DECLARATION BY DIRECTORS

As detailed in Note 1 to the financial report the Company is not a reporting entity because in the Directors opinion, there is unlikely to exist 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 2011 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;
- (ii) At the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (iii) The financial statements have been derived from and are consistent with the Company's full financial report and AASB 1039: Concise Financial Reports.

On behalf of the Directors,



Stephen Head
Chairman

Dated 21 October 2011



Ken Roche
Director

Dated 21 October 2011

SANCTUARY LAKES RESIDENTS ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue from Ordinary Activities	2	5,128,099	3,939,574
		5,128,099	3,939,574
Management Fees		-	(3,939,574)
Employment Expenses		(1,606,986)	-
Administration Expenses		(1,002,843)	-
Resort Maintenance Expenses		(723,577)	-
Lake Maintenance Expenses		(513,988)	-
Security Monitoring & Patrolling Expenses		(670,000)	-
Recreation Expenses		(322,334)	-
		(4,839,728)	(3,939,574)
Operating Surplus before income tax		288,371	-
Income Tax Expense/(Benefit)		22,538	-
Net Surplus for the year		265,833	-
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		265,833	-

SANCTUARY LAKES RESIDENTS ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	2011 \$	2010 \$
Current Assets		
Cash & Cash Equivalents	946,789	-
Trade & Other Receivables	1,116,093	1,298,696
Inventory	35,730	-
Total Current Assets	2,098,612	1,298,696
Non Current Assets		
Improvements at Cost	12,402	-
Plant & Equipment	605,003	-
Total Non Current Assets	617,405	-
Total Assets	2,716,017	1,298,696
Current Liabilities		
Trade & Other Payables	1,331,279	1,298,696
Provisions	92,901	-
Financial Liabilities	827,050	-
Total Current Liabilities	2,251,230	1,298,696
Non Current Liabilities		
Provisions	3,664	-
Financial Liabilities	195,290	-
Total Non Current Liabilities	198,954	-
Total Liabilities	2,450,184	1,298,696
Net Assets	265,833	-
Members' Equity		
Members' Surplus	265,833	-
Total Members' Equity	265,833	-

SANCTUARY LAKES RESIDENTS ASSOCIATION LIMITED

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Members' Surplus \$
Balance at 1 July 2009	-
<i>Surplus / (Deficit) attributable to members</i>	-
Balance at 30 June 2010	-
<i>Surplus / (Deficit) attributable to members</i>	265,833
<i>Balance at 30 June 2011</i>	265,833

SANCTUARY LAKES RESIDENTS ASSOCIATION LIMITED

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
Cash Flows from Operating Activities		
Receipts from customers	5,640,909	-
Payments to suppliers and employees	(4,431,697)	-
Interest Paid	24,223	-
Net Cash from Operating Activities	1,233,435	-
Cash Flows from Investing Activities		
Equipment Finance Repayments	(292,950)	-
Plant and Equipment (Net of Lease Financed Assets)	617,405	-
Net Cash (used in) Investing Activities	324,455	-
Cash Flows from Financing Activities		
Loan from Sanctuary Lakes Club Ltd	(611,101)	-
Net Cash from Financing Activities	(611,101)	-
Net Increase/(Decrease) in Cash	946,789	-
Cash Held at the Beginning of the Financial Year	-	-
Cash Held at the End of the Financial Year	946,789	-

SANCTUARY LAKES RESIDENTS ASSOCIATION LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

1. SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

This concise financial report is a special purpose financial report prepared for use by the Directors and members of the Company. The Directors have determined that the Company is not a reporting entity, and therefore there is no requirement to apply all applicable accounting standards or other mandatory professional reporting requirements in the preparation and presentation of this report. The information contained within this concise financial report has been derived from and is consistent with the special purpose financial report of the Company for the year ended 30 June 2011.

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

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

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Company has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit and loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

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

AASB124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Company.

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

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

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

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

The following entities are required to apply Tier 1 reporting requirements (ie. full IFRS);

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Company has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretation to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Company.

AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the Company.

AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting Standards financial statements;

SANCTUARY LAKES RESIDENTS ASSOCIATION LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

1. SUMMARY OF ACCOUNTING POLICIES CONT.

- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Company.

AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

AASB 2101-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Company.

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

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Company has not yet determined any potential impact on the financial statements from adopting AASB 9.

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

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

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

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112. The amendments are not expected to impact the Company.

AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time. This Standard is not expected to impact the Company.

AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for first-time adopters (AASB 2009-11 & AASB 2010-7) (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7].

This Standard is not expected to impact the Company.

Taxation

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

2. RELATED PARTIES

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

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

Entity	General Services	
	2011 \$	2010 \$
SLJV ⁽ⁱ⁾ ⁽ⁱⁱ⁾ ⁽ⁱⁱⁱ⁾ ^(iv)	20,812	-
	20,812	-

SLJV Sanctuary Lakes Joint Venture

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







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