

ANNUAL REPORT 2018



KARAGI COURT LTD

Trading as
'Freemasons on the Central Coast'
ABN: 92 002 044 500

PO Box 6232
West Gosford NSW 2250

BOARD OF DIRECTORS:

PRESIDENT:
VICE PRESIDENT:
SECRETARY:
TREASURER:

GEOFF BOWN
STEVE HART

ROBERT BEDWELL
DAVID WILLIAMS
GRAEME INGALL
CHRIS MATTHEWS

DIRECTORS:

STUART BUTLER
JIM NOBLE

2018 DONATIONS

IN 2018, FREEMASONS ON THE CENTRAL COAST DONATED TO -

1ST AVOCA BEACH SCOUTS

5 LANDS WALK

BRAD PEMBERTON (RACING WHEELCHAIR)

CAMP BREAKAWAY

CENTRAL COAST BULLDOGS

SURF LIFE SAVING CENTRAL COAST

DISTRICT 21 DROUGHT APPEAL

GREG TUNN (AUTHOR)

RFBI LAKE HAVEN MASONIC VILLAGE - WHEELCHAIRS

SAVE OUR KIDS (SOKs)

THE SMITH FAMILY

WALLARAH COMMUNITY BAND

HEADSPACE, LAKE HAVEN - YOUTH MENTAL HEALTH - LODGE JAMES KIBBLE

GOSFORD HOSPITAL - AGED CARE UNIT - LODGE SARATOGA

GLENVALE SCHOOL - LODGE MORNING STAR

CENTRAL COAST KIDS IN NEED - LODGE MORNING STAR

NORAVILLE SCOUTS - LODGE TOUKLEY

MARINE RESCUE - LODGE TOUKLEY

WYONG CREEK PUBLIC SCHOOL - LODGE WYONG TUGGERAH LAKES

TOUKLEY OLD BOY'S FOOTBALL TEAM - LODGE WYONG TUGGERAH LAKES

CENTRAL COAST SHELTER - LODGE WYONG TUGGERAH LAKES

MEGAN KING – EQUIPMENT FOR SPECIAL NEEDS CHILDREN - LODGE WYONG TUGGERAH LAKES

NARARA VALLEY MODEL STEAM TRAINS - THE CENTRAL COAST LODGE

TOTAL - \$ 105,874

DISTRICT 21 DROUGHT APPEAL - \$ 480

LIST OF CONTENTS:

	Page Number
2018 Donations	2
Notice of Annual General Meeting	4
1. Agenda	5
2. Minutes of the Annual General Meeting	8
3. President's Report – Mr Robert Bedwell OAM.	12
4. Auditor's Review by Fortunity Assurance.	13
Directors' Report.....	15
Auditor's Independence Declaration To the Directors of Karagi Court Ltd	17
Statement of Profit or Loss and Other Comprehensive Income.....	18
Statement of Financial Position	19
Statement of Changes in Members Funds.....	20
Statement Of Cash Flows	21
Notes to the Financial Statements.....	22
Directors' Declaration	29
Independent Auditor's Report To The Members.....	30
Additional Financial Information Profit And Loss Statement	32
5. Confirmation of Capital Investment.....	33
6. Treasurer's Report – Mr Chris Matthews.	35
7. Charity Report – Mr Steve Hart.....	36
8. Director's Attendance at Board Meetings	36
9. List of Members	37
10. Life Members	37

**Karagi Court Ltd****ABN 92 002 044 500****PO Box 6232, WEST GOSFORD NSW 2250**

NOTICE OF ANNUAL GENERAL MEETING

Karagi Court Ltd
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 23rd April 2019 commencing at 7:00 pm

Please Note:

If you have any questions of a financial nature arising from the Annual Report or of the Board, please forward your question/s in writing by **5:00 pm on Tuesday 9th April 2019**.

For and on behalf of the Board

Graeme Ingall, Secretary
13th March 2019.

Karagi Court Ltd

ABN 92 002 044 500

PO Box 6232, WEST GOSFORD NSW 2250

1. AGENDA

Declared open at ____pm.

1. Welcome to guests, life members and members by the President – Mr Robert Bedwell.

2. Proxies.

Secretary to declare all proxies received under Rule 13.

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

Moved: Graeme Ingall 2nd:

Carried: Yes / No

3. Quorum being satisfied, the President declares the AGM open.
(Constitution 8.2.1)

4. Apologies.

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

Moved: Graeme Ingall 2nd:

Carried: Yes / No

5. Minutes of the 2018 Annual General Meeting held on 3rd May 2018. (p. 8)

Resolution: *'That the Minutes of the 2018 Annual General Meeting held on 3rd May 2018 as contained in the Annual Report be received and accepted.'*

Moved: Graeme Ingall 2nd:

Carried: Yes / No

6. Any Matters arising from those Minutes.

7. The President's Report – Mr Robert Bedwell OAM. (p. 12)

Resolution: *'That the President's Report be accepted.'*

Moved: Robert Bedwell 2nd:

Carried: Yes / No

8. Review Report from Fortunity Assurance. (p. 13)

Resolution: *'That the Review Report and notes, if any, from Fortunity Assurance be received and adopted.'*

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

9. Confirmation of the Capital Investment. (p. 33)

Resolution: *'That the report by Mr Tim Davidson be adopted.'*

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

10. Treasurer's Report – Mr Chris Matthews. (p. 35)

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

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

11. Charity Report – Mr Steve Hart. (p. 36)

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

Moved: Steve Hart 2nd:
 Carried: Yes / No

12. Appointment of Auditor.

Resolution: *'That Mr Tim Davidson from Fortunity Assurance be retained as the auditor for the financial year 2019.'*

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

13. Appointment of Solicitor.

Resolution: *'That Mr Warren Richardson from Richardson Legal be retained as our solicitor until the next Annual General Meeting in 2020.'*

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

14. Joining Fee and Annual Subscription for 2020 – 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 2020.'*

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

Karagi Court Ltd

ABN 92 002 044 500

PO Box 6232, WEST GOSFORD NSW 2250

2. MINUTES OF THE ANNUAL GENERAL MEETINGHeld on Thursday 3rd May 2018 at the Ourimbah RSL Club, Ourimbah commencing at 7:00 pm.

Present: Robert Bedwell, Chris Matthews, Stuart Butler, Graeme Ingall, Ian Todd, Steve Hart, Roger Whitehead, Craig Nash, David Leabeater, David Walker, Geoff Bown, David Williams, Derek Crawford, Gary Young, Fred Koch, Max Hiron, R. McCormick, J. Noble (18) and guests – Mrs Pemberton and Brad Pemberton, Mr Shaun O'Farrell (Financial Advisor) and Mr Lester Pearson (SOKs Chairman).

1. The Vice President, Mr Robert Bedwell, generously welcomed all members for attendance. He then introduced the Life Members and thanked those who had travelled from afar. Robert then introduced Mrs Robyn Pemberton and Brad Pemberton, Mr Lester Pearson (SOKs Chairman) and Mr Shaun O'Farrell (Financial Advisor) to the members who warmly welcomed them.

2. Proxies.

The Secretary declared that a proxy had been received from Mr John Cooper (Mr Chris Matthews).

Resolution: *'That the proxy be received.'*

Moved: Graeme Ingall **2nd:** David Walker **Carried.**

3. Quorum being satisfied, the Vice President declared the AGM open at 7:06 pm.**4. Apologies.**

The following apologies were received – Mr David Holding, Mr Paul Kelly, Mr John Cooper & Mr. John Edgington.

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

Moved: Graeme Ingall **2nd:** Chris Matthews **Carried.**

5. Minutes of the 2017 Annual General Meeting held on 27th April 2017.

Resolution: *'That the Minutes of the 2017 Annual General Meeting held on 27th April, 2017 as contained in the Annual Report be received and accepted.'*

Moved: Graeme Ingall **2nd:** Steve Hart **Carried.**

6. Any Matters arising from those Minutes.

Nil matters raised.

7. The Vice President's Report – Mr Robert Bedwell.

Resolution: *'That the Vice President's Report be accepted.'*

Moved: Robert Bedwell **2nd:** Ian Todd **Carried.**

8. Review Report from Fortunity Assurance.

Resolution: *‘That the Review Report and notes, if any, from Fortunity Assurance be received and adopted.’*

Moved: Chris Matthews **2nd:** Ian Todd **Carried.**

9. Confirmation of the Capital Investment.

Resolution: *‘That the report by Mr Tim Davidson be adopted.’*

Moved: Chris Matthews **2nd:** Roger Whitehead **Carried.**

10. Treasurer’s Report – Mr Chris Matthews.

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

Moved: Chris Matthews **2nd:** Steve Hart **Carried.**

11. Charity Report – Mr Robert Bedwell OAM.

Resolution: *‘That the Charity Chairman’s Report be received and adopted.’*

Moved: Rex McCormick **2nd:** Chris Matthews **Carried.**

12. Appointment of Auditor.

Resolution: *‘That Mr Tim Davidson from Fortunity Assurance be retained as the auditor until the 2018 Annual General Meeting.’*

Moved: Chris Matthews **2nd:** Stuart Butler **Carried.**

13. Appointment of Solicitor.

Resolution: *‘That Mr Warren Richardson from Richardson Legal be retained as our solicitor until the 2018 Annual General Meeting.’*

Moved: Graeme Ingall **2nd:** David Walker **Carried.**

14. Joining Fee and Annual Subscription for 2016 /2017 – 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 2018.’*

Moved: Chris Matthews **2nd:** Roger Whitehead **Carried.**

15. Proposed Special Resolutions (A & B)

- A. An addition to the wording in Rule 9.3.4 and a new clause – Rule 9.3.7 –**
(Current Rule in italics and is immediately below-)

Rule 9.3 The Office of Directorship will become vacant if the member –

- 9.3.1 *becomes bankrupt;*
- 9.3.2 *becomes prohibited from being a director under the Act;*
- 9.3.3 *becomes of unsound mind or a person whose person or estate is dealt with any way under law relating to mental health;*
- 9.3.4 *resigns their office by notice in writing to Karagi Court Limited;*
- 9.3.5 *fails to attend two (2) consecutive Board Meetings without forwarding an apology to the Secretary; and;*
- 9.3.6 *is directly or indirectly interested in any contract or proposed contract with Karagi Court Limited without conflict of interest form being submitted.*

Additional wording (in bold) -

9.3.4 ...in writing to Karagi Court Limited or verbally resigns at a Board Meeting;

Resolution: *'That the addition to Rule 9.3.4 be adopted.'*

Moved: Graeme Ingall **2nd:** David Williams **Carried.**
(Carried without discussion)

The New Addition –

9.3.7 relocates their residence to outside the Central Coast Council Local Government Area.

However, if the Central Coast Council Local Government Area Boundary is adjusted by Government, the Director remains in office until the next Annual General Meeting.

Resolution: *'That the addition Rule 9.3.7 be adopted.'*

Moved: Graeme Ingall **2nd:** Ian Todd **Carried.**
(Carried after discussion)

B. Amalgamation of Wyong Council and Gosford City Council –

Rule 17.2 List of Definitions - Local Government Areas / Community:

The current definition is –

The area referred to above is the Local Government Area (LGA) covered by the Gosford City Council or Wyong Council. Irrespective of any future changes by government the total area will remain approximately the same – types of changes may include name, area size or number of Local Government Areas.

The above clause be deleted and replaced with -

The Central Coast Community as contained in the Constitution will be the Central Coast Council or Central Coast Council Local Government Area (LGA).

Resolution: *'That the change to Rule 17.2 be adopted.'*

Moved: Graeme Ingall **2nd:** Ian Todd **Carried.**
(Carried without discussion)

16. Nomination for Life Membership.

Resolution: *'That Mr Graeme Kenneth Ingall be approved as a Life Member of Karagi Court Limited.'*

Moved: Rex McCormick **2nd:** Robert Bedwell **Carried.**

17. Any questions of the Board.

There were no further questions of the Board.

18. Election of Directors.

Mr Roger Whitehead acted as returning Officer, with Mr Gary Young and Mr David Walker, as scrutineers. In accordance with the Constitution, Mr Roger Whitehead declared all positions vacant.

The following Directors were elected for the year 2018 –

President:	Robert Bedwell
Vice President:	David Williams
Secretary:	Graeme Ingall
Treasurer:	Chris Matthews
Directors:	Geoff Bown; Stuart Butler; Steve Hart; Ian Todd.

19. Mr Bedwell again thanked the members for attending the Annual General Meeting and declared the meeting closed at 7:55 p.m.

At the conclusion of the AGM and after a short break, Mr David Williams introduced –

Mrs Robyn Pemberton and her son, Brad

Brad gave an inspiring talk on how he overcomes his disabilities and love of wheelchair racing.

Mr Robert Bedwell then introduced –

Mr Shaun O'Farrell, Karagi Court Financial Advisor

Shaun spoke of the investment portfolio and basically described our method of investing. He then asked for questions of which there was several. I understand the questioners were happy with the answers given.

Finally, Mr Chris Matthews introduced –

Mr Lester Pearson, SOKs Chairman

Lester spoke of our direct involvement in the ASIST programme. The programme's purpose is to provide training in counselling techniques to schoolteachers by Lifeline. This training enables the teachers to listen and provide temporary relief to children who are in distress but particularly those who are having suicidal thoughts.

Signed as a true and correct record.

Mr Robert Bedwell, President

Dated: 23rd April 2019.

3. PRESIDENT'S REPORT – MR ROBERT BEDWELL OAM.

"LOCALS ASSISTING LOCALS"

I cordially welcome all members of Karagi Court Limited and I bid you a warm welcome to this 2018 Annual General Meeting. I especially welcome our Life Members; some who have travelled a long distance - you honour our organisation with your presence.

It is appropriate that I leave the various facet reports to our "chair" board members and I thank them for their efforts, diligence, attention to detail and compliance with the rules and regulations.

In this current climate of income challenges, Karagi Court has not fared too badly as you will see with our Treasurer's Report. Mr Chris Matthews has kept a fair handle on our finances.

Our Charity Chair Mr Steve Hart took on his role somewhat as a novice and with his team all applications are considered promptly.

Every member of the board is not only active; they are involved. The fact is that the current board understands that while we are all Freemasons, our organisation is not a Masonic organisation. That's what we are!

I thank you.

Robert Bedwell OAM
President
13th March 2019.



Karagi Court with Lodge Toukley,
donate 10 Wheelchairs to RFBI, Lake Haven.

4. AUDITOR'S REVIEW BY FORTUNITY ASSURANCE.



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

**Financial Report
For The Financial Year Ended
31 December 2018**

FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Page Number

<i>Directors' report.....</i>	<i>15</i>
<i>Auditor's Independence Declaration</i>	<i>17</i>
<i>Statement of Profit or Loss & Other Comprehensive Income.....</i>	<i>18</i>
<i>Statement of Financial Position.....</i>	<i>19</i>
<i>Statement of Changes in Members Funds.....</i>	<i>20</i>
<i>Statement of Cash Flows.....</i>	<i>21</i>
<i>Notes to the financial statements</i>	<i>22</i>
<i>Directors' declaration</i>	<i>29</i>
<i>Independent Auditor's Report</i>	<i>30</i>
<i>Additional financial information.....</i>	<i>32</i>

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2018 in order to comply with the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the directors report as follows:-

Directors

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

Robert Anthony Bedwell

Geoffrey Burnett Bown

Stuart Austin Butler

Steven Douglas Hart

Graeme Kenneth Ingall

Christopher William Matthews

Ian Graham Todd

Appointed 3 May 2018, Resigned 20 November 2018

David Douglass Edward Williams

James Arthur Noble

Appointed 24 May 2018

Rex McCormick

Resigned 3 May, 2018

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.

Short-term and Long-term Objectives

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.

DIRECTORS' REPORT**Strategies**

To achieve its stated 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.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2018 has been received and can be found on page 5 of the financial report.

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

R A Bedwell
Director

C W Matthews
Director

G K Ingall
Director

Dated:

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF KARAGI COURT LTD
ABN 92 002 044 500

As lead auditor for the audit of Karagi Court Ltd for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) 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:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Revenue	2	759	505
Other income	2	61,117	252,743
Audit, legal and consultancy expense		(3,600)	(3,600)
Administration expense		(127)	(124)
Other expenses		(28,621)	(33,971)
Profit before income tax		29,528	215,553
Income tax expense		-	-
Profit for the year		29,528	215,553
Other comprehensive income for the year	- -		
Total comprehensive income for the year		29,528	215,553

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As At 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	4	822,890	820,006
Trade and other receivables	5	38,465	27,047
Financial assets	6	3,108,610	3,199,258
Total Current Assets		3,969,965	4,046,311
Non Current Assets			
Plant & Equipment	7	-	-
Total Non Current Assets	- -		
Total Assets		3,969,965	4,046,311
Current Liabilities			
Payables	8	3,600	3,600
Total Current Liabilities		3,600	3,600
Total Liabilities		3,600	3,600
Net Assets		3,966,365	4,042,711
Members' Funds			
Retained earnings		43,713	137,711
Capital reserve		3,922,652	3,905,000
Total Members Funds		3,966,365	4,042,711

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Capital Reserve	Retained Earnings	Total
Balance at 1 January 2017	3,905,000	31,917	3,963,917
Total comprehensive income for the year	-	215,553	215,553
Donations to charities	-	(109,759)	(109,759)
Transfers from/to reserves	-	-	-
Balance at 31 December 2017	3,905,000	137,701	4,042,701
Total comprehensive income for the year	-	29,528	29,528
Donations to charities	-	(105,874)	(105,874)
Transfers from/to reserves	17,652	(17,652)	-
Balance at 31 December 2018	3,922,652	43,713	3,966,365

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Cash flows from Operating Activities			
Interest/ Distributions received		140,347	233,867
Subscriptions and other receipts		759	505
Administration expenses		(32,348)	(37,695)
			<hr/>
Net cash provided by (used in) operating activities	9(b)	108,758	196,677
		<hr/>	<hr/>
Cash flows from Investing Activities			
Donations to charities		(105,874)	(109,759)
Investments Disposed		-	-
Investments Made		-	(136,756)
Purchase of Plant & Equipment		-	-
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(105,874)	(246,515)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		2,884	(49,838)
Cash at beginning of the financial year		820,006	869,844
		<hr/>	<hr/>
Cash at the end of the financial year	9(a)	822,890	820,006
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

Note 1. Summary of Significant Accounting Policies

Basis of Preparation

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

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Act 2012, as appropriate for not-for-profit oriented entities.

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 are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements, except for the cash flow information have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at 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.

The financial statements were authorised for issue on 5 March, 2018 by the directors of the company.

(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 include cash on hand, deposits held at call with banks and term deposits.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 1. Summary of Significant Accounting Policies (cont'd)

Basis of Preparation (cont'd)

(e) Comparative Figures

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

(f) Property, Plant & Equipment

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when the impairment indicators are present (refer to note 1(e) for details of impairment).

Plant and equipment that have been contributed at no cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	25 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 1. Summary of Significant Accounting Policies (cont'd)

Basis of Preparation (cont'd)

(g) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at cost which includes transaction costs when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(h) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, to the assets carrying amount. An excess of the assets carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Note 2. Revenue and Other Income		
Revenue		
Subscriptions & joining fees	240	225
Plaque sales	40	280
Mug sales	479	-
Donations	-	-
	<u>759</u>	<u>505</u>
Other Income		
Interest received	134,113	121,085
Movement in market value	(90,648)	131,658
Other income	17,652	-
	<u>61,117</u>	<u>252,743</u>
Total revenue and other income	<u>61,117</u>	<u>253,248</u>

Note 3. Profit before income tax

(a) Expenses:

Depreciation	-	-
Provision for impairment of financial assets	-	-
Loss on disposal of investment	-	-
Insurance expense (property, vehicle & property)	2,335	2,288
	<u> </u>	<u> </u>

Note 4. Cash and Cash Equivalents

Cash at bank	92,890	90,006
Term deposits	730,000	730,000
	<u>822,890</u>	<u>820,006</u>

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note 5. Trade and Other Receivables		
Accrued interest on term deposits	5,951	5,656
Accrued Distributions	32,514	21,391
	<u>38,465</u>	<u>27,047</u>

Note 6. Financial Assets

Macquarie Investment Consolidator	3,108,610	3,199,258
	<u>3,108,610</u>	<u>3,199,258</u>

As at 31 December 2018 the market value of available for sale financial assets was as follows:

Macquarie Investment Consolidator	3,108,610	3,199,258
	<u>3,108,610</u>	<u>3,199,258</u>

Note 7. Plant & Equipment

Plant & Equipment – at cost	12,215	12,215
Accumulated depreciation	(12,215)	(12,215)
	<u>-</u>	<u>-</u>
Total Plant and Equipment	<u>-</u>	<u>-</u>

(a) Movements in Carry Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Plant & Equipment	Total
Balance at the Beginning of year	-	-
Additions at cost	-	-
Disposals	-	-
Depreciation expense	-	-
Carrying amount at end of year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Note 8. Payables		
Accrued audit fees	3,600	3,600
	<u>3,600</u>	<u>3,600</u>

Note 9. 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 or financial institutions, net of bank overdrafts; and
- (ii) investments in money market instruments.

Cash and cash equivalents	92,890	90,006
Term deposits	730,000	730,000
	<u>822,890</u>	<u>820,006</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Note 9. Cash Flow Information (cont'd)		
(b) Net cash provided by (used in) Operating activities		
Operating profit after Income Tax	29,528	215,553
Non-cash flows in operating profit		
Depreciation	-	-
Loss on disposal of investment	90,648	-
Reversal of provision for impairment	-	-
Changes in net assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(11,418)	(18,876)
Cash Flows from Operations	108,758	196,677

Note 10. 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:

40 Etna Street, North Gosford. NSW.. 2250

DIRECTORS' DECLARATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

In accordance with a resolution of the directors of Karagi Court Ltd made pursuant to Section 60.15 of the Australian Charities and Not-for-profits Regulations 2013, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 16, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012:
 - (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 2018 and of its performance for the year ended on that date.
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.

R A Bedwell
Director

C W Matthews
Director

G K Ingall
Director

Dated:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF KARAGI COURT LTD
ABN 92 002 044 500

Opinion

We have audited the accompanying financial report of Karagi Court Limited (the company), which comprises the statement of financial position as at 31 December 2018, 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 the directors' declaration.

In our opinion, the accompanying financial report of Karagi Court Limited is prepared, in all material respects, in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true fair view of the company's financial position as at 31 December, 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report*. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December, 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this report.

INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF KARAGI COURT LTD
ABN 92 002 044 500

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Hiome.aspx>. This description forms part of the auditor's report.

FORTUNITY ASSURANCE

T R Davidson
Partner

155 The Entrance Road,
ERINA. NSW 2250

Dated:

ADDITIONAL FINANCIAL INFORMATION
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Income		
Interest received/ distributions	134,113	121,085
Bequests	17,652	-
Subscriptions and joining fees	240	225
Plaque Sale	40	280
Mug sale	479	-
Other income	-	-
Movement in market value	(90,648)	131,658
Donations	-	-
	61,876	253,248
Less: Expenses		
Auditors remuneration	3,600	3,600
Bank charges	13	51
Connectivity costs	1,204	607
Depreciation	-	-
Directors expenses	3,023	6,815
Insurance	2,335	2,288
Investment advice	13,062	13,972
Plaques & presentation costs	572	1,144
Printing, postage & stationery	127	125
Storage costs	896	788
Sundry expenses	7,516	8,305
	32,348	37,695
Net profit for the financial year	29,528	215,553
Retained profits at the beginning of the financial year	137,711	31,917
	167,239	247,470
Total available for appropriation	167,239	247,470
Less: Donations to charities	(105,874)	(109,759)
Transfer to capital reserve	(17,652)	-
Retained profits at the end of the financial year	43,713	137,711

5. CONFIRMATION OF CAPITAL INVESTMENT.



TRD/MAF

18 March 2019

Board of Directors
Karagi Court Ltd
PO Box 6232
WEST GOSFORD NSW 2250

Dear Sirs

2018 Financial Report

We have completed our audit of the company's books and records for the year ended 31 December 2018.

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:-

Net earnings for the year ended 31 December 2018	\$ 29,528
	\$ 29,528
70% available for donations	20,670
20% available for reinvestment	5,906
10% available for overheads	2,952
	\$ 29,528

We have set out below details of the current amounts available in respect of the year ended 31 December, 2018.

(a) Base Capital	
Deficit brought forward	59,447
Balance as at 31 December, 2017	3,905,000
2018 Allocation	5,906
	3,970,353
Balance as at 31 December 2018	3,922,652
Deficit	\$ 47,701

(b)	Donations	
	Deficit 31 December 2017	85,402
	2018 Allocation	20,670
		<hr/>
		106,072
	Donations –	105,871
		<hr/>
	Deficit	\$ 198
		<hr/>
(c)	Overheads	
	Available 2017	-
	2018 allocation	2,952
		<hr/>
		2,952
	Overheads – 2018	19,286
		<hr/>
	Available	(\$ 16,334)
		<hr/>

The Company has also set an investment policy whereby they have set a trigger point for the increase and decreases in the markets to ensure that the risk of falls and increases are managed.

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

6. TREASURER'S REPORT – MR CHRIS MATTHEWS.

This was once again a year of consolidation, with markets very uncertain towards the end of the year, which resulted in a downturn of those markets with the overall result being greater than the GFC.

The Finance Committee consisting of Mr Graeme Ingall, Mr Robert Bedwell, Mr David Williams and Mr Chris Matthews met with Mr Shaun O'Farrell of Premium Wealth Management Limited (Fortunity Financial Planning) on Wednesday 27th February, to discuss our Portfolio. At that date, we had a risk profile of Conservative to Moderately Conservative Portfolio, with an asset allocation mix of approximately 35% growth assets, such as shares and property and 65% defensive assets such as cash and fixed interest related investments. The Finance Committee, after careful consideration has decided not to change that mix but to keep a careful eye on the markets.

If at any stage that we decide that we are not comfortable with this level of risk or our circumstances change, we can contact our Portfolio Manager and make the necessary adjustments to our risk profile.

During the year of 2018, we made \$134,113 in interest (this is exclusive of a bequest made to Karagi Court of \$17,652 from a will) and the Company donated \$105,874.00 to worthy causes on the Central Coast Local Government Area. As per our constitution 20% of all profits, \$32,554.70 were reinvested into the principal giving the company \$3,922,652 at year-end. Some of the recipients of our donations were :- Central Coast Bulldogs, Wyong Creek Public School, Save Our Kids (Suicide Prevention) Central Coast Health, Headspace, Surf Lifesaving Central Coast, Kids in Need, Toukley Old Boys FC, 5 Lands Walk, Marine Rescue, Narara Model Railway, Wallarah Community Band and Special Needs Schools.

Directors are reimbursed for out of pocket expenses only and no Director has received fees or consultation fees in 2018, all Directors act on a voluntary basis. During 2018, the Company paid a premium of \$2,335-15 for Directors indemnity, Public Liability, Volunteers Insurance as well as Car Insurance for all Directors and Members whilst on official business.

Once again I would like to thank all members and directors for the assistance they have given me during the year.

Chris Matthews
Director/Treasurer
13th March 2019



Marine Rescue, Norah Head

7. CHARITY REPORT – MR STEVE HART.

2018 brought about change – a new chair and new members being appointed to the Charity Committee. I really need to thank the members of the Charity Committee for their input and diligence and particular thanks to the Directors for their attendance, advice and assistance.

The help provided gave much succour to the many varied organisations of the Central Coast. The organisations assisted were very generous in their praise and, from this assistance; promotion of Freemasonry to the community via local newspapers, our website, Facebook and especially through the many community organisations' Facebook pages, was evident. In particular, the lodges found new community organisations to assist which the Charity Committee found was very pleasing to report to the Board.

Karagi Court Limited provided \$ 105,874 to the Central Coast community, covering the Central Coast Health, which included aged care and mental health, Sporting Organisations, Surf Life Saving – Central Coast, Education, Central Coast Shelter, Central Coast Kids in Need, Camp Breakaway, Save Our Kids, and community activities. Not only did the six Lodges assist with these donations, in return, we assisted with District 21 Drought Appeal.

The promotion of the charitable works of Freemasonry to the community is one of the Boards' aims.

Steve Hart
Director – Chairman of the Charity Committee
13th March 2019.

8. DIRECTOR'S ATTENDANCE AT BOARD MEETINGS

(from 24th May 2018 to 12th March 2019)

	DOB	Elected	2018 24 th May	2018 26 th July	2018 27 st Sep.	2018 20 th Nov.	2019 14 th Feb.	2019 12 th Mar.	
									Total
Bedwell; Robert Anthony	02.09.1946	03.05.18	#	#	A	#	#	#	5/6
Butler; Stuart Austin	19.19.1973	03.05.18	#	#	#	#	#	#	6/6
Bown; Geoffrey Burnett	30.07.1951	03.05.18	#	#	#	#	#	A	5/6
Hart; Steven Douglas	25.01.1959	03.05.18	#	#	#	#	#	#	6/6
Ingall; Graeme Kenneth	25.09.1948	03.05.18	#	#	#	#	#	#	6/6
Matthews; Christopher Williams	03.01.1947	03.05.18	#	#	#	#	#	#	6/6
Noble; James Arthur **	04.11.1961	24.05.18	#	A	#	#	#	#	5/6
Todd; Ian Graham *	23.02.1946	03.05.18	#	#	A	#	-	-	3/4
Williams; David Douglass	25.07.1941	03.05.18	A	#	#	#	#	#	5/6
			8/9	8/9	7/9	9/9	8/8	7/8	

= Present A = Apology

* = Resigned from the Board 20.11.2018 ** = Appointed to the Board 24.05.2018

9. LIST OF MEMBERS

(as of 31.12.2018.)

Ron	ARNOTT	Robert	BEDWELL
Geoff	BOWN	Stuart	BUTLER
Richard	COLLINS	John	COOPER
Derek	CRAWFORD	Denis	DEAN
John	EDGINGTON	Michael	GRANDE
Steve	HART	James	HENRY
Noel	HIGGS	Scott	HINKS
Max	HIRON	David	HOLDING
Graeme	INGALL *	Paul	KELLY
Andrew	KFOURY	Fred	KOCH *
David	LEABEATER	David	LEGGETT
Rex	MCCORMICK	Chris	MATTHEWS
Ian	MUMFORD	Craig	NASH
Lance	NELSON	James	NOBLE
Robert	PAYNE	Leigh	POLLARD
Steve	RING	Luke	RYDER
Michael	SHARPE	Steve	SULLIVAN
Ian	TODD	David	WALKER *
Jim	WESTBROOK	Roger	WHITEHEAD
David	WILLIAMS	Gary	YOUNG *

Total = 40

* Life Member

10. LIFE MEMBERS

(as of 31.12.2018)

+ William Henry RICHARDS	14.04.2009.
Lester Frederick KOCH	13.04.2010
Gary Robert YOUNG	23.04.2013
David Bowring WALKER	30.04.2015
Graeme Kenneth INGALL	03.05.2018

+ Deceased 2012



5 Lands Walk

Collecting for Avoca Beach SLS Club – Nippers Programme