

# **ANNUAL REPORT**

## **2017**



**KARAGI COURT LTD**  
**CHARITY ABN: 92 002 044 500**  
**PO Box 6232**  
**WEST GOSFORD NSW 2250**

### **BOARD OF DIRECTORS:**

**PRESIDENT:**  
**VICE PRESIDENT:**  
**SECRETARY:**  
**TREASURER:**

**ROBERT BEDWELL**  
**GRAEME INGALL**  
**CHRIS MATTHEWS**

### **DIRECTORS:**

**GEOFF BOWN**  
**STEVE HART**

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

**DAVID WILLIAMS**



**Supporting Surf Life Saving  
Central Coast**



**Supporter of  
Central Coast Bulldogs**



**Freemasons Young Athlete of the Year  
Jemma Smith from Umina SLS**



**Presentation to Wyong Creek  
Public School**

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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 3<sup>rd</sup> May, 2018 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 Thursday 19<sup>th</sup> April 2018.**

For and on behalf of the Board

\_\_\_\_\_  
Graeme Ingall, Secretary  
19<sup>th</sup> March 2018.

**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 Vice-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 **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 2017 Annual General Meeting held on 27<sup>th</sup> April 2017. (p. 9)**

**Resolution:** *'That the Minutes of the 2017 Annual General Meeting held on 27<sup>th</sup> April, 2017 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 Vice President's Report – Mr Robert Bedwell OAM. (p. 13)**

**Resolution:** *'That the Vice-President's Report be accepted.'***Moved:** Robert Bedwell **2<sup>nd</sup>:****Carried:** Yes / No

8. **Review Report from Fortunity Assurance. (p. 14)**

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

**Moved:** Chris Matthews **2<sup>nd</sup>:**

**Carried:** Yes / No

**9. Confirmation of the Capital Investment. (p. 34)**

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

**Moved:** Chris Matthews **2<sup>nd</sup>:**

**Carried:** Yes / No

**10. Treasurer's Report – Mr Chris Matthews. (p. 36)**

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

**Moved:** Chris Matthews **2<sup>nd</sup>:**

**Carried:** Yes / No

**11. Charity Report – Mr Rex McCormick. (p. 37)**

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

**Moved:** Rex McCormick **2<sup>nd</sup>:**

**Carried:** Yes / No

**12. Appointment of Auditor.**

**Resolution:** *'That Mr Tim Davidson from Fortunity Assurance be retained as the auditor for the financial year 2018.'*

**Moved:** Chris Matthews **2<sup>nd</sup>:**

**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 2019.'*

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

**Carried:** Yes / No

**14. Joining Fee and Annual Subscription for 2019 – 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 2019.'*

**Moved:** Chris Matthews **2<sup>nd</sup>:**

**Carried:** Yes / No

**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;**

**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.**

- 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).**

**16. Nomination for Life Membership.**

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

**Moved:** Rex McCormick **2<sup>nd</sup>:** Robert Bedwell

**Carried:** Yes / No

**17. Any questions of the Board.**

**18. Election of Directors.**

In accordance with the Constitution, all positions will be declared vacant.  
The Board has appointed Mr Denis Dean, if available, as Returning Officer.

**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

Mr Brad Pemberton, accompanied by his parents, Mr and Mrs Pemberton  
and  
Mr Shaun O'Farrell.

Brad was a recipient of a donation, which will enable to pursue his career in basketball.

Shaun, our financial advisor, will speak on the standards required by Directors of a Not-for-Profit  
Charitable organisation.

Mr Lester Pearson has been invited to receive a donation to North Gosford Rotary programme titled  
– 'Save Our Kids' (SOKs)

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

**Graeme Ingall**  
**Secretary of Karagi Court Ltd**  
**19<sup>th</sup> March 2018.**





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

## 2. MINUTES OF THE ANNUAL GENERAL MEETING

Held on Thursday 27<sup>th</sup> April 2017 at the Ourimbah RSL Club, Ourimbah at 7:10 pm.

**Present:** Scott Hinks, Chris Matthews, Stuart Butler, Graeme Ingall, Michael Grande, Steve Hart, Roger Whitehead, Robert Bedwell, Andrew Kfoury, Craig Nash, David Leabeater, David Walker, Geoff Bown, David Williams, Derek Crawford, Gary Young (16) and guests – Mr Alex Lee and Mr Matt Simms from ‘The Glen Centre’ – Drug and Alcohol Rehabilitation Centre, Chittaway Point.

1. The President, Mr Scott Hinks, welcomed and thanked the members for attending and gave a particular welcome to Mr Alex Lee and Mr Matt Simms, both from ‘The Glen’ Drug and Alcohol Rehabilitation Centre, Chittaway Point.

2. **Proxies.**  
No proxies received.

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

4. **Apologies.**  
The following apology was made – Rex McCormick.

**Resolution:** *‘That all apologies received be accepted.’*

**Moved:** Graeme Ingall      **2<sup>nd</sup>:** Andrew Kfoury      **Carried.**

5. **Minutes of the 2016 Annual General Meeting held on 27<sup>th</sup> April 2017.**

**Resolution:** *‘That the Minutes of the 2016 Annual General Meeting held on 27<sup>th</sup> April, 2017 as contained in the Annual Report be received and accepted.’*

**Moved:** Derek Crawford      **2<sup>nd</sup>:** Chris Matthews      **Carried.**

6. **Any Matters arising from those Minutes.**  
Nil matters raised.

7. **The President’s Report – Mr Scott Hinks.**

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

**Moved:** Scott Hinks      **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>:** David Williams                      **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>:** Derek Crawford                      **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>:** Derek Crawford                      **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                      **2<sup>nd</sup>:** David Walker                      **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:** Chris Matthews                      **2<sup>nd</sup>:** Robert Bedwell                      **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                      **2<sup>nd</sup>:** Stuart Butler                      **Carried.**

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

An email dated 20<sup>th</sup> April 2017 was received Mr David Walker asking the following questions (Summary)-

- why cannot members be informed of presentations? Scott relied that it would be the Board's intention of informing members of upcoming presentations and all members, if able, would be most welcome to attend.

- Why members don't receive any communication from one AGM to the next and could the Board make a half-yearly report on the donations approved. Scott replied that the Board hoped to complete the website so that all members could be informed of the actions of the Board.
- From the donations of \$ 83,189 to various organisations, did this result any new freemasons? Yes, plus many inquiries as MAS's. These MASs were forwarded to the DGIW.
- Publicity – Robert explained that the major local paper was now edited from Sydney and it was extremely difficult to gain news space. However, the Board had discussed advertising our events and the promotion of the donations on this medium.
- \$2,710 was a depreciation expense. Chris replied that the depreciation was for the iPads.
- As the overheads were \$ 21,766, could these amounts be broken down. Chris replied that he would discuss the items with our auditor.

There were no further questions.

#### **16. Election of Directors.**

Mr Gary Young and Mr David Walker, both Life Members, acted as the Returning Officers and in accordance with the Constitution, all positions were declared vacant.

The following Directors were elected for the year 2017 –

<b>President:</b>	Scott Hinks
<b>Vice President:</b>	Robert Bedwell
<b>Secretary:</b>	Graeme Ingall
<b>Treasurer:</b>	Chris Matthews
<b>Directors:</b>	Geoff Bown; Stuart Butler; Steve Hart; Rex McCormick; David Williams.

#### **17. Mr Hinks 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 Scott Hinks introduced –

**Mr Alex Lee, Administration Section and  
Mr. Matt Simms, Drug & Alcohol Counsellor from 'The Glen';**

Alex spoke briefly on the layout of 'The Glen' and its primary function of providing an intense three-month counselling service for men of many ages. He thanked 'Freemasons on the Central Coast' for their generous support in providing furniture for three cottages.

Matt spoke on effects of the use of drugs and alcohol on the breakdown of the individual as their family; both immediate and extended. He spoke briefly on the type of counselling service provided as well as the other support services that are required for a successful rehabilitation of a client.

Many questions followed, even during light refreshments where all joined before departing home.

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

**Dated: 3<sup>rd</sup> May 2018.**

\_\_\_\_\_  
**Mr Robert Bedwell, Vice President**

### **3. LIFE MEMBERS**

(as of 31.12.2017)

+ 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

## 4. VICE PRESIDENT'S REPORT – MR ROBERT BEDWELL OAM.

### *“LOCALS ASSISTING LOCALS”*

That's what we are!

To all Members of Karagi Court Ltd, Greetings and thank you for attending this evening. Normally, at this time, the President reports on the events of the year, however due to the circumstance of our President resigning, in accordance with our Constitution regarding residency, I assumed the Chair, temporarily, until the Annual General Meeting. So - I open my report by thanking you one and all, for attending this quite unique organisation's Annual General Meeting.

I leave the dollars and cents numbers to be itemised by my colleague, Treasurer Chris Matthews, however, I am confident you will see that under this current financial climate we have had a fairly active time assisting those in our community seeking assistance. Since making the decision to engage Premium Wealth Management (Fortunity) as our Financial Advisor during the last financial year, Karagi Court Limited has been able, through prudent investing, to enhance our Charity Account, thus being able to assist those in need. Also, you will hear from the Charity Subcommittee Chairman – Rex McCormack

Our Charity Sub-Committee chaired by Rex McCormick and manned by some “first term” new Directors has considered and recommended to the Board quite a number of worthy applications and there are a number interesting people and situations encountered on a number of occasions.

An area of our business “working practice” and governance has been undertaken, initially with Secretary Graeme, Treasurer Chris and myself attending a “Governance good practice for ‘Not For Profit’ and ‘Charity’ organisations Workshop. This, in my opinion, was an enthralling and most informative meeting and would be of immense value in educating anyone in becoming a Board Member. There are other workshops to be held and I certainly will attend.

Gentlemen; we have a right to be proud of Karagi Court. The wonderful foresight of our ‘founding fathers’; is a great testament. Local men with a vision to assist locals in our community in their ‘hour of need’ I am so proud and humble to be in your number.

I thank you.

**Robert Bedwell OAM**

**Vice President**

**21<sup>st</sup> March, 2018.**

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

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

**Financial Report  
For The Financial Year Ended  
31 December 2017**

**FINANCIAL REPORT****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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## DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2017 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 Brown  
Stuart Austin Butler  
Steven Douglas Hart  
Graeme Kenneth Ingall  
Christopher William Matthews  
Rex McCormick  
David Douglass Edward Williams

Derek Crawford	Resigned 27 <sup>th</sup> April 2017
Scott Anthony Hinks	Resigned 23 <sup>rd</sup> November 2017
Andrew Kfoury	Resigned 27 <sup>th</sup> April 2017

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 2017 has been received and can be found on page 18 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 this 5<sup>th</sup> day of March 2018**

**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 2017, 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: 5 March 2018.**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
Revenue	2	505	857
Other income	2	252,743	178,499
Audit, legal and consultancy expense		(3,600)	(3,600)
Administration expense		(124)	(121)
Other expenses		(33,971)	(32,113)
<b>Profit before income tax</b>		<u>215,553</u>	<u>143,522</u>
Income tax expense		-	-
<b>Profit for the year</b>		<u>215,553</u>	<u>143,522</u>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>215,553</u>	<u>143,522</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	820,006	869,844
Trade and other receivables	5	27,047	8,171
Financial assets	6	3,199,258	3,062,502
Total Current Assets		4,046,311	3,940,517
<b>Non Current Assets</b>			
Plant & Equipment	7	-	-
Total Non Current Assets		-	-
Total Assets		4,046,311	3,940,517
<b>Current Liabilities</b>			
Payables	8	3,600	3,600
Total Current Liabilities		3,600	3,600
Total Liabilities		3,600	3,600
Net Assets		4,042,711	3,936,917
<b>Members' Funds</b>			
Retained earnings		137,711	31,917
Capital reserve		3,905,000	3,905,000
Total Members Funds		4,042,711	3,936,917

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN MEMBERS FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Capital Reserve	Retained Earnings	Total
<b>Balance at 1 January 2016</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>
Total comprehensive income for the year	-	215,553	215,553
Donations to charities	-	(109,759)	(109,759)
Transfers from/to reserves	-	-	-
<b>Balance at 31 December 2017</b>	<b>3,905,000</b>	<b>137,711</b>	<b>4,042,711</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
<b>Cash flows from Operating Activities</b>			
Interest/ Distributions received		233,867	176,635
Subscriptions and other receipts		505	852
Administration expenses		(37,695)	(33,119)
		-----	-----
Net cash provided by (used in) operating activities	9(b)	196,677	144,368
		-----	-----
<b>Cash flows from Investing Activities</b>			
Donations to charities		(109,759)	(83,189)
Investments Disposed		-	-
Investments Made		(136,756)	(64,176)
Purchase of Plant & Equipment		-	-
		-----	-----
Net cash provided by (used in) investing activities		(246,515)	(147,365)
		-----	-----
<b>Net increase/(decrease) in cash held</b>		(49,838)	(2,997)
<b>Cash at beginning of the financial year</b>		869,844	872,841
		-----	-----
<b>Cash at the end of the financial year</b>	9(a)	820,006	869,844
		-----	-----

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 2017**

**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:

<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.

**(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).



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**Basis of Preparation (cont'd)**

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 2017**

	2017	2016
	\$	\$
<b>Note 2. Revenue and Other Income</b>		
<b>Revenue</b>		
Subscriptions & joining fees	225	115
Plaque sales	280	80
Donations	-	657
	505	852
<b>Other Income</b>		
Interest received	121,085	177,816
Movement in market value	131,658	-
Other income	-	683
	252,743	178,499
Total revenue and other income	253,248	179,351
<b>Note 3. Profit before income tax</b>		
<b>(a) Expenses:</b>		
Depreciation	-	2,710
Provision for impairment of financial assets		-
Loss on disposal of investment		-
Insurance expense (property, vehicle & property) 2,288	2,310	
<b>Note 4. Cash and Cash Equivalents</b>		
Cash at bank	90,006	69,844
Term deposits	730,000	800,000
	820,006	869,844

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 \$	2016 \$
<b>Note 5. Trade and Other Receivables</b>		
Accrued interest on term deposits	5,656	8,171
Accrued Distributions	21,391	-
	<u>27,047</u>	<u>8,171</u>
<b>Note 6. Financial Assets</b>		
Macquarie Investment Consolidator	3,199,258	3,062,502
	<u>3,199,258</u>	<u>3,062,502</u>
As at 31 December 2017 the market value of available for sale financial assets was as follows:		
Macquarie Investment Consolidator	3,199,258	3,062,502
	<u>3,199,258</u>	<u>3,062,502</u>
<b>Note 7. Plant &amp; Equipment</b>		
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>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 \$	2016 \$
<b>Note 7. Plant &amp; Equipment (cont'd)</b>		
<b>(a) Movements in Carry Amounts</b>		
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	-	-

**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	90,006	69,844
Term deposits	730,000	800,000
	820,006	869,844

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
<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	215,553	143,522
Non-cash flows in operating profit		
Depreciation	-	2,710
Loss on disposal of investment	-	-
Reversal of provision for impairment	-	-
<b>Changes in net assets and liabilities:</b>		
(Increase)/Decrease in trade and other receivables	(18,876)	(1,864)
Cash Flows from Operations	196,677	144,368

**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 2017**

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 2017 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 this 5th day of March 2018**

**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 2017, 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, 2017 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, 2017, 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: 5 March 2018**



**ADDITIONAL FINANCIAL INFORMATION**  
**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
<b>Income</b>		
Interest received/ distributions	121,085	177,816
Subscriptions and joining fees	225	115
Plaque Sale	280	80
Other income	-	683
Movement in market value	131,658	-
Donations	-	657
	253,248	179,351
<b>Less: Expenses</b>		
Auditors remuneration	3,600	3,600
Bank charges	51	38
Connectivity costs	607	1,530
Depreciation	-	2,710
Directors expenses	6,815	6,887
Insurance	2,288	2,310
Investment advice	13,972	14,063
Loss on disposal of investment	-	-
Plaques & presentation costs	1,144	-
Printing, postage & stationery	125	121
Storage costs	788	816
Sundry expenses	8,305	3,754
	37,695	35,829
Net profit for the financial year	215,553	143,522
Retained profits at the beginning of the financial year	31,917	(28,416)
Total available for appropriation	247,470	115,106
Less: Donations to charities	(109,759)	(83,189)
Transfer to capital reserve	-	-
Retained profits at the end of the financial year	137,711	31,917

## 6. CONFIRMATION OF CAPITAL INVESTMENT.



TRD:MAF  
19 March 2018

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

Dear Sirs

### 2017 Financial Report

We have completed our audit of the company's books and records for the year ended 31 December 2017.

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:-

<b>Net earnings for the year ended 31 December 2016</b>	<b>\$215,553</b>
	<b>_____</b>
	<b>\$215,553</b>
	<b>_____</b>
<b>70% available for donations</b>	<b>150,887</b>
<b>20% available for reinvestment</b>	<b>43,111</b>
<b>10% available for overheads</b>	<b>21,555</b>
	<b>_____</b>
	<b>\$ 215,553</b>
	<b>_____</b>

We have set out below details of the current amounts available in respect of the year ended 31 December, 2017.

<b>(a) Base Capital</b>	
<b>Deficit brought forward</b>	<b>16,336</b>
<b>Balance as at 31 December, 2016</b>	<b>3,905,000</b>
<b>2016 Allocation</b>	<b>43,111</b>
	<b>_____</b>
	<b>3,964,447</b>
<b>Balance as at 31 December 2017</b>	<b>3,905,000</b>
	<b>_____</b>
<b>Deficit</b>	<b>\$59,447</b>
	<b>_____</b>

<b>(b)</b>	<b>Donations</b>	
	<b>Deficit 31 December 2016</b>	<b>44,274</b>
	<b>2017 Allocation</b>	<b>150,887</b>
		<hr/>
	<b>Donations –</b>	<b>195,161</b>
		<b>109,759</b>
		<hr/>
	<b>Deficit</b>	<b>\$85,402</b>
		<hr/>
<b>(c)</b>	<b>Overheads</b>	
	<b>Available 2016</b>	<b>-</b>
	<b>2017 allocation</b>	<b>21,555</b>
		<hr/>
	<b>Overheads – 2017</b>	<b>21,555</b>
		<b>23,723</b>
		<hr/>
	<b>Available</b>	<b>\$ (2,168)</b>
		<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

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

This was a year of consolidation, although the term deposit rates were still poor, 'Freemasons on the Central Coast' still made a tidy profit. Our dividends for Charitable distribution are up about \$26.5K on the previous year.

During 2017, 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 several occasions to discuss and plan our portfolio. During this period, we had a risk profile of 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. On 5<sup>th</sup> March 2018, the Finance Committee met to discuss our portfolio and with Shaun's input, (and to keep all members informed), and, after careful consideration, the Finance Committee decided to change that mix to 35% growth assets and 65% defensive assets in an attempt to maximise our returns..

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 2017, we made \$153,138-56 in interest and the Company donated \$109,759 to worthy causes on the Central Coast Local Government Area. As per our constitution, 20% of all profits were reinvested into the principal giving the company \$4,042,711-00 at year-end. Some of the recipients were:- Central Coast Bulldogs; Vietnam Veterans; Save Our Kids (Suicide Prevention); Central Coast Health; The Glen, Drug & Rehabilitation Centre; Surf Lifesaving Central Coast; various "Men's Sheds"; Kulnura Rural Fire Brigade; 5 Lands Walk; Erina Army Cadets Unit and many more Scout Groups and Special Needs Schools. It needs to be noted that some \$ 12,000 remain in unrepresented cheques for the year 2017 therefore only \$ 109,759 will show as donations.

Directors are reimbursed for out of pocket expenses only and no Director has received fees or consultation fees in 2017, all Directors act on a voluntary basis. During 2017, the Company paid a premium of \$2,288-40 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**  
**Treasurer**  
**26<sup>th</sup> March 2018.**

## 8. CHARITY REPORT – MR REX MCCORMICK.

It is with pleasure that I submit the 2017 Charity Committee Report. I would like to thank the members of the Committee, especially the Treasurer Chris Matthews, Directors Steven Hart and Stuart Butler for their assistance and advice in making this a very successful year.

During the year, it was wonderful to see applicants for donations alacritous to add their own monies in order to achieve a successful outcome. In addition, it is particularly noted the pleasing co-operation between the Lodges in their readiness to join in providing the vital outcome.

Karagi Court provided \$ 109,759 to the Central Coast community, covering the Central Coast Health, Drug and Alcohol Rehabilitation, Men's Sheds, Vietnam Veterans, sport and the Surf Life Saving movement. It should be noted that approximately \$ 12,000 in cheques as of 31<sup>st</sup> December 2017 had not been presented to the bank; this area mainly concerned education. The Lodges totalled \$25,850 in their contribution to the community.

**Rex McCormick**  
**Director – Chairman of the Charity Committee**  
**25<sup>th</sup> March 2018.**

## 9. DIRECTOR'S ATTENDANCE AT BOARD MEETINGS

(from 27<sup>th</sup> April 2017 to 3<sup>rd</sup> May 2018)

	DOB	Elected	2017 24 <sup>th</sup>	2017 27 <sup>th</sup>	2017 21 <sup>st</sup>	2017 23 <sup>rd</sup>	2017 6 <sup>th</sup>	2018 27 <sup>th</sup>	2018 22 <sup>nd</sup>	2018 2 <sup>nd</sup>	
			May	July	Sep.	Nov.	Dec.	Feb.	Mar.	Apr.	Total
<b>Bedwell</b> Robert Anthony	02.09.1946	27.04.17	#	#	#	#	#	#	A	#	7/8
<b>Butler</b> Stuart Austin	19.19.1973	27.04.17	#	#	#	#	A	#	A	#	6/8
<b>Bown</b> Geoffrey Burnett	30.07.1951	27.04.17	#	#	A	#	#	#	A	#	6/8
<b>Hart</b> Steven Douglas	25.01.1959	27.04.17	#	#	#	#	#	#	A	#	7/8
<b>Hinks *</b> Scott Anthony	07.11.1972	27.04.17	#	#	#	#					4/4
<b>Ingall</b> Graeme Kenneth	25.09.1948	27.04.17	#	#	#	#	#	#	#	#	8/8
<b>Matthews</b> Christopher Williams	03.01.1947	27.04.17	A	#	#	#	#	#	#	#	7/8
<b>McCormick</b> Rex	04.12.1941	27.04.17	#	#	#	#	A	#	A	#	6/8
<b>Williams</b> David Douglass	25.07.1941	27.04.17	#	A	#	#	#	#	#	#	7/8
			8/9	8/9	8/9	9/9	6/8	8/8	3/8	8/8	

# = Present      A = Apology

\* = Resigned from the Board 23.11.2017

## 11. LIST OF MEMBERS

(as of 31.12.2017.)

Will	<b>Acason</b>	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>	James	<b>Henry</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>
Craig	<b>Nash</b>	Lance	<b>Nelson</b>
James	<b>Noble</b>	Robert	<b>Payne</b>
Leigh	<b>Pollard</b>	Michael	<b>Sharpe</b>
Steve	<b>Sullivan</b>	Ian	<b>Todd</b>
David	<b>Walker*</b>	Jim	<b>Westbrook</b>
Roger	<b>Whitehead</b>	David	<b>Williams</b>
Gary	<b>Young*</b>		

**Total = 35**

\* Life Member