

ANNUAL REPORT – 2012

KARAGI COURT LIMITED

ABN: 92 002 044 500

PO BOX 6232
WEST GOSFORD NSW 2250



BOARD OF DIRECTORS:

PRESIDENT:	GARY YOUNG
VICE PRESIDENT:	GRAEME INGALL
A/SECRETARY:	DEREK CRAWFORD
A/TREASURER:	CHRIS MATTHEWS

DIRECTORS:

RICHARD BLACK

BENJAMIN CROCKETT

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Photograph – Courtesy of Surf Life Saving – Central Coast.

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PRESIDENT:
Gary Young



A/SECRETARY:
Derek Crawford

NOTICE OF ANNUAL GENERAL MEETING

**Karagi Court Limited
A Company Limited by Guarantee**

Notice is hereby given that the

Annual General Meeting

of

Karagi Court Limited
(ABN 92 002 044 500)

will be held at the

Ourimbah RSL Club

Pacific Highway, Ourimbah

on

Tuesday 23nd April, 2013 commencing at 7:00 pm

Please Note:

Any questions of a financial nature arising from the Annual Report as issues or questions of the Board are to be made in writing and received by the A/Secretary **by 5:00 pm on Friday 12th April, 2013.**

For and on behalf of the Board

Derek Crawford, A/Secretary
19th February, 2013



PRESIDENT:
Gary Young

A/SECRETARY:
Derek Crawford

KARAGI COURT LTD
ABN 92 002 044 500

AGENDA

Declared open at ____pm.

1. **Welcome to guests and members by the President – Mr Gary Young.**

2. **Proxies**

Secretary to declare all proxies received under Rule 13.

Resolution: *'That all proxies received be accepted.'*

Moved: Derek Crawford **2nd:** _____

Carried: Yes / No _____

3. **Apologies.**

Resolution: *"That all apologies received be accepted."*

Moved: _____ **2nd:** _____

Carried: Yes / No _____

4. **Minutes of the 2011 Annual General Meeting held on 10th April, 2012. (p. 9)**

Resolution: *'That the Minutes of the 2011 Annual General Meeting held on 10th April, 2012 as contained in the Annual Report be received and accepted.'*

Moved: Graeme Ingall **2nd:** Richard Black

Carried: Yes / No _____

5. **Any Matters arising from those Minutes.**

6. **Minutes of the Extra-Ordinary General Meeting held on 12th November, 2012. (p. 13)**

Resolution: *'That the Minutes of the Extra-Ordinary General Meeting held on 12th November, 2012 as contained in the Annual Report be received and accepted.'*

Moved: Graeme Ingall **2nd:** Ben Crockett

Carried: Yes / No _____

7. **Any Matters arising from those Minutes.**

2013.

Roger would like to continue his association with Karagi Court Limited as he has always believed in the objectives of and the actions of Karagi Court Limited in providing donations to the Central Coast community. In addition, Roger was a director as well as the Secretary of our company. The reason Roger left the area was to reside in Leeton was due to his brother's ill health.

As Roger would like to continue his interest in Karagi Court Ltd, and to do so, he would have to reside in the Gosford or Wyong LGAs (Rule 6.2.2); therefore it is recommended by the Board that Mr Roger Whitehead be given Honorary Membership.

Moved:	Graeme Ingall	2nd:	Derek Crawford
Carried:	Yes / No		

14. Appointment of Auditor.

Resolution: *'That Mr Tim Davidson from Fortunity Assurance be retained as the auditor for the financial year 2013.'*

Moved:	2nd:
Carried:	Yes / No

15. Appointment of Solicitor.

Resolution: *'That Mr Warren Richardson from Richardson Legal be retained as our solicitor for the financial year 2013.'*

Moved:	2nd:
Carried:	Yes / No

16. Joining Fee and Annual Subscription for 2014 – Constitution Rule 6.8.3.

Resolution: *'That the Joining Fee and Annual Subscription Fee remain at five dollars (\$5.00) each until the next Annual General Meeting 2014.'*

Moved:	Derek Crawford	2nd:	Chris Matthews
Carried:	Yes / No		

17. Any questions of the Board.

18. Election of Directors.

In accordance with the Constitution, all positions will be declared vacant including the President's. Mr Gary Young, according to the Constitution – Rule 15.2.2, cannot stand for re-election to the position of President.

Mr Denis Dean, if available, has been appointed as Returning Officer by the Board.

19. Nomination for Life Membership.

Resolution: *'Mr Gary Young be approved as a Life Member of Karagi Court Limited.'*



PRESIDENT:
Gary Young



A/SECRETARY:
David B. Walker

4. MINUTES OF THE ANNUAL GENERAL MEETING.

Held on Tuesday 10th April 2012 at the Ourimbah RSL Club, Ourimbah.

1. The President opened the meeting at 7-30pm welcoming guests and members. He especially welcomed Dennis Javes, Aaron Henry, and David Leabeeter to their first AGM.
2. **Attendance:** As per the attendance sheet.
3. **Proxies:** No proxies had been received.
4. **Apologies:** The follow apologies were received as well as being accepted from the floor – T. Wand, J. Cooper, N. Finlay, and N. Pollard.

Moved: G. Ingall	2nd: B. Crockett	Carried
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5. **Minutes of the 2011 Annual General Meeting - 12th April, 2011.**
Resolution: *'That the Minutes of the 2011 Annual General Meeting held on 12th April, 2012 as contained in the Annual Report be received and accepted.'*

Moved: D. Walker	2nd: R. Whitehead	Carried
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6. **Matters arising.** Nil.
7. **Minutes of the Extraordinary General Meeting – 4th November, 2011.**
Resolution: *'That the Minutes of the Extraordinary General Meeting held on 4th November, 2011 as contained in the Annual Report be received and accepted.'*

Moved: D. Walker	2nd: D. Crawford	Carried
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8. **Matters arising.** Nil.
9. **President's Report.** Mr Gary Young presented his report as contained in the Annual Report and again re-iterated his thanks to the Board for their help over the past year.
Resolution: *'That the President's report be accepted.'*

Moved: G. Young	2nd: G. Ingall	Carried
------------------------	----------------------------------	----------------
10. **Review Report by the Fortunity Assurance.**
Resolution: *'That the audited Financial Report and Notes, if any, by Fortunity Assurance be received and adopted.'*

Moved: D. Walker	2nd: R. Whitehead	Carried
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11. Confirmation of the Capital Account.

Resolution: *'That the Confirmation of Capital Investment report by Mr Tim Davidson of Fortunity Assurance be adopted.'*

Mr David Walker discussed the Capital as being \$ 3,790,000 and that the Accountant had regarded the \$15,000 at call as being cash on hand. He discussed the format of putting the Term Deposits out for 3, 4, 5 or 6 months and how the tender system worked in favour of Karagi Court Ltd.

Also, David discussed the interest rates we receive from the banks and that a variation of about 1% would mean about \$ 3,120 in lost income per month; this would certainly help a special organisation.

Moved: D. Walker **2nd:** J. Westbrook **Carried**

12. Treasurers Report.

Resolution: *'That the Treasurer's Report be received and adopted.'*

The report was presented to the Meeting by D. Walker who had been acting as the Treasurer for the last 12 months. David Walker read from his notes (filed) and discussed the many donations to the organisations over the last 4 years and summarised these as being>

2009	\$ 235,107	2010	\$ 166,888
2011	\$ 185,827	2012 to March	\$ 52,309

The total being \$ 642,131 with some additional donations, yet to be processed.

He also noted that the early donations in 2009 included - Riding for Disabled - \$ 3,450, Glenvale School, Narara - \$ 5,000 and The Entrance - \$ 5,000 as well as assisting Umina Police & Citizen's Youth Club, and the Gosford and Wyong Hospitals for about \$ 55,000.

Moved: D. Walker **2nd:** C. Matthews **Carried**

13. Charity Report.

Resolution: *'That the Charity Report be received and adopted.'*

Mr Derek Crawford (filed) who spoke of the great help we made to the many organisations in 2011 and the donations made in 2012 that already totalled \$52,000. The main one being for the SES, Gosford Hospital, Gosford Darts Club, University of Newcastle Ourimbah Campus of the 'Freemasons on the Central Coast Scholarship.'

Moved: D. Crawford **2nd:** B. Crockett **Carried**

14. Appointment of Auditor.

Resolution: *'That Mr Tim Davidson of Fortunity Assurance be appointed for the year 2012.'*

Moved: R. Whitehead **2nd:** G. Ingall **Carried**

15. Appointment of Solicitor.

Resolution: *'That Mr Warren Richardson, of Richardson Legal be appointed for the year 2012.'*

Moved: R. Black **2nd:** G. Ingall **Carried**

16. Joining Fee and Subs.

Resolution: *'That they remain at \$ 5-00 each for the year until the next AGM in 2013.'*

Moved: G. Ingall **2nd:** R. Black **Carried**

17. Questions of the Board.

The Chairman then asked for any questions from the floor.

- i. Mr Aaron Henry asked about the process of obtaining quotes from the banks for the Term Deposits. Mr D. Walker, Treasurer, answered the questions explaining how it was of great benefit to Karagi to select the best quote on the day.
- ii. In answering a question concerning Lodge allocations, Mr Walker spoke of the degree of difficulty in assessing some applications that were sometimes incorrectly filled out, insufficient information and the list went on and the assessment often takes unnecessary time. David discussed the value of the two large donations of \$ 25,000 in 2011 to Soldiers Beach Surf Club and Radio Five-0-Plus. Also, there will be no allocations to the Lodges until the Board has assessed the Radio Five 0-Plus presentation.
- iii. Mr Graeme Ingall invited all members to attend the Terrigal Surf Club on Sunday 22nd April at 10-30am for the presentation of the Surf Boat cover and the oars Also that the TV NBN would be present. Mr Greg Martin advised that the Gallipoli 100 surf boat would be at the Terrigal Presentation on the 22nd April and that it would eventually be taken overseas in 2015.
- iv. Mr Richard Black spoke on the importance of publicity and advised we had had over 11 mentions in the local paper and were on TV approximately four times during the last 8 months. Richard also stated the importance of the Lodges generating their own publicity by inviting the local press to their official donations, releasing media statements with pictures, and particularly noting that in some cases, nothing was being done to achieve contact with the community. Karagi Court's object (donations) was to create a means to make this contact easy.
- v. Mr Bill Elliott thanked the company for the donation for the Vietnam Veterans and spoke of the great help the computers were for the senior people.
- vi. Mr Jim Kirkness thanked the News Letter team of David Walker and Richard Black for the wonderful work they were doing in keeping the members informed.

18. Election of Directors.

The President invited Mr Denis Dean to conduct the election of Directors. Denis declared all positions vacant and read the nominations for the Director's positions. As there was only one nomination for each of the Director's positions and the exact number for the Directors, he declared the following elected unopposed.

Directors for the Year 2012 -13

Position	Name:
President	Gary Young
Vice President	Graeme Ingall
Secretary	Roger Whitehead
Treasurer	David Walker
Directors:	Richard Black
	Derek Crawford
	Benjamin Crockett
	Christopher Matthews
	Stephen Zeller

The President confirmed that the –

Finance Committee – David Walker as Chairman, Graeme Ingall & Roger Whitehead;

Charity Committee -Derek Crawford as Chairman, Graeme Ingall. David Walker and Roger Whitehead;

Publicity Committee - Richard Black as Chairman.

and of course, the President is ex-officio to all committees.

There being no further business, the President invited Graeme Ingall to introduce his guest, Ms Kristina O'Hagan from the Terrigal Surf Life Saving Club. Kristina described the fund raising efforts undertaken by the club and how long it might have taken to raise the money we had given them. This donation was an enormous benefit to the Terrigal Surf Club as well as to the community, and particularly, it is another avenue that Surf Lifesaving can offer to its younger members. Finally, Kristina thanked the Company and the Freemasons on the Central Coast for the donation of ladies surf boat oars and the boat cover which both had the S&C emblem attached.

Mr Roger Whitehead then introduced Mr Tony Long from the Marine Rescue at Point Clare, who we assisted in 2010 and again in 2011. Tony is a volunteer at Point Clare and told about the experiences on the water and how our donations of a Screen for Point Clare and Noraville helped in their rescues and also the Versa Docking system at The Entrance.

Both our guest speakers were thanked by the President.

There being no further business, the meeting was closed at 8-50pm and we retired for refreshments.

Signed as being a true and correct record.

Mr Gary Young, President.

Dated: 22nd April, 2013.

PRESIDENT:
Gary Young



A/SECRETARY:
David B. Walker

5. MINUTES OF THE EXTRAORDINARY GENERAL MEETING

Held on Tuesday 13th November 2012 at the Ourimbah RSL Club, Ourimbah.

1. The President declared the Meeting open at 7:30 pm.

The purpose of the meeting was to inform Members on the activities of the Company since our AGM in April 2012 and to report on the donations made in 2012.

2. **Present** – President – G.R. Young; Vice President - G.K. Ingall; Treasurer / A. Secretary – D.B. Walker; and Directors – D. Crawford, R.G. Black, R.J. Whitehead, C.W. Matthews. And 5 members as per attendance sheet.

3. **Apologies:** Director: B.S. Crockett and 21 Members as per attendance sheet.

4. **Business:**

- i. The Chairman welcomed all members and our two Guest speakers - Mr Werner Klumpp from SES and Mr Bill Donaldson from the Ambulance Service at Point Clare. Also, Mr Lance Nelson who had just joined Karagi Court Ltd
- ii. **Charity Report:** Mr Derek Crawford read his extended report on the donations made during 2012 and confirmed the Board had announced the new allocations to the Lodges. His full report is filed for reference.
- iii. **Finance Report:** Mr David Walker advised the meeting that we started the year 2012 with a credit balance of \$ 61,229 and that interest received during the amounted to \$ 201,031.

The capital was increased by \$25,000 in June and it was proposed to add a further \$ 20-25,000 in December to comply with our requirement of 20% of income to the capital account.

Donations paid and confirmed by Derek Crawford of the Charity Committee totalled \$ 116,398 net and excluded the SES Wyong Unit.

5. The President then called upon the Vice President Graeme Ingall to introduce the Guest Speaker, Mr Bill Donaldson from the Point Clare Ambulance Station, Education Unit. Bill spoke of the new equipment needed and that the training had now extended to other areas in Newcastle and parts of Sydney. The Smart Board and hand held devices donated by the Freemasons on the Central Coast had been very successful and that the Point Clare Unit would now be used for a testing scheme in 2013. He also spoke highly of the two defibrillator's given to Terrigal and Point Clare Stations and that their use had already saved lives

Mr Donaldson thanked the Board and the Freemasons for their support for his Ambulance Stations and assured the members that they were keen to assist where possible. The plaque and Snake framed story were still on the wall in the training room.

The Vice President then introduced Mr Werner Klumpp of the Gosford Unit of the SES who explained how successful the donation of a Ribbed IRB boat and motor and trailer had been in their training programme. So far the boat has not been called upon for rescues. Mr Klumpp, who has 7 years as a member, advised that all the members of Gosford Unit were volunteers and that the station is not always manned, however the service is fully operational by a direct communication system.

6. The Chairman then asked for questions from the floor and the speakers answered accordingly.
 - i. Mr Richard Black informed the meeting that a continued promotion of the Freemasons' activities was essential for the long term of seeing that the Lodges are out there in the community and that we in Karagi Court can assist in this worthwhile service. Mr Black also mentioned the TV and radio and newsprint services had all been used this year and we received excellent coverage, particularly the surf clubs. It was pointed out that it is essential that the Lodges all try hard to obtain editorial after each donation had been made to the various recipients.
 - ii. General questions were answered to the satisfaction of Members and a vote of confidence was confirmed in the actions of the Board of Directors.

The President Mr Gary Young thanked the members for their attendance and also thanked the two Guest Speakers for their informative talk, which was appreciated.

He then closed the meeting at 8-35pm and asked the members to join for light refreshments.

Signed as a true and correct record

Mr Gary Young, President.

Dated: 22nd April, 2013.

8. PRESIDENT'S REPORT – MR GARY YOUNG.

What a final Year, the amount of publicity that Masonry in this District has obtained what great results!

To the Secretary/Treasurer David Walker, Vice President Graeme Ingall, Derek Crawford, Chairman of the Charity Committee, and Richard Black our Publicity Officer, thank you - your tireless work that you put in to administrating the running of Karagi Court. Also, to the other Committee Members – thank you.

The loss of our former Secretary and Board Member Roger Whitehead in leaving this area and his moving to Leeton - Roger, you will be missed for the amount of hard work and the dedication to Karagi Court, and Masonry in general. Thank you for assisting me in performing my duty as President.

During the year, Mr Bill Richardson, our Immediate Past President and first Life Member, passed away. Bill spent many years as Secretary and President.

As per the Constitution, this is my last year as President. I wish that the incoming President and his Committee all the best in the future.

Gary Young
President
22nd February, 2013.

9. AUDITOR'S REVIEW BY FORTUNITY ASSURANCE.

Karagi Court Limited
ABN 92 002 044 500

Financial Report
For the Financial Year Ending
31st December, 2012.

**Annual Report
For The Financial Year Ended 31 December 2012**

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Director's Report.

Your Directors present their report on the company for the financial year ended 31 December.

Directors.

The names of each person who has been a Director during the year and to the date of the report are –

Richard Gregory Black
Derek Crawford
Benjamin Samuel Crockett
Graeme Kenneth Ingall
Christopher William Matthews
Gary Robert Young
Stephen Gilbert Zeller (Resigned July, 2012)
Roger Joe Whitehead (Resigned December, 2012)
David Bowring Walker (Resigned January, 2013)

Directors have been office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities.

The principal activity of the company during the financial year was support charitable organisations on the Central Coast.

The company's short-term objectives are to:

- provide relief to necessitous persons within the Central Coast community;
- provide relief to aged persons within the Central Coast community;
- provide relief of sickness or disabilities of person within the Central Coast community;
- assist in the advancement of education within the Central Coast community; and
- any other purpose to the Central Coast community.

The company's long-term objectives are to:

- maintain its capital and to use the earnings from the invested capital to support the charitable organisations on the Central Coast.

Strategies:

To achieve these objectives, the company has adopted the following strategies:

- invested all monies received from the sale of Karagi Court Retirement Village in the Capital Account;
- a minimum of twenty percent (20%) of the income received from the investment of that Capital Account to be re-invested in the Capital Account;

- that the remainder of the income earned be distributed in accordance with the resolution of the Directors. The Directors endeavour to distribute 70% of the income earned.

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the company. At 31 December 2012, the total amount that members of the company are liable to contribute if the company is wound up is \$ 170.

Auditor's Independence Declaration.

The lead auditor's independence declaration for the year ended 31 December 2012 has been received and can be found on page 20 of the financial report.

Signed in accordance with a resolution of the Board of Directors

GR Young
Director

GK Ingall
Director

CW Matthews
Director

Dated this day of February, 2013.

*Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001 to the Directors of
Karagi Court Ltd*

I declare that, to the best of my knowledge and beliefs, during the year ended 31 December 2012 there have been:

1. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

FORTUNITY ASSURANCE

T R Davidson
Partner

155 The Entrance Road
Erina NSW 2250

Dated: _____/2013

*Statement of Comprehensive Income
For the Year Ended 31 December, 2012*

	Note	2012 \$	2011 \$
Revenue	2	225	200
Other Income	2	206,283	221,084
Audit, legal and consultancy expense		(3,600)	(3,500)
Administration Expense		(1,229)	(2,114)
Other Expenses		(8,393)	(33,876)
Profit before Income Tax	3	193,286	181,594
Income Tax Expense		-	-
Profit for the Year		193,286	181,694
Other comprehensive income for the Year		-	-
Total comprehensive income for the Year		193,286	181,694

The accompanying notes form part of these financial statements.

*Statement of Financial Position
As At 31 December, 2012*

	Note	2012 \$	2011 \$
<i>Current Assets</i>			
Cash and cash equivalents	4	3,088,497	2,352,971
Financial assets	5	835,000	1,500,000
<i>Total Current Assets</i>		3,923,497	3,852,971
<i>Total Assets</i>		3,923,497	3,862,971
<i>Current Liabilities</i>			
Payables	6	3,600	3,600
<i>Total Current Liabilities</i>		3,600	3,600
<i>Total Liabilities</i>		3,600	3,600
<i>Net Assets</i>		3,919,897	3,849,371
<i>Members' Funds</i>			
Retained earnings		84,897	59,371
Capital Reserve		3,835,000	3,790,000
<i>Total Members Funds</i>		3,919,897	3,849,371

The accompanying notes form part of these financial statements.

*Statement of Changes in Members' Funds
For the Year Ended 31 December 2012*

	Capital Reserve (\$)	Retained Earnings (\$)	Total (\$)
Balance at 1 January 2011	3,745,000	109,404	3,854,404
Total comprehensive income for the year		181,694	181,694
Donations to Charities		(186,694)	(186,694)
Transfers from/to reserves	45,000	(45,000)	-
Balance at 31 December 2011	3,790,000	59,371	3,849,371
Total comprehensive income for the year	-	193,286	193,286
Donations to charities	-	(122,760)	(122,760)
Transfers from/to reserves	45,000	(45,000)	-
Balance at 31 December 2012	3,835,000	84,697	3,010,897

The accompanying notes form part of these financial statements.

Statement Of Cash Flows
For The Year Ended 31 December 2012

	Note	2012 \$	2011 \$
<i>Cash Flows from Operating Activities</i>			
Interest received		206,274	221,084
Subscriptions and other receipts		234	200
Administration expenses		(13,222)	(14,217)
Net cash provided by (used in) operating activities	7(b)	193,286	207,067
<i>Cash Flows from Investing Activities</i>			
Donations to charities		(122,760)	(186,727)
Net cash provided by (used in) investing activities		(122,760)	(186,727)
<i>Net increase (decrease) in cash held</i>		70,526	20,340
<i>Cash at beginning of the financial year</i>		3,852,971	3,832,631
<i>Cash at the end of the financial year</i>	7(a)	3,923,497	3,852,971

The accompanying notes for part of the financial statements.

*Notes to the Financial Statement
For the Year Ended 31 December 2012*

The financial statements are for Karagi Court Ltd as an individual entity, incorporated and domiciled in Australia. Karagi Court Ltd is a company limited by guarantee.

1. Summary of Significant Accounting Policies.

Basis of Preparation.

Karagi Court Ltd has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as dry out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. The company has also adopted AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements and AASB 2012-7: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Standards Board and *Corporation Act*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on accruals basis and are based on historical costs, modified where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Income Tax

The company is exempt from income tax under Division 50 of the *Income Tax Assessment Act*.

(b) Revenue

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(c) Cash and Cash Equivalents

Cash and cash equivalents including cash on hand, deposits held at call with banks and term deposits.

(d) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial

*Notes for the Financial Statement
For the Year Ended 31 December 2011 (Cont.)*

1. Summary of Significant Accounting Policies. (Cont.)

statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

	2012	2011
	\$	\$
2. Revenue and Other Income		
Revenue		
Subscriptions and Joining Fees	195	200
Shirt Sales	30	
	225	200
Other Income		
Interest received	206,274	221,084
Other Income	9	-
	206,283	221,084
Total revenue and other income	206,508	221,284
3. Profit for the year		
(a) Expenses:		
Insurance expense	1,572	1,716
Non-current asset written off	-	25,129
	1,572	26,845
4. Cash and Cash Equivalents		
Cash at bank	88,497	77,971
Term Deposits	3,000,000	2,275,000
	3,088,497	2,352,971
5. Financial Assets		
Term Deposits with maturity exceeding 3 months	835,000	1,500,000
	835,000	1,500,000
6. Payables		
Accrued audit fees	3,600	3,600
	3,600	3,600

*Notes for the Financial Statement
For the Year Ended 31 December 2011 (Cont.)*

7. Cash Flow Information

(a) Cash

For the purpose of the statement of cash flows, cash includes:

- (i) cash on hand and in at call deposits with banks and financial institutions, net of bank overdrafts, and
- (ii) Investments in money market investments

Cash and cash equivalents	2012	2011
	\$	\$
Cash and cash equivalents	88,497	77,971
Term deposits	3,825,000	3,775,000
	<u>3,923,497</u>	<u>3,862,971</u>

(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax

Operating profit after Income Tax	193,286	181,695
Non-cash flows in operating		
Non-current asset written off	-	25,129
Changes in Assets & Liabilities		
(Increase)/decrease in receivables	-	244
	<u>193,286</u>	<u>207,067</u>
Cash Flows from Operations	193,286	207,067

8. Company Details

The registered office of the Company is:

Erina Business Park
155 The Entrance Road
ERINA NSW 2250

The principal place of business is:

9 Tudawali Crescent
KARIONG NSW 2250

*Director' Declaration
For The Financial Year Ended 31 December 2011*

In accordance with a resolution of the Directors of Karagi Court Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 14 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) Give a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date.
2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

GR Young
Director

GK Ingall
Director

CW Matthews
Director

*Independent Auditor's Report To The Members
Of Karagi Court Ltd*

Report on the Financial Report

We have audited the accompanying financial report of Karagi Court Ltd (the company), which comprises the statement of financial position as at 31 December 2012 and the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and directors' declaration.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation for the financial report that is free from material misstatement.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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.

An audit involves procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that audit evidence that 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* and Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Karagi Court Ltd is in accordance with, the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards – reduced Disclosure Requirements and the *Corporations Act 2001*.

FORTUNITY ASSURANCE

T R Davidson

Partner

155 The Entrance Road

Erina NSW 2250

Dated: _____/2013

Additional Financial Information
Profit and Loss Statement
For The Year Ended 31 December 2012

	2012	2011
	\$	\$
Income		
Interest Received	206,508	221,084
Subscriptions and Joining Fees	195	200
Shirt Sales	30	-
Other Income	9	-
	<hr/> 206,508	<hr/> 221,284
Less: Expenses		
Administration	561	-
Advertising	-	1,850
Auditors remuneration	3,600	3,600
Bank charges	1,596	3,246
Directors expenses	1,596	1,592
Fees & charges	-	42
Insurance	1,572	1,592
Meeting costs	-	120
Plaques & presentation costs	572	2,870
Printing, postage & stationery	667	1,069
Non-current asset written off	-	25,129
Sundry expenses	4,648	-
	<hr/> 13,222	<hr/> 39,590
Net profit for the financial year	<hr/> 193,286	<hr/> 181,694
Retained profits at the beginning of the financial year	59,371	109,404
Total available for appropriation	<hr/> 252,657	<hr/> 291,098
Less: Donations to charities	(122,760)	(186,727)
Transfer to capital reserve	(45,000)	(45,000)
Retained profits at the end of the financial year	<hr/> 84,897	<hr/> 59,371

10. CONFIRMATION OF CAPITAL INVESTMENT.

11 February 2013

Board of Directors
Karagi Court Ltd
5 Tudawali Crescent
KARIONG NSW 2250

Dear Sirs,

2012 Financial Report

We have completed our audit of the company's books and records for the year ended 31 December, 2012.

As a part of our audit we have in accordance with the company's Constitution determined that the gross earnings of the company should be allocated as follows:

Gross earnings for the year ended 31 December 2012	\$ 206,508

70% available for donations	144,556
20% available for reinvestment	41,302
10% available for overheads	20,650
	\$ 206,508

We have set out below details of the current amounts available in respect of the year ended 31 December, 2012.

(a) Base Capital

Balance as 31 December, 2011	3,790,000
2012 Allocation	41,302
	3,831,302
Balance as at 31 December 2012	3,835,000
	(3,698)

(b) Donations

Available 31 December 2011	41,680
2012 Allocation	144,556
	<hr/>
	186,236
Donations – 2012	186,727
	<hr/>
Available	\$(491)
	<hr/>

(c) Overheads

Available 2011	21,070
2012 allocation	20,650
	<hr/>
	41,720
Overheads – 2012	13,222
	<hr/>
	28,498
	<hr/>

We have reviewed the accounting system and other records and do not recommend that any changes or improvements are required.

Yours sincerely,
FORTUNITY ASSURANCE

Tim Davidson
Partner

Date: ___ / ___ / 2013.

11. TREASURER'S REPORT – MR DAVID WALKER

The main banks have continued to support our tender system for the Term Deposits. At the start of 2012, we were receiving 5.75 % for a four (4) month period and in December we were lucky to obtain 4 %. It is important to understand that the lower the rate we obtain, the less income we have and therefore the fewer amounts we can allocate for donations.

The Board of Directors have continued to assess the monthly rates and have considered longer term deposits, but in many cases the six month rate was less than the 3-4 month rate.

The income was just over \$ 206,000 and we made donations to many organisations of over \$ 122,000.

Under the Constitution we are obliged to add to the Capital Account 20% of the gross income and this year we have added \$ 45,000 making our Capital Account a total of \$ 3,835,000. I can expect we will have over \$ 4.0M within three years and by February, 2014, we may expect to exceed donations of over \$ 1.0M since we started in 2009.

Directors are reimbursed for out-of-pocket expenses only and no Director has received any fees or consultation fees in 2012. All Directors act in a voluntary basis.

The Company purchases a plaque for all the recipients and whilst this is a cost to the Company of \$ 72.00 we are confident that the promotion of 'Freemasons on the Central Coast' makes it worthwhile.

The donations to the Surf Life Saving organisations exceeded \$ 33,000, the SES \$ 16,000 and the Marine rescue \$ 26,000 are all considered a worthwhile and afford us the opportunity to invest in the future of our local volunteers, who make a great contribution on the Central Coast.

The Board has invested in special shirts for all Directors and Members who attend the various presentations. This is a small cost to have a uniform that makes us look professional in the newspapers or on television.

The Company insures all Directors and Members whilst on official business and whilst this is an extra cost in administration fees, it is a must.

The Company pays for the printing of the Newsletter which is out together by Directors Richard Black and David Walker and whilst these are limited per year, the Board considers it is a great way to keep in touch with Members.

Thank you to all Members for their help over the last year.

David Walker
Treasurer
2nd January, 2013.

12. OTHER REPORTS

I. CHARITY REPORT - MR DEREK CRAWFORD.

I am pleased to report that 2012 was a very successful year with donations totalling \$122,760. I have listed out the recipients and donations made, of which we should be proud and pleased with.

During the year, we did not have the problems that we encountered in 2011; this was due to the amount of work done by the Directors working on the new application forms. Special mention must be made of the Vice President Graeme Ingall and Secretary / Treasurer David Walker who spent many hours simplifying the forms; this made my job much easier, a big well done.

It would be remiss of me not to mention the excellent work Richard Black did throughout the year as Public relations Officer – thank you Richard. I would like also to thank our Directors for all the support they gave me throughout the year and look forward to another successful year in 2013.

Derek Crawford
Director – Chairman of the Charity Committee
22nd February, 2013.

II. SECRETARY'S REPORT – MR DAVID WALKER.

From January, 2012 to the Annual General Meeting, I was the Company Secretary and then at the Annual General Meeting, Mr Roger Whitehead was elected as Company Secretary. We worked well together and I have enjoyed his friendship and team efforts to see that both the finance and administration work was completed satisfactorily.

In September, Roger went to England to see his family and on his return, decided to move to Leeton, where he has now purchased a new house near his brother. We thank him for his contribution.

I find myself now back as a full time Secretary and report as follows:

- i.** During the year, we welcomed new members – Mr Jason McDonald, Mr Michael Sharpe and Mr Lance Nelson;
- ii.** The Board of Directors met regularly and had a quorum for all meetings;
- iii.** We were fortunate to have the use of a special room at the Ourimbah TSL Club and we thank them for providing this at no cost;
- iv.** There have been no changes to the Constitution and none planned;
- v.** Directors – Stephen Zeller () and Roger Whitehead () resigned during the year for special reasons and we thank them for their contributions and effort. We always feel

the Directors do not always get the full recognition for their work but it is simply 'Thank YOU';

- vi. The Joining Fee and the Subscription remains unchanged at \$ 5.00 each.

Over the past six years in the positions of Secretary and Treasurer, I have accumulated about 11 storage boxes of records of the various meetings and the donations made and sundry items that have all required paper work. I recommend to the incoming Board that they seriously consider plans for long term storage that allows us to hold what is required by law and what may be needed for the history of the Company since we sold the Retirement Village.

D.B. Walker
Director – Secretary
2nd January, 2013

DIRECTOR'S ATTENDANCE AT BOARD MEETINGS

(from 10th April, 2012 to 22nd April, 2013)

	DOB	Elected	2012 8 th May	2012 10 th July	2012 11 th Sept.	2012 27 th Oct.	2012 22 nd Jan.	2012 19 th Feb.	Total
Richard Gregory Black	23.12.1950	10.04.12	#	#	#	#	#	#	6/6
Derek Crawford	13.08.1934	10.04.12	#	#	#	#	#	#	6/6
Benjamin Samuel Crockett	13.02.76	10.04.12	#	#	A	#	#	#	5/6
Graeme Kenneth Ingall	25.09.1948	10.04.12	#	#	#	#	#	#	6/6
Christopher Williams Matthews	03.01.1947	10.04.12	A	#	A	A	#	#	3/6
David Bowring Walker ⁺³	09.09.1939	10.04.12	#	#	#	#	-	-	4/4
Gary Robert Young	03.04.1945	10.04.12	#	#	#	#	#	#	6/6
Roger Joe Whitehead ⁺²	01.09.1939	10.04.12	#	#	A	#	-	-	3/4
Stephen Gilbert Zeller ⁺¹	19.04.1961	10.04.12	#	#	-	-	-	-	2/2
			8/9	9/9	5/8	/8	6/6	6/6	

+1 – Resigned 10th July, 2012 - Accepted at Board Meeting 10th July, 2012.

+2 – Resigned 1st December, 2012 – Accepted by Board 22nd January, 2013

+3 – Resigned 7th January, 2013 – Accepted by Board 22nd January, 2013.

A = Apology

= Present

LIST OF MEMBERS

(as of 31.12.2012.)

Ray Benton	Richard Black
Richard Collins	John Cooper
Derek Crawford	Ben Crockett
Denis Dean	John Edgington
Bill Elliott	Ron Elshaw
Neil Finlay	Aaron Henry
Noel Higgs	Max Hiron
Graeme Ingall	Dennis Javes
Andrew Kfoury	Jim Kirkness
Fred Koch *	David Leabeeter
John Lennox	Rex McCormick
Jason McDonald	Greg Martin
Chris Matthews	Lance Nelson
Leigh Pollard	Noel Pollard
Darrell Savage	Michael Sharpe
David Walker	Jim Westbrook
Gary Young	Stephen Zeller

LIFE MEMBERS

(as of 31.12.2012.)

William Henry Richards	14.04.2009 +
Lester Frederick Koch	13.04.2010

+ Deceased 2012