

ANNUAL REPORT – 2013

KARAGI COURT LIMITED

ABN: 92 002 044 500

PO BOX 6232
WEST GOSFORD NSW 2250



BOARD OF DIRECTORS:

PRESIDENT: GRAEME INGALL
VICE PRESIDENT: BENJAMIN CROCKETT
SECRETARY: DEREK CRAWFORD
TREASURER: CHRIS MATTHEWS

DIRECTORS:

ROBERT BEDWELL
MICHAEL SHARPE

REX MCCORMICK
GARY YOUNG



Annual Report 2011



Annual Report 2009



Annual Report 2010



Annual Report 2012

Covers from Previous Years

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Karagi Court Ltd

ABN 92 002 044 500

PO Box 6232, WEST GOSFORD NSW 2250

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

Thursday 1st May 2014 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, could please forward your question in writing so that the questions are received by **5:00 pm on Friday 18th April, 2014.**

For and on behalf of the Board

Derek Crawford, Secretary
27th February, 2014.

Karagi Court Ltd

ABN 92 002 044 500

PO Box 6232, WEST GOSFORD NSW 2250

AGENDA

Declared open at ____pm.

1. **Welcome to guests, life members and members by the President – Mr Graeme Ingall.**

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: **Ben Crockett** **2nd:**

Carried: **Yes / No**

4. **Minutes of the 2012 Annual General Meeting held on 23rd April, 2013. (p. 8)**

Resolution: *'That the Minutes of the 2012 Annual General Meeting held on 23rd April, 2013 as contained in the Annual Report be received and accepted.'*

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

Carried: **Yes / No**

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

6. **Minutes of the Extra-Ordinary General Meeting held on 12th November, 2013. (p. 12)**

Resolution: *'That the Minutes of the Extra-Ordinary General Meeting held on 12th November, 2013 as contained in the Annual Report be received and accepted.'*

Moved: **Derek Crawford** **2nd:** **Ben Crockett**

Carried: **Yes / No**

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

8. **The President's Report – Mr Graeme Ingall. (p. 14)**

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

Moved: Benjamin Crockett **2nd:**
Carried: Yes / No

16. Joining Fee and Annual Subscription for 2015 – 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 2015.’*

Moved: Chris Matthews **2nd:** Derek Crawford
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 Denis Dean, if available, has been appointed as Returning Officer by the Board.

19. Annual General Meeting declared closed at _____ p.m.

After the conclusion of the AGM, and at the invitation of the Board, there will be two guest speakers –

Mrs Suz Chalker, Mannering Park Sea Scouts and
 Mr Christopher Dawes, Charmhaven Rural Fire Service.

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

Derek Crawford
 Secretary of Karagi Court Ltd
 27th February, 2014.

Karagi Court Ltd

ABN 92 002 044 500

PO Box 6232, WEST GOSFORD NSW 2250

4. MINUTES OF THE ANNUAL GENERAL MEETING.

Held on Tuesday 23rd April, 2013 at the Ourimbah RSL Club, Ourimbah.

Present: Gary Young, Chris Matthews, Derek Crawford, Denis Dean, Graeme Ingall, Dennis Javes, Rex McCormick, David Leabeater, David Walker, John Edgington, Max Hiron, Fred Koch, Bill Elliott and guests – Marie Ward, Chris Parker and Adrian Lewis.

1. The President, Mr Gary Young, declared the Meeting open at 7:08 pm.

2. **Proxies:**

The secretary to declare only one proxy under Rule 13 had been received – Mr Neil Finlay assigned to Mr David Walker, and if not present, Mr Richard Black.

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

Moved: Derek Crawford **2nd:** Rex McCormick **Carried.**

3. **Apologies.**

The following apologies were made – Ben Crockett, Robert Bedwell, Michael Sharpe and Jim Kirkness.

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

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

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

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:** Max Hiron **Carried.**

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

No matters raised.

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

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:** Rex McCormick **Carried.**

7. Any Matters arising from those Minutes.

No matters raised.

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

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

Moved: Gary Young **2nd:** Derek Crawford **Carried.**

9. 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:** Richard Black **Carried.**

10. Confirmation of the Capital Investment.

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

Moved: Chris Matthews **2nd:** Bill Elliott **Carried**

11. Treasurer's Report – Mr David B. Walker.

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

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

12. Other Reports.

I. Charity Chairman's Report – Mr Derek Crawford.

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

Moved: Derek Crawford **2nd:** Denis Dean **Carried.**

II. Secretary's Report –Mr David Walker.

Resolution: *'That the Secretary's Report be received.'*

Moved: David Walker **2nd:** Chris Matthews **Carried.**

13. Nomination for Honorary Membership.

Resolution: *'Mr Roger Whitehead be approved as an Honorary Member of Karagi Court Limited as contained in Rule 6.4 of the Constitution.'*

This motion was placed before and approved at the Board Meeting dated 22nd January, 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.**

14. Appointment of Auditor.

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

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

15. Appointment of Solicitor.

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

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

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.**

17. Any questions of the Board.

There were no questions of the Board.

18. Election of Directors.

Mr Denis Dean, as returning Officer, and in accordance with the Constitution, declared all positions vacant. He informed the members present that Mr Gary Young, in accordance with the Constitution – Rule 15.2.2, cannot stand for re-election to the position of President.

The following election took place –

Directors for the Year 2013 -14

Position	Name:
President:	Graeme Ingall
Vice President:	Benjamin Crockett
Secretary:	Derek Crawford
Treasurer:	Chris Matthews

Directors for the Year – 2013 – 14 (Cont)

Position	Name:	
Directors:	Robert Bedwell	Michael Sharpe
	Rex McCormick	Gary Young

The President confirmed that the –

Finance Committee	Chris Matthews as Chairman & Rex McCormick;
Charity Committee	Robert Bedwell as Chairman, Ben Crockett & Derek Crawford;
Publicity Committee	Michael Sharpe as Chairman

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

On behalf of the Company, Mr Graeme Ingall thanked Mr Gary Young for his leadership during the past three year and thanked him for his willingness to continue to contribute to the future of Karagi Court Ltd.

19. Nomination for Life Membership.

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

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

Mr Gary Young thanked the members for honouring him with Life Membership.

20. Annual General Meeting declared closed at 7:30 p.m.

Mr Graeme Ingall invited –

Mr Chris Parker, CEO – Surf Life Saving Central Coast – thanked the 'Freemasons on the Central Coast' for their generous support during the past year, particularly the purchase of the safety vests for the Nippers and their direct involvement with individual Surf Life Saving Clubs. He hoped that the current negotiations for further sponsorship would bear fruit.

Senior Constable Adrian Lewis, Brisbane Water Highway Patrol, spoke of the considerable dangers where car windows have been tinted to prevent any observation of the occupants. The talk was in response to a request from the Highway Patrol for Light Transmission Meters (8) to assist in their duties.

Mr Ingall thanked both speakers for their very interesting addresses on their respective subjects.

Members and guests then joined together for light refreshments.

Signed as being a true and correct record.

Mr Graeme Ingall, President.

Dated: 1st May, 2014.

Karagi Court Ltd

ABN 92 002 044 500

PO Box 6232, WEST GOSFORD NSW 2250

6. MINUTES OF THE EXTRAORDINARY GENERAL MEETING.

Held on Thursday 28th November, 2013 at the Ourimbah RSL Club, Ourimbah.

Present: Graeme Ingall, Ben Crockett, Chris Matthews, Derek Crawford, Robert Bedwell, Rex McCormick, Max Hiron, and guests – John Sharples, Michael McNeill and family and Sergeant Steve Farmer, Gosford Highway Patrol.

1. The President, Mr Graeme Ingall, declared the Meeting open at 7:10 pm by welcoming all and introducing our guests.
2. The following apologies were received – Roger Whitehead, David Walker, Gary Young & Fred Koch.
3. Mr Chris Matthews presented the six monthly financial review, with his main emphasis being placed upon the lower interest rates available and in turn, these lower interest rates were affecting our dividend return. He advised that the capital account has been increased by \$ 20,000, now the total being \$ 3, 855,000.
4. Mr Ingall asked the members present were any questions and there being none, he called upon Robert Bedwell to introduce our guest speakers –
 - John Sharples from the Bateau Bay Men's Shed spoke on the benefits provided to the community by the Men's Shed. Many men, after retirement, and particularly with a change of accommodation, are at a loss, with little to do with their spare time. The Men's Shed gives the men an opportunity to have discussions about their interests, use their hands and the feeling of being productive to the community. Often the Men's Sheds are able to assist the community in many and various ways – aged care units, repair of furniture and other objects, manufacture of articles for their new location, particularly as the object needs to be reduced in size, schools and providing aid to parents whose children have disabilities. Most important of all is the feeling of wellbeing and the continuing usefulness to the community.
 - Michael McNeill from Point Clare Public School presented to the members the drums that were purchased by the donation. These drums allowed the children to develop co-ordination, inter-action between other children and were particularly useful where a child has a medical impairment. It allowed the child to have quality time-out. He concluded his talk by giving a demonstration with his family.

Mr Ingall thanked both speakers for their informative talks and invited them to partake in light refreshments before leaving.

5. Graeme Ingall then presented a cheque to Sergeant Farmer to enable the Gosford and Tuggerah Local Area Command to purchase eight Light Transmission Meters.
6. The meeting concluded at 8:50 p.m.

Signed as being a true and correct record.

Mr Graeme Ingall, President.

Dated: 1st May, 2014.

8. PRESIDENT'S REPORT – MR GRAEME INGALL.

What a long time five years is! On 9th December, 2008, at a Special General Meeting, Karagi Court Limited members adopted a new Constitution, enabling Karagi Court Limited to assist the Central Coast community. The Board allowed itself under one month in which to prepare application documents and making contact with the community. At that stage, the Board decided to use District 18 Lodges as conduits for making donations to the community. This has been very successful as it has raised their profile in the community. Any benefits to be gained are the responsibility of donors.

We have just completed five years as a not-for-profit organisation supporting the Gosford City and Wyong Council local government areas. During that time, I am pleased to state that our organisation has been able to donate in 2009 - \$ 228,784; 2010 - \$ 165,836; 2011 - \$ 186,727; 2012 = \$ 122,760; and in 2013 - \$ 152,079 (from the Annual Reports); totalling approximately \$ 850,000 to the Central Coast community. Even at this date in 2014, I can state that by the end of the financial year 2014, our benefit to the community will exceed \$ 900,000.

This effort has by achieved by past and present Directors and members; every person is involved, even suggestions have not gone astray. Our efforts in the community have reached the Rural Fire Service, Surf Life Saving-Central Coast and its many clubs, Regional Youth Support Scheme, Gosford and Wyong Health Services, Women's Health, Scouts, Kids in Need, Primary Schools, Art, scholarships to University of Newcastle – Ourimbah campus, Police Citizen Youth Clubs, Aged care, Riding for Disabled, Pre-schools, musical instruments, and much, much more. Even some Lodges have conducted Fund raising activities or have contributed from their own funds to the donations.

For this achievement, I must thank not individually but collectively, the assistance given freely by all members of the Board, many of whom are employed. This not only includes attendance at Board Meetings, preparation of minutes and agendas, re-arranging our investments, charity committee meetings, but also, the attendance at functions.

This has been a huge effort by previous and current Boards of Karagi Court Limited.

We all should be proud of what the organisation has achieved.

Graeme Ingall
President
27th February, 2014.

9. AUDITOR'S REVIEW BY FORTUNITY ASSURANCE.

Karagi Court Ltd
ABN 92 002 044 500

Financial Report
For The Financial Year Ended
31 December 2013

**Financial Report
For The Financial Year Ended 31 December 2013**

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Director's Report.

Your directors present their report on the company for the financial year ended 31 December 2013.

Directors

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

Richard Gregory Black (resigned April, 2013)
Graeme Kenneth Ingall
Gary Robert Young
Benjamin Samuel Crockett
Christopher William Matthews
Derek Crawford
Robert Anthony Bedwell (appointed April, 2013)
Rex McCormick (appointed April, 2013)
Michael Douglas Sharpe (appointed April, 2013)

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.

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.

- 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 2013, the total amount that members of the company are liable to contribute if the company is wound up is \$135.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2013 has been received and can be found on page 19 of the financial report.

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

G K Ingall
Director -President

C W Matthews
Director - Treasurer

D Crawford
Director - Secretary

Dated this 27th February, 2014.

***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 2013 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: ____ / ____ / 2014.

Statement of Comprehensive Income
For the Year Ended 31 December, 2013

	Note	2013 \$	2012 \$
Revenue	2	390	225
Other Income	2	188,992	206,283
Audit, legal and consultancy expense		(3,600)	(3,600)
Administration Expense		(99)	(1,229)
Other Expenses		(19,282)	(8,393)
Profit before Income Tax	3	166,401	193,286
Income Tax Expense		-	-
Profit for the Year		166,401	193,286
Other comprehensive income for the Year		-	-
Total comprehensive income for the Year		166,401	193,286

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 31 December, 2013.

	Note	2013 \$	2012 \$
Current Assets			
Cash and cash equivalents	4	1,067,819	3,088,497
Financial assets	5	2,870,000	835,000
Total Current Assets		3,937,819	3,923,497
Total Assets		3,937,819	3,923,497
Current Liabilities			
Payables	6	3,600	3,600
Total Current Liabilities		3,600	3,600
Total Liabilities		3,600	3,600
Net Assets		3,934,219	3,919,897
Members' Funds			
Retained earnings		64,219	84,897
Capital Reserve		3,870,000	3,835,000
Total Members Funds		3,934,219	3,919,897

The accompanying notes form part of these financial statements.

Statement of Changes in Members' Funds
For the Year Ended 31 December 2013.

	Capital Reserve (\$)	Retained Earnings (\$)	Total (\$)
Balance at 1 January 2012	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	84,897	3,919,897
Total comprehensive income for the year	-	166,401	166,401
Donations to charities	-	(152,079)	(152,079)
Transfers from/to reserves	35,000	(35,000)	-
Balance at 31 December 2013	3,870,000	64,219	3,934,219

The accompanying notes form part of these financial statements.

Statement Of Cash Flows
For The Year Ended 31 December 2013

	Note	2013 \$	2012 \$
<i>Cash Flows from Operating Activities</i>			
Interest received		188,983	206,274
Subscriptions and other receipts		399	234
Administration expenses		(22,981)	(13,222)
Net cash provided by (used in) operating activities	7(b)	166,401	193,286
<i>Cash Flows from Investing Activities</i>			
Donations to charities		(152,079)	(122,760)
Net cash provided by (used in) investing activities		(152,079)	(122,760)
<i>Net increase (decrease) in cash held</i>		14,322	70,526
<i>Cash at beginning of the financial year</i>		3,923,497	3,852,971
<i>Cash at the end of the financial year</i>	7(a)	3,937,819	3,923,497

The accompanying notes for part of the financial statements.

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

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 set 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*. Consequently, the company has also early adopted the following reduced disclosure (Tier 2) Standards:

AASB 2011-2: *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements* which incorporates Tier 2 disclosure requirements for amendments made to AASB 101: *Presentation of Financial Statements* and AASB 1054: *Australian Additional Disclosures*;

AASB 2012-1: *Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements* which contains the Tier 2 disclosure requirements for AASB 13: *Fair Value measurement*;

AASB 2012-7: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* as it relates to the full-disclosure (Tier1) Standards that are mandatorily applicable for not-for-profit entities for the year ending 31 December, 2013; and

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 (AASB) and the *Corporations Act 2001*. 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 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.

(a) Income Tax

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

Notes to the Financial Statements
For the Year Ended 31 December 2013 (Cont)

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

(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.

(e) Comparative Figures

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

	2013	2012
	\$	\$
2. Revenue and Other Income		
Revenue		
Subscriptions and Joining Fees	145	195
Shirt Sales		30
Plaque Sales	245	
	390	225
Other Income		
Interest received	188,983	206,274
Other Income	9	9
	188,992	206,283
Total revenue and other income	189,382	206,508

Notes to the Financial Statements
For the Year Ended 31 December 2013 (Cont)

3. Profit for the year.

	2013	2012
	\$	\$
(a) Expenses:		
Insurance expense	1,284	1,572
Non-current asset written off		-
	1,284	1,572

4. Cash and Cash Equivalents

Cash at bank	67,819	88,497
Term Deposits	1,000,000	3,000,000
	1,067,819	3,088,497

5. Financial Assets

Term Deposits with maturity exceeding 3 months	2,000,000	835,000
BT Balanced Equity Income Fund – at cost	870,000	
	2,870,000	835,000

6. Payables

Accrued audit fees	3,600	3,600
	3,600	3,600

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

	2013	2012
	\$	\$
Cash and cash equivalents	67,819	88,497
Term deposits	3,870,000	3,825,000
	3,937,819	3,923,497

**Notes to the Financial Statements
For the Year Ended 31 December 2013 (Cont)**

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

Operating profit after Income Tax	166,401	193,286
Non-cash flows in operating		
Non-current asset written off	-	-
Changes in Assets & Liabilities		
(Increase)/decrease in receivables	-	-
	<hr/>	<hr/>
Cash Flows from Operations	166,401	193,286
	<hr/>	<hr/>

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 2013

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 19 to 26 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 2013 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.

GK Ingall
Director

CW Matthews
Director

D Crawford
Director

Dated 27th February, 2014.

***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 2013 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 2013 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: _____/2014.

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

	2013 \$	2012 \$
Income		
Interest Received	188,983	206,274
Subscriptions and Joining Fees	145	195
Shirt Sales	-	30
Plaque Sales	245	
Other Income	9	9
	189,382	206,508
Less: Expenses		
Administration		561
Auditors remuneration	3,600	3,600
Bank charges	71	6
Directors expenses	1,956	1,596
Insurance	1,824	1,572
Investment advice	9,900	
Plaques & presentation costs	572	572
Printing, postage & stationery	99	667
Storage Cost	778	-
Sundry expenses	4,181	4,648
	22,981	13,222
Net profit for the financial year	166,401	193,286
Retained profits at the beginning of the financial year	84,897	59,371
Total available for appropriation	251,298	252,657
Less: Donations to charities	(152,079)	(122,760)
Transfer to capital reserve	(35,000)	(45,000)
Retained profits at the end of the financial year	64,219	84,897

10. CONFIRMATION OF CAPITAL INVESTMENT.

TRD/MAF

13 February 2014

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

Dear Sirs,

2013 Financial Report

We have completed our audit of the company's books and records for the year ended 31 December, 2013.

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	\$ 188,992
	<hr/>
70% available for donations	132,294
20% available for reinvestment	37,798
10% available for overheads	18,900
	<hr/>
	\$ 188,992
	<hr/>

We have set out below details of the current amounts available in respect of the year ended 31 December, 2013.

(a) Base Capital

Surplus brought forward	(14,630)
Balance as 31 December, 2012	3,835,000
2013 Allocation	37,798
	<hr/>
Balance as at 31 December 2012	3,858,168
	<hr/>
Surplus	\$ (11,832)
	<hr/>

(b) Donations

Surplus 31 December 2012	(491)
2013 Allocation	132,294
	<hr/>
	131,803
Donations – 2013	152,079
	<hr/>
Surplus	\$(20,276)
	<hr/>

(c) Overheads

Available 2012	28,498
2013 allocation	18,900
	<hr/>
	47,398
Overheads – 2013	22,981
	<hr/>
Available	\$ 24,417
	<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 4302 888

Yours sincerely,

FORTUNITY ASSURANCE

Tim Davidson
Partner

Date: ___ / ___ / 2013.

11. TREASURER'S REPORT – MR CHRIS MATTHEWS.

At the beginning of the year, when I took over as Treasurer, we had no trouble at all at getting some good rates for our term deposits and the \$3.855M we had in those term deposits was making Karagi Court a healthy sum that we could in turn pass on to the different organisations on the Central Coast.

Unfortunately those halcyon days have gone and where we only had to walk in a banks door and get 4.5% - 5% for our millions; that sum commands 3.6% at the most. It is for this reason that we have gone away from our normal routine in spreading our money over various different banks. We have managed to get 4% for \$0.5M and 3.9% for another \$1.5M, we recently only managed to get 3.62% for 6 Months at the CBA, this was after much searching of the various financial establishments to get better rates. The remaining \$870K have been invested through Westpac Bank in a BT Balanced Equity Income Fund. There are two means of increasing our dividends. Firstly the value of the monetary investments (units) can increase in value, but they can also decrease, this is dependent on how the ASX is performing. The management cost is automatically deducted from the total dividends before distribution; monthly percentage dividend is set each month allowing a known income for the month; at the moment this is \$5,265.32 which is paid into the Charity Account.

The Board of Directors will continue to assess how our term deposits and investments are performing and will endeavour to get the best return possible.

The income for 2013 was \$188,992-00 and out of this sum we donated \$152,079-00 to various needy organisations on the Central Coast.

Under the terms of our Constitution we are obliged to add 20% of our gross income to the Capital Account. This year we added \$35,000-00 to Capital Account making it a healthy \$870,000-00. You might think that \$35K is not 20% of our Gross Income; we put this sum in because we like to work in lots of \$5K and we were in fact approximately \$4K ahead in terms of donations to the Capital Account.

We have donated \$61,330-00 to the Surf Lifesaving Clubs on the Central Coast during the year, other donations include Marine Rescue, Point Clare, Wyong, East Gosford, Gwandalan and Warnervale Public Schools; this is on top of our donations to The University of Newcastle for 10 x \$500 scholarships for the purchase of books. We also donated sums of money to Community Health, Rural Fire Services, Hospital Art, Scout Camp Kariong, Sea Scouts at Mannering Park, Brisbane Waters LAC (Police) as well as to DGIW for Disabled Surfers and Michael Sharp for The Cancer Council, Central Coast.

Directors are reimbursed for out of pocket expenses only and no Director has received any fees or consultation fees in 2013. All Directors act on a voluntary basis. The Company insures all Directors and Members whilst on official business and while it is an extra administration fee it is felt that to be insured is a must.

A big thank you to all our Members for their help over the past year, special thanks go to David Walker who helped me no end when I took over as Treasurer at the beginning of the year.

Chris Matthews
Treasurer
27th February, 2014.

12. CHARITY REPORT – MR ROBERT BEDWELL OAM.

It is with pleasure I present my first report as Charity Committee Chair for the 2013 year. Some 31 successful applications totalling \$ 152,079 were approved and funds distributed in accordance with our rules/regulations./protocol. There was a wide range of projects receiving donations and some recipients presented an overview of their organisation and, particularly, demonstrated how the funds are being used in a practical manner.

A list of donations and the amount received by each recipient is listed for your information. The Board should be proud of their efforts in managing the funds in our care.

As this was my first year as a Board member, along with some of my colleagues, I was impressed with the enthusiasm displayed by my fellow Directors. I would also like to record my thanks to Graeme Ingall, our President, for his leadership, attention to detail and support to myself in my new role this past year.

Finally I would like to mention our Publicity Officer, Director Michael Sharpe. Michael has produced an outstanding effort in his role and the work he has undertaken in promoting our brand this year will pay dividends in the future. I thank all Directors for their support, friendship and commitment and wish Karagi a successful year in 2014.

Robert A Bedwell OAM
Director – Chairman of the Charity Committee
27th February, 2014.

DIRECTOR'S ATTENDANCE AT BOARD MEETINGS

(from 23rd April, 2013 to 30th April, 2014)

	DOB	Elected	2013 21 st	2013 1 st	2013 24 th	2013 12 th	2014 27 th	
			May	Aug.	Oct.	Dec.	Feb.	Total
Robert Anthony Bedwell	02.09.1946	23.04.13	#	#	#	#	A	4/5
Derek Crawford	13.08.1934	23.04.13	#	#	#	#	#	5/5
Benjamin Samuel Crockett	13.02.1976	23.04.13	#	#	#	#	#	5/5
Graeme Kenneth Ingall	25.09.1948	23.04.13	#	A	#	#	#	4/5
Christopher Williams Matthews	03.01.1947	23.04.13	#	A	#	#	#	4/5
Michael Douglas Sharpe	21.04.1970	23.04.13	A	#	#	#	#	4/5
Rex McCormick	04.12.1941	23.04.13	#	#	#	#	A	4/5
Gary Robert Young	03.04.1945	23.04.13	#	A	A	A	#	2/5
			7/8	5/8	7/8	7/8	6/8	

A = Apology

= Present

LIST OF MEMBERS

(as of 31.12.2013.)

Robert	Bedwell	Ray	Benton
Richard	Black	Richard	Collins
John	Cooper	Ben	Crockett
Derek	Crawford	Denis	Dean
John	Edgington	Bill	Elliott
Ron	Elshaw	Neil	Finlay
Aaron	Henry	Noel	Higgs
Max	Hiron	Graeme	Ingall
Dennis	Javes	Andrew	Kfoury
Fred	Koch *	David	Leabeater
John	Lennox	Rex	McCormick
Jason	McDonald	Chris	Matthews
Lance	Nelson	Leigh	Pollard
Darrell	Savage	Michael	Sharpe
Terry	Wand	David	Walker
Jim	Westbrook	Gary	Young *
Stephen	Zeller		
		Total =	33

HONORARY MEMBERS

(as of 31.12.2013)

Roger **Whitehead**

LIFE MEMBERS

(as of 31.12.2013.)

+ William Henry Richards	14.04.2009.
Lester Frederick Koch	13.04.2010
Gary Robert Young	23.04.2013

+ Deceased 2012