

ANNUAL REPORT – 2011

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
SECRETARY: DAVID WALKER
TREASURER: VACANT

DIRECTORS:

RICHARD BLACK
BENJAMIN CROCKETT
ROGER WHITEHEAD

DEREK CRAWFORD
CHRISTOPHER MATTHEWS
STEPHEN ZELLER

ANNUAL REPORT 2011

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Photograph acknowledgements:

Page 1 D. Dean
Page 39-40 R. Black



President:
Gary R Young

Secretary:
David B Walker

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 10th April, 2012 commencing at 7:30 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 Secretary by 5:00 pm on Friday 1st April, 2012.

For and on behalf of the Board

.....
David Walker, Secretary.
14th February, 2012



President:
Gary R Young

Secretary:
David B Walker

AGENDA

Declared open at p.m.

1. **Welcome by the President.**
2. **Proxies.**
Secretary to declare all proxies received under Rule 13.

Resolution:
'That the proxies received be accepted.'

Moved: _____ **2nd:** _____
Carried: Yes / No _____

3. **Apologies.**

Resolution:
'That the apologies be received and accepted.'

Moved: _____ **2nd:** _____
Carried: Yes / No _____

4. **Minutes of the 2010 Annual General Meeting held on 12th April, 2011.**

Resolution: (p.8)
'That the Minutes of the 2010 Annual General Meeting held on 12th April, 2011 as contained in the Annual Report be received and accepted.'

Moved: David Walker _____ **2nd:** _____
Carried: Yes / No _____

5. **Any matters arising from those Minutes.**
6. **Minutes of the Extra-Ordinary General Meeting held on 4th November, 2011.**

Resolution: (p.13)
'That the Minutes of the Extra-Ordinary General Meeting held on 11th November, 2011 as contained in the Annual Report be received and accepted.'

Moved: David Walker _____ **2nd:** _____
Carried: Yes / No _____

- ## 8. The President's Report – Mr. Gary Young.

Resolution:

'That the President's Report be accepted.'

Moved: Gary Young **2nd:** Graeme Ingall

Carried: Yes / No

- ## 9. Review Report from Fortunity Assurance.

Resolution:

‘That the audited Financial Report and notes, if any, by Fortunity Assurance be received and adopted.’

Moved: David Walker **2nd:**

Carried: Yes / No

- ## 10. Confirmation of the Capital Investment.

Resolution:

'That the report by Mr. Tim Davidson of Fortunity Assurance be adopted.'

Moved: David Walker **2nd:**

Carried: Yes / No

- 11. Treasurer's Report – Mr. David Walker (Acting).**

Resolution:

'That the Treasurer's Report be received and adopted.'

Moved: David Walker **2nd:**

Carried: Yes / No

- ## 12. Charity Report – Mr. Derek Crawford.

Resolution:

'That the Charity Report be received and adopted.'

Moved: Derek Crawford **2nd:**

Carried: Yes / No

- ### 13. Appointment of Auditor.

Resolution:

'That Mr. Tim Davidson from Fortunity Assurance be retained as auditor for the financial year 2012.'

Moved: Roger Whitehead **2nd:** Graeme Ingall

Carried: Yes / No

14. Appointment of Solicitor.

Resolution:

'That Mr. Warren Richardson of Richardson Legal be retained as solicitor for the financial year 2012.'

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

Carried: **Yes / No**

**15. Joining Fees and Annual Subscription for 2013 –
Constitution Rule 6.8.3**

Resolution:

'That the Joining Fee and the Annual Subscription remain at five dollars (\$5.00) each until the next Annual General Meeting 2013.'

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

Carried: **Yes / No**

16. Any questions of the Board.

17. Election of Directors.

In accordance with the Constitution, all positions will be declared vacant. The position of President is still in accordance with the Constitution (Rule 15.1.2).

The following nominations have been received by the closing date for the following positions –

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

18. Annual General Meeting declared closed atp.m.

Light refreshments will be served at the conclusion of the AGM.



President:
Gary R Young

Secretary:
David B Walker

Mail to:
PO Box 6232
West Gosford 2250

4. MINUTES OF THE ANNUAL GENERAL MEETING.

Held at the Ourimbah RSL Club on Tuesday 12th April, 2011.
The meeting declared opened at 7-30pm

1. The President, Gary Young opened the meeting and welcomed all the Members to this AGM.

Directors: Gary Young (Chairman) Graeme Ingall, David Walker,
John Edgington, Richard Black, Derek Crawford,
Chris Matthews, Stephen Zeller

Members: Ray Benton, Jim Westbrook, Denis Dean, Darrel Savage,
Greg Martin, John Cooper, Jim Kirkness.

2. Proxies.

The Secretary tabled the only proxy - Neil Finlay for L.F. Koch alternatively M. Hiron.
As neither person was present, the proxy was tabled.

Moved: D. Walker **2nd:** G. Ingall **Carried.**

3. Apologies - as listed below were received and accepted.

Apologies: N. Finlay, R. Collins, R. McCormick, N. Pollard, L. Pollard,
B. Crockett, P. Freewater, D. Leabeater, N. Higgs.

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

4. Minutes of the 2010 Annual General Meeting - 13th April, 2010.

Resolution:

'That the Minutes of the 2010 Annual General Meeting held on 13th April, 2010 as contained in the Annual General Report be accepted.'

Moved: D. Crawford **2nd:** D. Savage **Carried.**

5. Matters arising.

Nil

6. Minutes of the Extraordinary General Meeting - 9th November, 2010.

Resolution:

'That the Minutes of the Extraordinary General Meeting held on 9th November, 2010 as contained in the Annual Report be accepted.'

Moved: G. Ingall **2nd:** D. Dean **Carried.**

7. Matters arising.

Nil

8. President's Report – Mr. Gary Young.

The President, Mr. G. Young gave a summary of his report, particularly making mention of and thanking Mr. Roger Whitehead for his contribution and assistance. He also mentioned the efforts of the Finance and the Charity Committee and thanked them for their contributions. Mr. Gary Young thanked Mr. G. Ingall for the Annual Report, commenting on the amount of work required.

Resolution:

'That the President's Report be accepted.'

Moved: G. Young **2nd:** G. Ingall **Carried.**

9. Review Report by Fortunity Assurance.

The Treasurer Mr. John Edgington addressed the meeting concerning the audit. Under new laws by ASIC, (limited by guarantee, not-for-profit and capital within certain parameters) an audit was no longer necessary as Karagi Court Ltd is now classified as a second tier company. These financial accounts have to be prepared by an accountant and then reviewed by an auditor; both need to be CA qualified. Further, he explained that the amount of data is given by way of CDs and Spread Sheets, compiled by David Walker; this assists the auditor, but does not constitute the required work under the Taxation and other laws.

Resolution:

'That the audited Financial Report and notes, if any, by Fortunity Assurance be received and adopted.'

Moved: J. Edgington **2nd:** G. Martin **Carried.**

10. Confirmation of Capital Investment.

Mr. John Edgington advised the meeting that the Capital account now stood at \$3,745,000. The \$50,000 increase included \$45,000 that being 20% plus of the dividends received for 2010 plus \$2750 from the sale of the Telstra shares which was rounded of to \$5,000. He mentioned the amount added to the Capital Account had exceeded the minimum of 20%.

Resolution:

'That the report by Mr. Tim Davidson of Fortunity Assurance be adopted.'

Moved: J. Edgington **2nd:** D. Crawford **Carried.**

11. Treasurer's Report – Mr. John Edgington.

The Treasurer's Report was contained in the Annual Report. In addition, Mr. Edgington mentioned the success of the Term Deposit tendering scheme. This enabled all the banks to offer their terms and conditions and, for the financial committee, made the comparisons so much easier. Currently, the Term Deposits are earning approximately 6%; with the main banks being Bendigo, Newcastle Permanent and Westpac.

Then Mr. John Edgington spoke of his health concerns and asked that his nomination as Treasurer be withdrawn. Several members spoke of their appreciation of his efforts and the President thanked him for his contribution since becoming a Director on the 23rd May, 2006.

Resolution:

'That the Treasurer's Report be received and adopted.'

Moved: J. Edgington **2nd:** D. Crawford **Carried.**

12. Brief Overview by the Directors.

i. Secretary's Report – Mr. David Walker.

In addition to his report, Mr. David Walker advised that the application form had been revamped to include suggestions from recipients. This action had made completion of and the assessment of much more uniform. A brief view was given of the company's activities since January, 2011 as well as advising that the Company has donated some \$520,000 to various organisations within the Central Coast area. In addition, the success of the advertisement placed in Express Advocate was very gratifying and plans included a second advertisement later in the year. He advised that plans were being considered for a second advertisement and that the success of the February one was very gratifying. His full report was read to the meeting and tabled with the documents relating to the report. The publicity we received from the Police donation was worthwhile. The donations to the Ambulance Station at Point Clare for education items would allow us additional publicity.

Resolution:

'That the Secretary's Report presented be received.'

Moved: R. Black **2nd:** J. Cooper **Carried.**

ii. Charity Report – Mr. John Edgington.

Mr. John Edgington spoke on his Charity report for 2010 and for the year. the number of donations exceeded \$ 166,000. He spoke on three major donations which was nearing completion - the Regional Youth Support Scheme (RYSS) and the Rural Fire Brigade at Kariong (the mitigation trailer). Publicity that been The reports from the local primary schools were encouraging and the current allocations were yet to be assessed, as no applications for the current allocation of \$ 7,000 had been received.

Resolution:

'That the Charity Report presented be received.'

Moved: R. Black **2nd:** J. Cooper **Carried.**

13. Appointment of Auditor.

Resolution:

'That Mr. Tim Davidson from Fortunity Assurance be retained as the auditor for the financial year 2011.'

Moved: J Edgington **2nd:** R Benton **Carried.**

14. Appointment of Solicitor.

Resolution:

'That Mr. Warren Richardson from Richardson Legal be retained as our solicitor for the financial year 2011.'

Moved: G. Ingall **2nd:** D. Dean **Carried.**

**15. Joining Fees and Annual Subscription for 2012 –
Constitution Rule 6.8.3**

Resolution:

'That the Joining Fee and Annual Subscription remain at five dollars (\$5.00) until the next Annual General Meeting, 2012.'

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

16. Any questions of the Board.

There were no questions of the Board.

17. Election of Officers.

The President declared all positions on the Board of Directors vacant and asked Mr. Denis B Dean to act as Returning Officer.

Mr. Dean took the chair and called for nominations for each position. As nominations had been received in writing and been seconded and that the Board of Directors had declared there would be no floor nominations, the following were duly elected.

President:	Gary R Young
Vice President:	Graeme K Ingall
Secretary:	David B Walker
Treasurer:	Vacant
Directors:	Richard G Black, Chris W Matthews, Derek Crawford, Stephen G Zeller

18. Mr. Gary Young then resumed the chair and asked if there were any general questions of the Board.

- a. Mr. Greg Martin moved a vote of confidence and thanks in the Board, which was carried by acclamation.

- b. Discussion took place regarding the next advertisement and Mr. G. Martin expressed concern regarding his Lodge Toukley and its position in the advertisement. He was advised to contact Mr. T. Wand.
- c. Mr. D. Dean advised that he will obtain a CD of the Versa dock photos that could be used for publicity. Mr. J. Cooper spoke of his involvement in the local donation to an individual and how much he enjoyed the experience.
- d. Mr. D. Walker advised that the EGM will be held on 8th November at the Ourimbah RSL Club commencing at 7-30pm; a formal notice will be forwarded to all members.
- e. Mr. D. Walker advised that the School binder was nearly ready and needed one final edit; likewise the presentation binder and speech/talk for the presenters. He also reported that he had given talks at various venues which are involved in organising the many recipients.
- f. Mr. G. Martin suggested that the Board purchase suitable material from Sydney and use them to assist donations to schools and other organisations. Mr. D. Walker to investigate and report to Board in May 2011.

The Chairman thanked all Members for their attendance.

Meeting closed at 8-43 pm.

Signed as a true and correct record of the meeting

.....
Gary Young
President.

Dated: 10th April, 2012.



President:
Gary R Young

Secretary:
David B Walker

Mail to:
PO Box 6232
West Gosford 2250

6. MINUTES OF EXTRAORDINARY GENERAL MEETING.

Held at the Ourimbah RSL Club on Tuesday 8th November, 2011.
The meeting opened at 7-30pm.

The purpose of the meeting was to inform Members on the activities of the Company since our AGM in April 2011 and to report on the donations made in 2011.

1. **Present:** Gary Young - President, Graeme Ingall, David Walker, Derek Crawford, Ben Crockett, Richard Black, Roger Whitehead, plus 12 members as per attendance sheet.
2. **Apologies:** Chris Matthews, Steve Zeller plus 14 Members as per attendance sheet.

3. Business:

The Chairman welcomed all members and our two Guest speakers, Mr. Wayne Flett from Radio Five O Plus and Mr. Peter Gauci from Westpac Bank, Wyoming.

a. Charity Report:

Mr. Derek Crawford and Mr. David Walker outlined briefly the donations made by the Company and highlighted the major ones being - Rural Fire Brigade at Kariong (a new Mitigation Trailer), Soldiers Beach SLSC (new surf boat and IRB rescue boat) and Radio Five O Plus (new outside broadcasting van).

At this point, the Company had made donations in excess of \$170,000 and there were still a number to be finalised in December that would bring the total for 2011 to over \$186,000.

b. Financial Statement:

The Acting Treasurer, David Walker outlined the Company Finances and reported the Board had increased the Capital in 2011 by first of all \$30,000 in June and again, a further \$15,000 in November. The total capital now was \$3,790,000. In the second half of 2011, the average interest rate dropped to 5.80% and this of course, will affect the amount of interest earned.

The Company continues to invest the capital with only recognised financial institutions being the Westpac and Newcastle Permanent, both at Wyoming. The

Company also has 'funds at call' with Newcastle Permanent which earns a daily interest on balances.

c. Publicity:

During the year, the Company paid for two advertisements in the local paper Express Advocate and this was to highlight the recipients as well as the ancillary organisations (the Masonic Lodges in the Central Coast area) that assist in this promotion. The Board feels these two advertisements were a successful promotion.

Three signs were manufactured and two of these were placed on display at Macdonald's, Woy Woy; there is still one available for display.

4. Guest Speakers.

The Vice President, Mr. Graeme Ingall, then introduced Mr Peter Gauci, Manager of Westpac Wyoming Branch, who told us about the Term Deposits and how their bank worked hard to achieve a best interest rate for the monies with his bank. Mr Gauci informed the meeting that the future looked difficult as all banks were being cautious with a long term outlook, depending on the situation in Europe.

Mr Gauci thanked the Board for their support of his bank and assured the members that they (the bank) were keen to assist where possible.

Then, Mr. Wayne Flett, President of Radio Five O Plus thanked the Board and our members for their substantial donation of \$25,000 for a new outside broadcasting Van. Mr Flett then explained how his radio station will help promote the donations to organisations on the Coast and this would be free to air reports.

The cost of operating a Radio station with volunteers was still over \$80,000 per year so they had to find sponsors or raise money in various ways to keep the station open 24 hours. In 2014, they will be going digital and in doing so, it necessitated moving the current tower to Kariong and join with other community stations in using the one tower.

Mr. Flett also indicated his station would be broadcasting from Soldier's Beach SLSC promoting the presentation of the Surf Boat and the IRB to the club. It is hoped that the official hand over will be in February 2012.

5. Business from the Floor.

Mr Greg Martin spoke of the tremendous response from Soldiers Beach SLSC and their members, who were very grateful of the donation of \$25,000 and that the official hand over details would be sent to all Lodges on the Coast, with the AGM confirming he will be in attendance.

A general question was submitted concerning allocations for 2012. Mr. David Walker responded that the Board had not made any decision concerning allocations, but they were observing the success of the two major donations to the Wyong Shire and the Gosford City Council through District 18 and Chapter.

Mr Richard Black enthusiastically informed the meeting of the results of this continued promotion, mentioning the benefits received by the Lodges of District 18 from direct promotion in Advocate Express and the billboard advertisements. It was essential that the Lodges take advantage of these efforts.

Further general questions were answered to the satisfaction of Members and a vote of confidence was confirmed the actions of the Board of Directors.

The President Mr Gary Young thanked the two Guest Speakers for their informative talk and the members for their attendance.

Meeting closed at 9-10pm, with the President asking the guests and members to join him for light refreshments.

Signed as a true and correct record of the meeting.

.....
Gary Young
President.

Dated: 10th April, 2012.

8. PRESIDENT'S REPORT – MR. GARY YOUNG.

This last year was a lot busier than my first as your President- with a number of ups and downs, numerous phone calls, emails, and many meetings.

My many thanks to our hard working Committee members. The Treasurer, Mr. John Edgington, who did not seek re-election, will be sorely missed and thank you John for the many tasks and roles you have completed over the past years. Mention must be made of our Secretary, Mr. David Walker, who, in addition to his secretarial tasks, assumed the role of Treasurer and our Vice President, Mr. Graeme Ingall, who attended to and dealt with many little issues that needed to be completed.

The members would be unaware of the time that David and Graeme are involved in the preparation of our Minutes, Agenda, Annual Reports, as well as the Finance and Charity Committees.

In October, the Board appointed Mr. Roger Whitehead and Mr. Benjamin Crockett to the Board to fill vacancies due to vacancies from the AGM. I welcome those two new d Directors and particularly, those skills they bring with them. We as a Board have worked very well together in the running of Karagi Court; this is only achieved by hard work and discussion.

Although we are all members of the Craft, in our position as members of Karagi Court, we act upon the request for donations to assist the District Masonic Lodges. We do not interfere with the running of the Lodges in the District.

Our Charity Committee is ably run by Mr. Derek Crawford who has spent many an hour, or two, and even more when deciding on the new applications. Thank you, Derek.

Richard Black, as publicity officer, has spread the word all over the World and back again, this has been very informative to many, many people. Well done, Richard.

To the rest of the hard working Committee, thank you.

Our latest two major donations, \$25,000 to Soldiers Beach Surf Club, and Radio Five 0 Plus; these donations were very well received and highly appreciated. A very big day held at the Soldiers Beach Presentation with TV Station, NBN and Radio Five 0 Plus in attendance. What publicity!! There were too many donations this Year to mention in this report.

Many thanks to our invited guests who have attended our meetings, as speakers.

To our Members, we need to be looking to the future, this Committee needs younger members to support, serve on the Board and assist our Company.

Gary Young
President

9. AUDITOR'S REVIEW BY FORTUNITY ASSURANCE

**Karagi Court Ltd
ABN 92 002 044 500**

**Annual Report
For the Financial Year Ended
31st December, 2011.**

Karagi Court Ltd
ABN 92 002 044 500

Annual Report
For The Financial Year Ended 31 December 2011

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DIRECTORS' REPORT

Your Directors present their report on the company for the financial year ended 31 December 2011.

Directors

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

David Bowring Walker
Richard Gregory Black
Graeme Kenneth Ingall
John Edgington (retired 12 April, 2011)
Gary Robert Young
Stephen Gilbert Zeller
Christopher William Matthews
Derek Crawford
Roger Joe Whitehead (appointed 14 October, 2011)
Benjamin Samuel Crockett (appointed 14 October, 2011)

Directors have been in 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 to 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 base and to use the earnings from the invested capital to support the charitable organisations on the Central Coast.

Karagi Court Ltd
ABN 92 002 044 500

DIRECTORS' REPORT (cont)

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 the Capital Account to be reinvested 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 2011, the total amount that members of the company are liable to contribute if the company is wound up is \$180.

AUDITOR'S INDEPENDENCE DECLARATION.

The lead auditor's independence declaration for the year ended 31 December 2011 has been received and can be found on page 21 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

G R Young
Director

G K Ingall
Director

D B Walker
Director

Dated this..... day of2012

**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 belief, during the year ended 31 December 2011, 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:

Karagi Court Ltd
ABN 92 002 044 500

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011	2010
		\$	\$
Revenues from ordinary activities	2	221,284	199,055
Administration expenses (as per Profit and Loss)		(39,590)	(11,579)
Profit from ordinary activities			
Before income expense		181,694	187,476
Income expense		-	-
<i>Total comprehensive income for the year</i>		181,694	187,476

The accompanying notes form part of these financial statements.

Karagi Court Ltd
ABN 92 002 044 500

STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Capital Reserve	Retained Earnings	Investment fluctuation reserve	Total
Balance at 1 January 2010	3,695,000	137,764	120	3,832,884
Profit for year		187,476	-	187,476
Donations to charities		(165,836)	-	(165,836)
Transfers from/to reserves	50,000	(50,000)	(120)	(120)
Balance at 31 December 2010	3,745,000	109,404	-	3,854,404
Profit for year	-	181,694	-	181,694
Donations to charities	-	(186,727)	-	(186,727)
Transfers from/to reserves	45,000	(45,000)		-
Balance at 31 December 2011	3,790,000	59,371	-	3,849,371

Karagi Court Ltd
ABN 92 002 044 500

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	Note	2011	2010
		\$	\$
<i>Current Assets</i>			
Cash and cash equivalents	4	3,852,971	3,832,631
Receivables	5		244
<i>Total Current Assets</i>		3,852,971	3,832,875
<i>Non-Current Assets</i>			
Property, plant and equipment			27,600
<i>Total Non-Current Assets</i>		-	27,600
<i>Total Assets</i>		3,852,971	3,860,475
<i>Current Liabilities</i>			
Payables	8	3,600	6,071
<i>Total Current Liabilities</i>		3,600	6,071
<i>Total Liabilities</i>		3,600	6,071
<i>Net Assets</i>		3,849,371	3,854,404
<i>Members' Funds</i>			
Retained profits		59,371	114,404
Reserves		3,790,000	3,740,000
<i>Total Members Funds</i>		3,849,371	3,854,404

The accompanying notes form part of these financial statements.

Karagi Court Ltd
ABN 92 002 044 500

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
<i>Cash flows from Operating Activities</i>			
Interest received		221,084	198,405
Dividends received			400
Subscriptions		200	130
Administration expenses		(14,217)	(10,582)
<hr/>			
Net cash provided by (used in) operating activities	(b)	207,067	188,353
<hr/>			
<i>Cash flows from Investing Activities</i>			
Donations to charities		(186,727)	(165,836)
Sale of shares – Telstra Corporation Limited		-	2,750
<hr/>			
Net cash provided by (used in) investing activities		(186,727)	(163,086)
<hr/>			
<i>Net increase/(decrease) in cash held</i>		20,340	25,267
<i>Cash at beginning of the financial year</i>		3,832,631	3,807,364
<hr/>			
<i>Cash at the end of the financial year</i>	(a)	3,852,971	3,832,631
<hr/>			

The accompanying notes form part of these financial statements.

Karagi Court Ltd
ABN 92 002 044 500

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011	2010
		\$	\$
(a) Cash			
For the purpose of the statement of cash flows, cash includes:			
(i) cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts; and			
(ii) investments in money market instruments.			
Cash at bank		77,971	92,631
Term deposits		3,775,000	3,740,000
		3,852,971	3,832,631
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax			
Operating profit after Income Tax		181,694	187,476
Non-cash flows in operating profit			
Loss on sale of shares		-	550
Non-current asset written off		25,129	-
Changes in Assets & Liabilities			
(Increase)/decrease in receivables		244	(244)
Increase/(decrease) in payables		-	571
Cash Flows from Operations		207,067	188,353

The accompanying notes form part of these financial statements.

Karagi Court Ltd
ABN 92 002 044 500

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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 pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

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 otherwise stated.

The financial statements have been prepared on an accruals basis and based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies set out below have been consistently applied to all years presented. The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(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 upon receipt. Dividend revenue is recognised when the right to receive a dividend has been established.

(c) Cash and cash equivalents

Cash and cash equivalents include cash at bank and term deposits.

Karagi Court Ltd
ABN 92 002 044 500

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. Statement Of Significant Accounting Policies (cont'd)

(d) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial 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.

(e) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

	Note	2011	2010
		\$	\$
2. Revenue and Other Income			
Interest received		221,084	198,405
Dividends received			520
Subscriptions		200	130
Total Revenue		<u>221,284</u>	<u>199,055</u>

3. Profit for the year

(a) Expenses:		
Administration expenses	15,360	11,579
Non current asset written off	27,600	—
	<u>42,960</u>	<u>11,579</u>

Karagi Court Ltd
ABN 92 002 044 500

	Note	2011 \$	2010 \$
4. Cash and Cash Equivalents			
Cash at bank		77,971	92,631
Term deposits		3,775,000	3,740,000
		3,852,971	3,832,631

5. Receivables

Insurance refund	124
Imputation credit refund	120
	244

7. Property, Plant and Equipment

Caretakers Cottage – Kiah Lodge	27,600
---------------------------------	--------

The directors have determined that the recoverability of this asset is unlikely so the asset has been written off. Any subsequent recovery will brought to account as income.

8. Payables

Accrued audit fees	3,600	3,600
Other creditors		2,471
	3,600	6,071

9. 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:

267 The Scenic Road
KILLCARE NSW 2257

DIRECTORS' DECLARATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

The directors of the company declare that:-

1. the financial statements and notes, as set out on pages 23 to 34 are in accordance with the Corporations Act 2001 and
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December, 2011 and performance for the year ended on that date of the company;
2. In the directors' 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.

This declaration is made in accordance with a resolution of the Board of Directors.

G R Young
Director

G K Ingall
Director

D B Walker
Director

Dated this

day of

2012.

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 2011 and the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control 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 accounting estimates, that are reasonable in the circumstances.

Auditors 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. 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.

An audit involves performing 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 and fair presentation of the financial report 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 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 and Australian professional ethical pronouncements.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF KARAGI COURT LTD (CON'T)**

Audit Opinion

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

1. giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
2. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian accounting Interpretations) and the Corporations Regulations 2001.

FORTUNITY ASSURANCE

T R Davidson
Partner

155 The Entrance Road
Erina NSW 2250

Dated this day of 2012.

Karagi Court Ltd
ABN 92 002 044 500

ADDITIONAL FINANCIAL INFORMATION
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
Income			
Interest received		221,084	198,405
Dividends received		-	520
Subscriptions and donations		200	130
		221,284	199,055
Less: Expenses			
Advertising		1,850	
Auditors remuneration – current year		3,600	3,600
Auditors remuneration – prior year		-	(1,925)
Amounts paid/payable to Australian Unity		-	2,541
Bank charges		72	208
Directors expenses		3,246	2,150
Fees & charges		42	81
Insurance		1,592	1,529
Loss on sale of shares		-	550
Meeting costs		120	1,933
Plaques & presentation costs		2,870	601
Printing, postage & stationery		1,069	311
Non-current asset written off		25,129	-
		39,590	11,579
Net trading profit for the financial year		181,694	187,476
Retained profits at the beginning of the financial year		109,404	137,764
Total available for appropriation		291,098	325,240
Less: Donations to charities		(186,727)	(165,836)
Transfer to capital reserve		(45,000)	(50,000)
Retained profits at the end of the financial year		59,371	109,404

10. CONFIRMATION OF CAPITAL INVESTMENT.

20 April 2016

Board of Directors
Karagi Court Ltd
267 The Scenic Road
KILLCARE NSW 2257

Dear Sirs,

2010 Financial Report

We have completed our audit of the company's books and records for the year ended 31 December 2011.

As 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 2011	\$221,284
	<hr/>
70% available for donations	154,899
20% available for reinvestment	44,257
10% available for overheads	22,128
	<hr/>
	\$221,284
	<hr/>

We have set out below details of the current amounts available in respect of the year ended 31 December, 2011.

a) Base Capital

Balance as at 31 December, 2010	3,745,000
2011 Allocation	44,257
	<hr/>
	3,789,257
Balance as at 31 December 2011	3,790,000
Surplus	(743)
	<hr/>

Karagi Court Ltd
ABN 92 002 044 500

b) Donations

Available 31 December 2010	73,508
2011 Allocation	154,899

	<hr/>
	228,407
Donations – 2011	186,727

Available	<hr/>
	\$41,680
	<hr/>

(c) Overheads

Available 2010	39,431
2011 allocation	22,128

	<hr/>
	61,559
Overheads – 2011	15,360

Available for reinvestment	<hr/>
Kiah Lodge write back	46,199
	25,129

	<hr/>
	21,070
	<hr/>

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

Should you require any further information in relation to the above please do not hesitate to contact the writer on 4304 8888.

Yours sincerely,
FORTUNITY ASSURANCE

Tim Davidson
Partner

11. SECRETARY / ACTING TREASURER'S REPORT.

During the year under review, the Directors have met on a regular basis and discussed the business associated with the Company's constitution, aims and objectives. Again the Ourimbah RSL Club has provided us with a private room at no cost and we thank them for their help.

News Letters Numbers 10 - 16 were sent to all Karagi Court members and to the Freemason Lodges on the Coast and in Sydney. Richard Black has joined with me to see the distribution is a success. The Board believes that this communication is spreading the work we are doing beyond our own area. The donations we have made in 2011 included some very large ones to the Regional Youth Support Service, Rural Fire Stations and of course the two large ones I announced at the Region 1 conference in July, being Soldiers Beach SLSC and Radio Five O. Also, we have helped the Ambulance Station at Point Clare. The total value of our 2011 donations either direct or through the Lodges totalled \$186,727.

The income for 2011 was received by way of interest for our Term Deposits from a number of banks and totalled over \$ 220,000. We also transferred to the Capital account \$45,000 making our total as at end of December 2011 \$3,790,000.

The Board have considered the Auditor's recommendation that we write off the amount of \$27,600 for the Kiah Unit. The records of this transaction are vague and in part non existent, so it seems prudent that this action is now taken.

During 2011, we welcomed new members, Ben Crockett, Peter Freewater, Aaron Henry, Denis Javes, Andrew Kfoury, and David Leabeater. Our membership is now at the level we feel we can expand upon in 2012 and 2013.

For 2012 we have again reduced the number of forms for allocations and there is one form for Lodges and the same for direct donations. The Board feels we should continue with the plaques, as they are the best way of promoting our activities on behalf of Freemasons on the Central Coast. A special sign was erected at the Macdonald's drive in at Woy Woy and this is also having an effect on our promotion.

During the year the Board asked all Board Members to contribute towards the shirts, ties and coats and I feel this shows us in a professional appearance when we are making donations or appearing in the press or on TV.

The Charity Committee has already made some worthwhile recommendations for donations to the Board in February 2012 and the results will be announced at the AGM; we are however also mindful of the opportunities to expand the charitable side and where possible we will consider new opportunities during this year.

Our main expenses are the Audit fees and the Insurance premiums apart from reimbursing Directors for their out of pocket costs. Again no Director has received any payment for services and all Directors have contributed on a voluntary basis.

The many ideas I have submitted, are in some cases ahead of time, but have been considered by the Board and acted upon, but we are always open to suggestions from Members and these can be submitted in confidence to the Secretary.

Finally I express my thanks to all Directors and Members for their help and encouragement; for we are all part of this magnificent team of interested persons to see the Company expand and make a difference in our local community.

D B Walker
Director
19th February 2012

12. CHARITY REPORT – MR. DEREK CRAWFORD.

I am pleased to report that 2011 has been a very successful year with donations totally \$ 180,000 to many and varied organisations.

Just to name a few of those supported by Karagi Court during 2011:



University of Newcastle -Ourimbah Campus - (autoclave - Dental); Radio Five O Plus -(outside broadcast van); Soldiers Beach Surf Life Saving Club - (IRB and Surf Boat named 'The Freemason'); Regional Youth Support Service, Gosford & Wyong - (14 seater bus); NSW Ambulance Station (Training Centre), Point Clare – (Smart Board); Scouts Camp at Kariong – (Hearing Loop and outboard motor for their safety boat); East

Gosford Scout Hall – (Hearing Loop); Brisbane Water Trefoil Guild – (portable microphone); Rural Fire Brigades at - Narara Valley - (GPS and 2 two-way radios for wearing), Kulnura -(defibrillator and



breathing apparatus), Kariong Base – (mitigation trailer); Police Stations at Gosford - (3 Defibrillators) & Wyong – (3 Defibrillators); Marine Rescue at the The Entrance – (air conditioner), & Pt. Clare - (LCD

screens & upgrading of computers).

This is just to mention a few.

Whilst the Charity Committee assesses each application on its merit, there are still some problems with some applicants completing the form. Where the application form is in relation to an allocation, the Charity Committee assesses and approves. If there is some indecision, the application form is placed before the Board for approval or



rejection. Where application received is not in relation to an allocation, the matter is assessed and then placed before the Board for approval or rejection.

The time between the arrival of the application and its assessment is often increased because the application has been completed incorrectly, contains insufficient information and some points needing clarification. Where the form has been completed incorrectly, it is often returned for completion; we have found that this practice reduces the time needed to complete the assessment. This, of course, is all time consuming - taking many hours of work to make it happen.



At this point, I would like to thank all our Directors for all the support they have given me throughout the year.



I would like at this time to welcome back as a Director, Roger Whitehead, who I feel will be a great asset to Karagi Court, and I look forward to working with him again.

We, as a committee, are looking forward to another successful year in 2012, with all the membership support - in the words of John Edgington a past director – 'things don't just happen'!!

Derek Crawford
Director - Charity Committee.

14th February, 2012.

DIRECTORS' ATTENDANCE AT BOARD MEETINGS

(from 13th April, 2011 – 9th April, 2012)

			2011	2011	2011	2011	2011	2012	2012	
			10 th	12 th	13 th	30 th	7 th	14 th	13 th	
	DOB	Elected	May	Jul.	Sep.	Nov.	Dec.	Feb.	Mar.	Total
Richard Gregory Black	23.12.1950	14.04.2009	#	#	#	#	A	#	#	6/7
Derek Crawford	13.08.1934	13.04.2010	A	#	#	#	#	#	#	6/7
Benjamin Samuel Crockett +	13.02.1976	14.10.2011	-	-	-	A	#	#	#	3/4
Graeme Kenneth Ingall	25.09.1948	26.07.2004	#	#	#	#	#	#	#	7/7
Christopher William Matthews	03.01.1947	14.04.2009	A	A	A	#	#	#	A	3/7
David Bowring Walker	09.09.1939	22.05.2007	#	#	#	#	#	#	#	7/7
Gary Robert Young	03.04.1945	15.03.1988	#	#	#	#	#	#	A	6/7
Roger Whitehead +	01.09.1939	14.10.2011	-	-	-	#	#	#	#	4/4
Stephen Gilbert Zeller	19.04.1961	14.04.2009	#	#	A	#	#	A	#	5/7
		TOTAL	5/7	6/7	5/7	8/9	7/9	9/9	7/9	

A = Apology

+ = Appointed 14th October, 2011

LIST OF MEMBERS (as of 31.12.2011)

Ray Benton
Richard Collins
Derek Crawford
Denis Dean
Bill Elliott
Peter Freewater
Aaron Henry
Max Hiron
Dennis Javes
Jim Kirkness
David Leadbetter
Rex McCormick
Chris Matthews
Noel Pollard
Darrell Savage
Terry Wand
Roger Whitehead
Stephen Zeller

Richard Black
John Cooper
Ben Crockett
John Edgington
Ron Elshaw
Neil Finlay
Noel Higgs
Graeme Ingall
Andrew Kfoury
Fred Koch *
John Lennox
Greg Martin
Leigh Pollard
Bill Richards *
David Walker
Jim Westbrook
Gary Young

LIST OF LIFE MEMBERS (as of 31.12.2011)

Name
William Henry Richards
Lester Frederick Koch

Date
14.04.2009
13.04.2010