

# ANNUAL REPORT

## 2016



### **KARAGI COURT LTD**

**CHARITY ABN: 92 002 044 500**

**PO Box 6232**  
**WEST GOSFORD NSW 2250**

#### **BOARD OF DIRECTORS:**

<b>PRESIDENT:</b>	<b>SCOTT HINKS</b>
<b>VICE PRESIDENT:</b>	<b>ANDREW KFOURY</b>
<b>SECRETARY:</b>	<b>GRAEME INGALL</b>
<b>TREASURER:</b>	<b>CHRIS MATTHEWS</b>

#### **DIRECTORS:**

**ROBERT BEDWELL**  
**DEREK CRAWFORD**

**STUART BUTLER**  
**REX MCCORMICK**

**DAVID WILLIAMS**



Supporting Surf Life Saving  
Central Coast



Emerging Artist Program



University of  
Newcastle  
Scholarships

Riding for Disabled



Central Coast Bulldogs

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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 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

**Thursday 27<sup>th</sup> April, 2017 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 14<sup>th</sup> April, 2017.**

For and on behalf of the Board

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Graeme Ingall, Secretary  
21<sup>st</sup> March, 2017.

*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 Scott Hinks.**

2. **Proxies.**

Secretary to declare all proxies received under Rule 13.

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

**Moved:** **Graeme Ingall** **2<sup>nd</sup>:**

**Carried:** **Yes / No**

3. **Quorum being satisfied, the President declares the AGM open.**

(Constitution 8.2.1 –8 financial members or proxies present – p. 12)

4. **Apologies.**

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

**Moved:** **Graeme Ingall** **2<sup>nd</sup>:**

**Carried:** **Yes / No**

5. **Minutes of the 2016 Annual General Meeting held on 28<sup>th</sup> April, 2016. (p. 8)**

**Resolution:** *'That the Minutes of the 2016 Annual General Meeting held on 28<sup>th</sup> April, 2016 as contained in the Annual Report be received and accepted.'*

**Moved:** **Graeme Ingall** **2<sup>nd</sup>:**

**Carried:** **Yes / No**

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

7. **The President's Report – Mr Scott Hinks. (p. 11)**

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

**Moved:** **Scott Hinks** **2<sup>nd</sup>:**

**Carried:** **Yes / No**

8. **Review Report from Fortunity Assurance. (p. 12)**



**15. Any questions of the Board.****16. 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.

**17. 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 from 'The Glen Centre' - Drug and Alcohol Rehabilitation Centre, Chittaway Point –

**Mr Alex Lee, Administration Section and  
Mr. Matt Simms, Drug and Alcohol Counsellor**

In 1994, the original 'The Glen' was established on disused land at Chittaway Point; the site was formerly used by the Salvation Army for a similar purpose.

The site encompassing some 40 acres has been redeveloped into a modern rehabilitation facility with 20 beds available for males. In addition to this site, 'The Glen Annexe' was established in 1997 at Rothbury but unfortunately, this was forced to close in September 2014.

To further re-enforce their rehabilitation, a Transition House (Halfway House for people who have completed our basic rehabilitation program) was open within the facility in 2010. Modern facilities have now replaced the original buildings and are now fully functional.

The Glen is staffed by 16 full time, part time and casual staff and a team of volunteers.

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

**Graeme Ingall  
Secretary of Karagi Court Ltd  
21<sup>st</sup> March, 2017.**



ABN 92 002 044 500 PO Box 6232, WEST GOSFORD NSW 2250

## 5. MINUTES OF THE ANNUAL GENERAL MEETING

Held on Thursday 28<sup>th</sup> April, 2016 at the Ourimbah RSL Club, Ourimbah.

**Present:** Graeme Ingall, David Williams, Robert Bedwell, Chris Matthews, David Walker, David, Leabeater, Andrew Kfoury, Rex McCormick, Stuart Butler, Denis Dean and guests – Mrs Esther Dean, Mr Chris Parker (SLS-CC) and Mr. Lester Pearson (North Gosford Rotary – SOKs).

1. The President, Mr Graeme Ingall, welcomed and thanked the members for attending and gave a particular welcome to Mrs Esther Dean, Mr Chris Parker and Mr Lester Pearson.

2. **Proxies.**

The following proxies had been received -  
Mr Max Hiron to Mr Derek Crawford, if present and if not, to the Chair.  
Mr Scott Hinks to Mr Stuart Butler.

**Resolution:** *“That all proxies received be accepted.”*

**Moved:** Andrew Kfoury                      **2<sup>nd</sup>:** David Williams                      **Carried.**

3. **Quorum being satisfied, the President declared the AGM open at 7:10 pm.**

4. **Apologies.**

The following apologies were made – Scott Hinks, Max Hiron, John Cooper, Roger Whitehead, Derek Crawford, Michael Sharpe and John Edgington.

**Resolution:** *“That all apologies received be accepted.”*

**Moved:** Andrew Kfoury                      **2<sup>nd</sup>:** Chris Matthews                      **Carried.**

5. **Minutes of the 2015 Annual General Meeting held on 30<sup>th</sup> April, 2015.**

**Resolution:** *“That the Minutes of the 2015 Annual General Meeting held on 30<sup>th</sup> April, 2015 as contained in the Annual Report be received and accepted.”*

**Moved:** Andrew Kfoury                      **2<sup>nd</sup>:** David Williams                      **Carried.**

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

Nil matters raised.

7. **The President’s Report – Mr Graeme Ingall.**

**Resolution:** *“That the President’s Report be accepted.”*

**Moved:** Graeme Ingall                      **2<sup>nd</sup>:** Robert Bedwell                      **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                      **2<sup>nd</sup>:** Robert Bedwell                      **Carried.**

The Treasurer explained the changes in our investment portfolio and the benchmarks that had been set with our financial advisor, Mr Shaun O'Farrell.

**9. Confirmation of the Capital Investment.**

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

**Moved:** Chris Matthews                      **2<sup>nd</sup>:** Robert Bedwell                      **Carried.**

**10. Treasurer's Report – Mr Chris Matthews.**

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

**Moved:** Chris Matthews                      **2<sup>nd</sup>:** Rex McCormick                      **Carried.**

**11. Charity Report – Mr Robert Bedwell OAM.**

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

**Moved:** Robert Bedwell                      **2<sup>nd</sup>:** Andrew Kfoury                      **Carried.**

**12. Appointment of Auditor.**

**Resolution:** *'That Mr Tim Davidson from Fortunity Assurance be retained as the auditor for the financial year 2016.'*

**Moved:** Chris Matthews                      **2<sup>nd</sup>:** David Leabeater                      **Carried.**

**13. Appointment of Solicitor.**

**Resolution:** *'That Mr Warren Richardson from Richardson Legal be retained as our solicitor for the financial year 2016.'*

**Moved:** Rex McCormick                      **2<sup>nd</sup>:** 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 2017.'*

**Moved:** Chris Matthews                      **2<sup>nd</sup>:** Robert Bedwell                      **Carried.**

**15. Any questions of the Board.**

Mr David Walker asked that could the Board, if possible, inform the Lodges of their allocation for donation as early as possible in the new year so the Lodges could investigate suitable recipients. The President informed Mr Walker that the Lodges would be informed of their allocation by the end of May. However, this matter would be taken up by the Board in relation to the 2017 allocation of donations.

**16. Election of Directors.**

In accordance with the Constitution, all positions will be declared vacant including the President's.

Mr Denis Dean acted as the Returning Officer, by declaring all positions vacant and conducted the election -

The following Directors were elected for the year 2016 –

<b>President:</b>	Scott Hinks
<b>Vice President:</b>	Andrew Kfoury
<b>Secretary:</b>	Graeme Ingall
<b>Treasurer:</b>	Chris Matthews
<b>Directors:</b>	Robert Bedwell; Stuart Butler, Derek Crawford; David Williams

**17. Mr Kfoury thanked 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 Andrew Kfoury introduced –

- Mr Chris Parker, CEO of the Surf Life Saving – Central Coast who spoke of the valuable support that the Freemasons and in particular, this organisation, gave to his organisation. He also added the invaluable patronage given to individual SLS Clubs by both this organisation and the individual Lodges.
- Mr Lester Pearson from North Gosford Rotary – Save Our Kids program gave a fantastic talk on the problems that school children on the coast face chiefly when problems large or small occur in their families; these problems sometimes lead to or having the thoughts of suicide. The donation for ASIST program has been greatly appreciated by the North Gosford Rotary Club, schools on the Central Coast and the community.

Members and guests joined together for light refreshments.

**Signed as a true and correct record.**

Dated: 27<sup>th</sup> April, 2017.

\_\_\_\_\_  
Mr Scott Hinks, President

## **7. PRESIDENT'S REPORT – MR SCOTT HINKS.**

It is with great pleasure that I present the President's Report for 2016. The last year has seen Karagi Court (Freemasons on the Central Coast) support the greater Central Coast community with a diverse range of financial assistance to numerous organisations.

The benefit of Freemasons on the Central Coast providing charitable assistance to individual community groups allows for the purchase of relevant educational programs or the acquisition of much needed equipment. Whilst additional funding is provided to the six lodges of District 21 it is their responsibility to identify worthy charitable causes in which to disperse their allocated funds.

While our community benefits from the assistance provided, it is also evident this year that Freemasonry has greatly flourished from the increased community exposure with a high number of membership inquiries and initiations.

During the year, the board elected to support existing and new programs such as:

- Surf Life Saving Central Coast
- Save our Kids suicide prevention programme (North Gosford Rotary initiative)
- Central Coast Bulldogs rugby league team
- Arts Studios Co-Operative emerging artist program
- University of Newcastle – Ourimbah Campus Scholarship of \$2,500 for two second year students.

It is the sole of aim of Karagi Court (Freemasons on the Central Coast) to provide assistance to communities groups and individuals that reside within the Central Coast Local Government Area. This is made possible by the commitment and dedication of the board of Directors and I sincerely thank them for the support and encouragement provided to me and our prestigious organisation throughout the year.

**Scott Hinks**  
**President**  
**21<sup>st</sup> March, 2017.**

## **8. AUDITOR'S REVIEW BY FORTUNITY ASSURANCE.**

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

**Financial Report  
For The Financial Year Ended  
31 December 2016**

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**Financial Report  
For The Financial Year Ended 31 December 2016**

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## Directors' Report

Your directors present their report on the company for the financial year ended 31 December 2016 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:

Graeme Kenneth Ingall  
Christopher William Matthews  
Derek Crawford  
Robert Anthony Bedwell  
Rex McCormick  
David Douglass Edward Williams  
Andrew Kfoury  
Scott Anthony Hinks  
Rex McCormick – resigned 28<sup>th</sup> April and re-appointed 26<sup>th</sup> May, 2016.  
Stuart Austin Butler – appointed 28<sup>th</sup> April, 2016.

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



**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 2016, 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: \_\_\_\_\_, 2017.



**Statement of Profit or Loss and Other Comprehensive Income  
For The Year Ended 31 December 2016**

	Note	2016 \$	2015 \$
Revenue	2	857	463
Other income	2	178,499	291,677
Audit, legal and consultancy expense		(3,600)	(3,600)
Administration expense		(121)	(115)
Other expenses		(32,113)	(217,113)
<b>Profit before income tax</b>	3	<u>143,522</u>	<u>70,566</u>
Income tax expense - -			
<b>Profit for the year</b>		<u>143,522</u>	<u>70,566</u>
Other comprehensive income for the year - -			
<b>Total comprehensive income for the year</b>		<u>143,522</u>	<u>70,566</u>

The accompanying notes form part of these financial statements.

**Statement of Financial Position  
As At 31 December 2016**

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	869,844	872,841
Trade and other receivables	5	8,171	6,307
Financial assets	6	3,062,502	2,998,326
<b>Total Current Assets</b>		3,940,517	3,877,474
<b>Non Current Assets</b>			
Plant & Equipment	7	-	2,710
<b>Total Non Current Assets</b>		-	2,710
<b>Total Assets</b>		3,940,517	3,880,184
<b>Current Liabilities</b>			
Payables	8	3,600	3,600
<b>Total Current Liabilities</b>		3,600	3,600
<b>Total Liabilities</b>		3,600	3,600
<b>Net Assets</b>		3,936,917	3,876,584
<b>Members' Funds</b>			
Retained earnings		31,917	(28,416)
Capital reserve		3,905,000	3,905,000
<b>Total Members Funds</b>		3,936,917	3,876,584

The accompanying notes form part of these financial statements.

**Statement of Changes in Members Funds  
For The Year Ended 31 December 2016**

	<b>Capital Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance at 1 January 2015</b>	<b>3,890,000</b>	<b>35,960</b>	<b>3,925,960</b>
Total comprehensive income for the year		70,566	70,566
Donations to charities		(119,942)	(119,942)
Transfers from/to reserves	15,000	(15,000)	-
<b>Balance at 31 December 2015</b>	<b>3,905,000</b>	<b>(28,416)</b>	<b>3,876,584</b>
Total comprehensive income for the year		143,522	143,522
Donations to charities		(83,189)	(83,189)
Transfers from/to reserves	-	-	-
<b>Balance at 31 December 2016</b>	<b>3,905,000</b>	<b>31,917</b>	<b>3,936,917</b>

The accompanying notes form part of these financial statements.

**Statement Of Cash Flows**  
**For The Year Ended 31 December 2016**

	Note	2015 \$	2014 \$
<b>Cash flows from Operating Activities</b>			
Interest/ Distributions received		176,635	166,635
Subscriptions and other receipts		852	463
Administration expenses		(33,119)	(30,539)
Net cash provided by (used in) operating activities	9(b)	144,368	136,559
<b>Cash flows from Investing Activities</b>			
Donations to charities		(83,189)	(119,942)
Investments Disposed		-	2,203,937
Investments Made		(64,176)	(2,998,326)
Purchase of Plant & Equipment		-	-
Net cash provided by (used in) investing activities		(147,365)	(914,331)
<b>Net increase/ (decrease) in cash held</b>		(2,997)	(777,772)
<b>Cash at beginning of the financial year</b>		872,841	1,650,613
<b>Cash at the end of the financial year</b>	9(a)	869,844	872,841

The accompanying notes form part of these financial statements.

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**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

**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 30<sup>th</sup> March, 2017 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.

**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

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

**Basis of Preparation (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.

**(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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
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 2016**

**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 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2. Revenue and Other Income</b>		
<b>Revenue</b>		
Subscriptions & joining fees	115	115
Plaque sales	80	200
Donations	657	148
	852	463
<b>Other Income</b>		
Interest received	177,816	172,942
Reversal of provision for impairment of financial assets	-	100,000
Other income	632	18,735
	178,499	291,677
Total revenue and other income	179,351	292,140
<b>Note 3. Profit before income tax</b>		
(a) Expenses:		
Depreciation	2,710	6,107
Provision for impairment of financial assets	-	-
Loss on disposal of investment	-	166,193
Insurance expense (property, vehicle & property)	2,310	2,317
	2,310	174,617
<b>Note 4. Cash and Cash Equivalents</b>		
Cash at bank	69,844	87,841
Term deposits	800,000	785,000
	869,844	872,841



**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

	2016 \$	2015 \$
<b>Note 5. Trade and Other Receivables</b>		
Accrued interest on term deposits	8,171	6,307
	<u>8,171</u>	<u>6,307</u>
<b>Note 6. Financial Assets</b>		
Macquarie Investment Consolidator	3,062,502	2,998,326
	<u>3,062,502</u>	<u>2,998,326</u>
As at 31 December 2016 the market value of available for sale financial assets was as follows:		
Macquarie Investment Consolidator	3,062,502	3,001,033
	<u>3,062,502</u>	<u>3,001,033</u>
<b>Note 7. Plant &amp; Equipment</b>		
Plant & Equipment – at cost	12,215	12,215
Accumulated depreciation	(12,215)	(9,505)
	<u>-</u>	<u>2,710</u>
Total Plant and Equipment	<u>-</u>	<u>2,710</u>

**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

	2016	2015
	\$	\$

**Note 7. Plant & Equipment (cont'd)**

**(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	2,710	2,710
Additions at cost	-	-
Disposals	-	-
Depreciation expense	(2,710)	(2,710)
Carrying amount at end of year	-	-

**Note 8. Payables**

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

**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	69,844	87,841
Term deposits	800,000	785,000
	869,844	872,841

**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>Note 9. Cash Flow Information (cont'd)</b>		
<b>(b) Net cash provided by (used in) Operating activities</b>		
Operating profit after Income Tax	143,522	70,566
Non-cash flows in operating profit		
Depreciation	2,710	6,107
Loss on disposal of investment		166,193
Reversal of provision for impairment		(100,000)
<b>Changes in net assets and liabilities:</b>		
(Increase)/Decrease in trade and other receivables	(1,864)	(6,307)
Cash Flows from Operations	144,368	136,559

**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 2016**

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 17 to 31, 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 2016 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.

S A Hinks  
**Director**

C W Matthews  
**Director**

G K Ingall  
**Director**

Dated this                      day of    , 2017

**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 Ltd (the company), which comprises the statement of financial position as at 31 December 2016, 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 view of the company's financial position as at 31 December, 2016 and of its financial performance for the year then ended; and
- (b) complying with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

**Basis for Opinion**

We conducted our audit with the 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 the 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, 2016 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 misleading.

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 the fact. We have nothing to report in this report.



**Additional Financial Information**  
**Profit And Loss Statement**  
**For The Year Ended 31 December 2016**

	2016 \$	2015 \$
<b>Income</b>		
Interest received/ distributions	177,816	172,942
Subscriptions and joining fees	115	115
Plaque Sale	80	200
Other income	683	18,735
Reversal of provision for impairment of financial assets	-	100,000
Donations	657	148
	179,351	292,140
<b>Less: Expenses</b>		
Auditors remuneration	3,600	3,600
Bank charges	38	56
Connectivity costs	1,530	2,508
Depreciation	2,710	6,107
Directors expenses	6,887	7,703
Insurance	2,310	2,317
Investment advice	14,063	4,317
Loss on disposal of investment	-	166,193
Plaques & presentation costs	-	1,144
Printing, postage & stationery	121	115
Storage costs	816	768
Sundry expenses	3,754	26,746
	35,829	221,574
Net profit for the financial year	143,522	70,566
Retained profits at the beginning of the financial year	(28,416)	35,960
Total available for appropriation	115,106	106,526
Less: Donations to charities	(83,189)	(119,942)
Transfer to capital reserve	-	(15,000)
Retained profits at the end of the financial year	31,917	(28,416)

## 9. CONFIRMATION OF CAPITAL INVESTMENT.



TRD:MAF

**08 March 2016**

Board of Directors  
Karagi Court Ltd  
PO Box 6232  
West Gosford NSW 2250

Dear Sirs

### 2016 Financial Report

We have completed our audit of the company's books and records for the year ended 31 December 2016.

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 2016	\$ 129,459
	\$ 129,459
	\$ 129,459
70% available for donations	90,621
20% available for reinvestment	25,892
10% available for overheads	12,946
	\$ 129,459
	\$ 129,459

We have set out below details of the current amounts available in respect of the year ended 31 December, 2016.

### (a) Base Capital

Surplus brought forward	(9,556)
Balance as at 31 December, 2015	3,905,000
2016 Allocation	25,892
	3,921,336
Balance as at 31 December 2016	3,905,000
	\$ 16,336
Deficient	\$ 16,336



**(b) Donations**

Deficit 31 December 2015	36,842
2016 Allocation	90,621
	127,463
Donations -	83,189
Deficit	(\$ 44,274)

**(c) Overheads**

Available 2015	4,847
2016 allocation	12,946
	17,793
Overheads – 2016	21,766
Available	(\$ 3,973)

Nett earnings have been calculated after deducting investment expenses from the earnings as this reflects the actual return for the year.

The Company has set an invest policy whereby they have 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 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

## **10. TREASURER'S REPORT – MR CHRIS MATTHEWS.**

This was another year of turmoil in the markets plus even poorer term deposit rates than the previous year. Our dividends available for donations are still being considerably reduced.

Mr Shaun O'Farrell of Premium Wealth Management Limited (Fortunity Financial Planning) has set up a portfolio with an agreed (by the Finance Committee) risk profile of a Conservative to Moderately Conservative Portfolio, with an asset allocation mix of approximately 30% growth assets, such as shares and property and 70% defensive assets, such as cash and fixed interest related investments.

If at any stage we decide that we are not comfortable with this level of risk or our circumstances change, we can contact the portfolio manager to re-evaluate our risk profile.

The portfolio as it stands at the moment produced \$153,126.90 in income, which relates to a return of 5.80%. We distributed 80% of the net income of the investment portfolio (after all investment expenses have been accounted for) to the Charity Account. We retained 20% of the net income to re-invest into the portfolio as per our constitution.

Karagi Court's total valuation as at 31<sup>st</sup> December is \$3,905,000. On page 32, you will notice that there is a deficient of \$ 16,336 at the close of the financial year. This is due to receiving dividends for the last quarter (being October to December) in January and February, 2017. This deficient has been rectified from the WRAP fund, with the amount above - \$ 3,921,366.

As reported last year, we have set benchmarks in relation to the amount invested and arranged for a base amount to remain with WRAP (Macquarie Bank) and all amounts above this base amount to be paid into our Charity Account. To date, our investments have slightly increased in value and the dividends are commencing to flow. These benchmarks were set in February, 2015.

The income for 2016 was \$143,522 and out of this sum we donated \$83,189 to various needy organisations on the Central Coast which include Central Coast Surf Life-Saving, The Glen, SOKS and various other organisations on the Central Coast.

Directors are reimbursed for out of pocket expenses only and no Director has received any fees or consultation fees in 2016- all Directors act on a voluntary basis. During 2016, the Company paid a premium of \$2,310.43 for Director's Indemnity, Public Liability, Volunteer's Insurance as well as Car Insurance for all Directors and Members whilst on official business.

A real big thank you to all our Members for their help over the past year as it has been quite difficult.

Chris Matthews  
Treasurer  
21st March, 2017.

## 11. CHARITY REPORT – MR ROBERT BEDWELL OAM.

It is with a degree of pride and pleasure, I submit the Charity Subcommittee Report for 2016/2017.

All applicants are required to be within the Central Coast Local Government Area. That said, there were a few that did not fulfil that requirement and were not able to proceed. Of those that did qualify, Karagi Court was able to donate a total value of \$83,189.00 to assist many organisations and individuals in a vast variety of projects. Hospital specific units, Surf Life Saving, Emerging Artists, Five Lands Walk, Suicide Prevention Intervention programmes, youth community groups, organisations who provide accommodation and employment opportunities, just name a few.

While we are not a Masonic Organisation, rather an organisation of Freemasons; I appreciate the support and commitment of my fellow "sub-committee cohort" for their input.

**Robert A Bedwell OAM**  
**Director – Chairman of the Charity Committee**  
**21<sup>st</sup> March, 2017.**

### LIFE MEMBERS

(as of 31.12.2015)

+ William Henry <b>Richards</b>	14.04.2009.
Lester Frederick <b>Koch</b>	13.04.2010
Gary Robert <b>Young</b>	23.04.2013
David Bowring <b>Walker</b>	30.04.2015

\* Deceased 2012

## DIRECTOR'S ATTENDANCE AT BOARD MEETINGS

(from 29<sup>th</sup> April, 2016 to 27<sup>th</sup> April, 2017)

	DOB	Elected	2016 26 <sup>th</sup>	2016 28 <sup>th</sup>	2016 29 <sup>th</sup>	2016 24 <sup>th</sup>	2017 8 <sup>th</sup>	2017 23 <sup>rd</sup>	2017 21 <sup>st</sup>	
			May	July	Sep.	Nov.	Jan.	Feb.	Mar.	Total
Robert Anthony <b>Bedwell</b>	02.09.1946	28.04.16	#	#	#	#	#	#	#	7/7
Stuart Austin <b>Butler</b>	19.19.1973	28.04.16	#	#	#	A	#	#	#	6/7
Derek <b>Crawford</b>	13.08.1934	28.04.16	#	#	#	#	#	#	#	7/7
Scott Anthony <b>Hinks</b>	07.11.1972	28.04.16	#	#	#	#	#	#	#	7/7
Graeme Kenneth <b>Ingall</b>	25.09.1948	28.04.16	#	#	#	#	#	#	#	7/7
Christopher Williams <b>Matthews</b>	03.01.1947	28.04.16	#	#	A	#	#	#	#	6/7
Andrew <b>Kfoury</b>	21.04.1973	28.04.16	#	#	#	#	A	#	A	5/7
Rex <b>McCormick*</b>	04.12.1941			A	A	#	#	#	#	4/6
David Douglass <b>Williams</b>	25.07.1941	28.04.16	#	#	#	#	#	#	#	7/7
			8/8	8/9	7/9	8/9	8/9	9/9	8/9	

# = Present      A = Apology

\* = Appointed by Board 26.05.2016

## LIST OF MEMBERS

(as of 31.12.2016.)

Robert <b>Bedwell</b>	Geoff <b>Bown</b>
Stuart <b>Butler</b>	Richard <b>Collins</b>
John <b>Cooper</b>	Derek <b>Crawford</b>
Denis <b>Dean</b>	John <b>Edgington</b>
Michael <b>Grande</b>	Steve <b>Hart</b>
Noel <b>Higgs</b>	Scott <b>Hinks</b>
Max <b>Hiron</b>	David <b>Holding</b>
Graeme <b>Ingall</b>	Andrew <b>Kfoury</b>
Fred <b>Koch *</b>	David <b>Leabeater</b>
Rex <b>McCormick</b>	Chris <b>Matthews</b>
Lance <b>Nelson</b>	James <b>Noble</b>
Robert <b>Payne</b>	Michael <b>Sharpe</b>
David <b>Walker*</b>	Terry <b>Wand</b>
Roger <b>Whitehead</b>	David <b>Williams</b>
Gary <b>Young*</b>	

**Total = 29**

\* Life Member