



**VICTORIA
BODY CORPORATE
SERVICES PTY LTD**
your strata care company

64 Fennell Street
Port Melbourne Vic 3207
Locked Bag 1291
Port Melbourne Vic 3207

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99228 na 20121212
DS : JH

EDGEWATER SERVICE LIMITED
12 MARINE PARADE, ST KILDA
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2012 Annual General Meeting of Members of the Company will be held at :

THE ST KILDA SOLDIERS' & SAILORS' MEMORIAL HALL BUILDING
1ST FLOOR
88 – 90A ACLAND STREET
ST KILDA
ON
WEDNESDAY 12 DECEMBER 2012 AT 7.00 PM

A G E N D A

1. To elect a Chairman for the Meeting.
2. To confirm minutes of the previous Annual General Meeting.
3. Chairman's Report.
4. To elect Directors

Nominations for Directors **must** be lodged with Mr Dan Slattery at the registered office no later than 72 hours before the Annual General Meeting.

The following Director is retiring, and being eligible, offers himself for re-election :

- Mr Sym Kohn

5. To receive the accounts and the budget.
6. To appoint an Auditor.
7. Any other business (includes Motions on Notice).

Proposals for any other business **must** be lodged with Mr Dan Slattery at the registered office no later than 72 hours before the Annual General Meeting.

Pursuant to section 249N of the Corporations Act 2001 (Cth) notice of proposed motion can only be given by one or more shareholders representing at least 5% of the votes.

Accordingly, any owner wishing to propose a motion for consideration at the Annual General Meeting, must lodge it with Mr Dan Slattery at the registered office no later than 72 hours before the Annual General Meeting together with at least 6 valid signatures.

EDGEWATER SERVICE LIMITED

A handwritten signature in black ink, appearing to read 'Dan Slattery', is written over a large, stylized, hand-drawn checkmark or 'X' shape.

DAN SLATTERY
Manager

Direct Telephone : 8531 8118
Email : dslattery@vbcs.com.au

14 November 2012

PROXIES : Every shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney to attend in his or her stead. Proxies and powers of attorney must be lodged with Mr Dan Slattery at the registered office no later than 48 hours before the Annual General Meeting or they will not be recognised. If you desire, you may appoint "The Chairperson" as your proxy.

DS

PROXY FORM

I/WE

of

Being a Member of **EDGEWATER SERVICE LIMITED**

at **12 MARINE PARADE, ST KILDA**

being Registered Proprietor/s of UNIT NO.

HEREBY APPOINT

(please tick appropriate box)

- The Chairperson
- A person attending the meeting being.....

as Proxy to vote and act for me and on my behalf at the Annual General Meeting of the Company (or at any adjournment thereof)

which is to be held on **WEDNESDAY 12 DECEMBER 2012 AT 7.00 PM**

at **THE ST KILDA SOLDIERS' & SAILORS' MEMORIAL HALL BUILDING, FIRST FLOOR, 88 - 90A ACLAND STREET, ST KILDA**

DATED this day of 2012

SIGNATURE :

PROXIES : Every shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney to attend in his or her stead. Proxies and powers of attorney must be lodged with Mr Dan Slattery at the registered office no later than 48 hours before the Annual General Meeting or they will not be recognised. If you desire, you may appoint "The Chairperson" as your proxy.

Edgewater Service Ltd

12 Marine Parade St Kilda VIC 3182

*C/- VBCS
Locked Bag 1291
PORT MELBOURNE 3207*

CHAIR'S REPORT

Edgewater Service Limited

2012 AGM – December, 2012

The year just completed has been a very busy year for your Board.

An enormous amount of work was completed; much of it driven by Russell Jessop, whose energy and enthusiasm generated a lot of the activity. All of the other Board members, John van Laan, Hilton Garcia, Mark Brickles, Franz Samuel (who recently resigned when he sold his flat), and Adrian Constable, also devoted a large amount of their time and energy to ensure the improvement of the facilities at Edgewater Towers.

During the year we have undertaken the following projects:

- Refurbishment of the lobby
 - The timber screen was created by Richard Manning, a resident Artist, together with sculptor Cliff Burt. The timber screen matches exactly the footprint of the original rockery feature and the timber profile was copied from the original Edgewater panels and custom fabricated. The work was exacting and painstaking and the result is a high quality feature that will provide a focus for years. The screen was designed by Architect Rowan Opat, who won the Australian Institute of Architects 2012 Emerging Architect prize for Victoria.
 - Russell Jessop, another resident, and Richard also put in a considerable effort to replace missing tiles in the columns.
 - The airlock and security panels have been refurbished and new signs for the security pad have been installed.
 - The lobby and lift doors have been painted.
 - The lift lighting has been upgraded to energy efficient and low maintenance LED.
 - New tiles were laid in the passage to Apartment GB, replacing a rather disreputable bit of carpet that has been there for years.
 - The lift floors were retiled replacing the old, damaged tiles.
 - The missing brass "G" and the new "GROUND FLOOR" signage have been installed.
 - The Notice Board has been refurbished. Please look at it and check the web site periodically.
 - We are currently looking for a terrazzo specialist to strip back and resurface the tiles. This will complete the lobby project.
 - We are currently considering simple artwork based on the original 60's building advertising. This can be refreshed in a couple of years or so.
 - The Leighton family had preserved the original plaque commemorating Edgewater's opening in 1960 and have very kindly handed it to the Board to install in the Lobby.
 - Thanks to Russell Jessop, Richard Manning, Susan Kohn and Tracey Avery for the work that they put in on this project, and also the resident volunteers who earlier helped remove all the white paint from the tiles.
- The Lobby common area lighting has been replaced by energy efficient lighting. Eventually, this form of lighting will be installed in all corridors over the next year. The Board expects that energy savings in the order of 60% to 70% will result. Thanks to Hilton Garcia who managed this project.
- We were approached by the Open House Melbourne organization, who requested that we open Edgewater Towers as part of their program. They regard Edgewater Towers as one of Melbourne's

Edgewater Service Ltd

100 significant buildings. The Board considered this a worthwhile exercise to raise the Building's profile externally and to residents and felt it would promote resident interaction and community spirit. We had agreed that we would allow tightly controlled groups totaling 64 people for the whole day. Over 400 people applied for places on the tour. Thanks to Susan Kohn & Russell Jessop, who collected the historical documents and personal histories relating to the building and the residents that volunteered on the day.

- The existing carpet throughout the building is damaged and at the end of its serviceable life. In order to ensure the safety of all residents, the Board decided to replace the carpets throughout the building. The first floor prototype has been completed to show residents the colour scheme that has been developed with the help of Rowan Opat and it is anticipated that this will be adopted throughout the building. New carpet has been laid, the corridor walls, the stairwell, and the laundries have all been painted. We welcome your feedback prior to November 27, 2012.
- The window replacement project has commenced with the replacement of rotting Company owned windows on the 12th floor. The board was able to find only one person who was willing to replace the windows. Brett Smyk, of Smyk Windows, was selected to replace the kitchen and laundry windows that have been identified by the Board as requiring replacement. As Brett has other jobs in the pipeline, our job must fit in with his work schedule. However, we expect the rate of work to increase over the next 12 months. Thanks to John van Laan, who is coordinating this project.
- External plumbing works were required to replace the corroded incoming mains water pipe from Marine Parade with copper.
- The Landscaping Project is proceeding
 - The new front gate has been installed together with associated electronic security.
 - The original screen blocks have been rebuilt into the front wall and in the garden.
 - The design of the garden and plant selection has been completed by a Heritage Landscape Specialist. The plants chosen are all native to St Kilda, or areas similar in soil composition and climate to St Kilda.
 - The person who won the gardening contract has disappointed us by making unreasonable demands. The Board is now negotiating with the second-placed tenderer in an attempt to get the project moving. We are striving to have completed prior to Christmas.
- We are starting to plan for the upgrade of the car park area in Autumn 2013 when the weather is most stable. We are in the process of putting out the tender for the work and we are currently negotiating with the Port Philip Council regarding parking arrangements while the works are under way. Thanks to Hilton Garcia who is looking after this project.
- Reduction of outstanding service fees continues. The Board is commencing legal action against two owners that have signed Undertakings as to payment arrangements. All other owners are making regular payments to reduce their liabilities
- Our web site (www.EdgewaterTowers.com.au) is now functioning.

The Board's focus in the coming year will be to complete the ongoing projects including:

- The removal of redundant boilers and flues from laundries will be commenced during the coming year.
- Interiors to be repainting and carpeting is planned over Winter 2013 once the Laundry window repairs and water heater removal work is completed.
- A survey of all enclosed balconies will be undertaken by Aurecon to identify those in-filled balconies that have maintenance issues. Where those issues are identified, owners will be required to make appropriate repairs. We remind you that owners are entirely responsible for the maintenance and replacement of your owner enclosed balconies.

Edgewater Service Ltd

- The stainless steel interiors of the lifts will be finished to remove scratches.
- Replacement of the existing incoming cold water main piping from Spenser Street in advance of the car park asphaltting.
- The web cam will be linked to a web site, which will allow anyone to access the web cam and control it for a short time. We hope to sell advertising on the site and will be developing a business plan to do so once the site is up and running.
- The bike storage room will be cleaned out and all unclaimed bikes will be donated to Ceres for use in their recycle project. We are currently looking at a new storage system that will allow bikes to be locked up.
- The Board is developing a plan to allow all owners access to the roof. Security cameras have already been installed in anticipation of future roof access. Once the concept plan has been established, it will be posted for all owners to review and comment on. The concept plan will be a staged approach over a number of years in order to manage the cost appropriately.
- The replacement of the entrance vestibule doors will be evaluated.
- A review of existing balustrades will be undertaken to ascertain which ones need repair or replacement. There are a number of balustrades that exist as part of an in-filled balcony and these will have to be removed.
- The feasibility of on-floor recycling facilities on every second floor for the recycling of glass, metal, and paper will be undertaken during the coming year.
- Improved rear entrance gate will be evaluated.

I would also like to thank Dan for the efforts of VBCS. We asked a lot from Dan this year and we appreciate the amount of time he has devoted to the Service Company.

Sym Kohn

Chair

Edgewater Service Limited

Budget 12/13

Edgewater Services Ltd.

Estimated COL Increase

6.0%

		Budget 11/12	Actual 11/12	Budget 12/13
Administrative				
Annual Return & Lodgement Fees	60	\$ 1,490	\$ 110	\$ 127
Bank Charges	11	\$ 914		\$ 914
Committee Expenses		\$ 1,765	\$ 936	\$ 1,077
Communication Costs		\$ 5,584	\$ 4,065	\$ 5,919
GST- Lodgement Fees	242	\$ 1,026	\$ 5,385	\$ 1,026
Key Custody Fee	572	\$ 52		\$ 52
Legal Fees	45	\$ 60,000	\$ 9,970	\$ 20,000
Management Fees	25	\$ 32,276	\$ 29,470	\$ 34,212
Postage & Photocopy	26			\$ -
Professional Fees	44	\$ -		\$ -
Professional- VBCS	444	\$ 11,329	\$ 11,107	\$ 11,774
Professional - Spare/ASIC/sched3	448	\$ 14,103	\$ 6,920	\$ 7,958
Taxes & Fees	24	\$ -		\$ -
Tax - PAYG	244	\$ 14,252	\$ 4,674	\$ 5,375
Total Admin Expenses		\$ 142,791	\$ 72,637	\$ 88,434
Building Operations				
Bin Clearance		\$ 3,000		\$ 3,000
Common area upkeep	13	\$ 38,042	\$ 42,620	\$ 45,177
Electricity	17	\$ 24,904	\$ 23,991	\$ 28,640
Elevator - Service	53	\$ 40,000	\$ 34,553	\$ 36,626
Fire - ADT/Tyco	431	\$ 2,974	\$ 1,935	\$ 2,974
Fire Protection	43	\$ 6,778	\$ 8,273	\$ 8,769
Gardening	33	\$ 7,000	\$ 3,735	\$ 4,295
Insurance	14	\$ 46,759	\$ 46,716	\$ 49,564
Pest & Sanitation	37	\$ 1,400	\$ 1,309	\$ 1,388
Telstra - Phone line	531	\$ 1,580	\$ 2,270	\$ 2,406
Water	22	\$ 68	\$ 61	\$ 78
Window Cleaning	23	\$ 5,500	\$ 4,400	\$ 4,664
Total Building Expenses		\$ 178,005	\$ 169,862	\$ 187,582
Repairs & Maintenance				
Brickwork & Concreting	27	\$ 5,000	\$ 450	\$ 11,500
Bike Room Clean Up				\$ 1,000
Building Refurbishment	491		\$ 70,822	\$ -
Building Refurbishment - Stage 2	491	\$ 35,000	\$ 15,859	\$ 20,000
Paint Corridors & Carpet Replacement	491			\$ 50,000
Eco Lighting	49	\$ 40,000		\$ 40,000
Electrical Repairs	31	\$ 4,040	\$ 3,064	\$ 3,247
Elevator Repairs	532	\$ 85,000		\$ 35,000
Floor Repair - Lobby				\$ 12,000
Fire Protection	43	\$ 2,829	\$ 5,533	\$ 2,999
Garden - Land Sculpture	33			\$ 30,000
General Repairs	282	\$ 3,935	\$ 4,955	\$ 5,252
Glass	34	\$ 1,581	\$ 950	\$ 1,676
Globes & Hardware	29	\$ 485		\$ 485
Graffiti Removal	362	\$ -		\$ -
Intercom	39	\$ 618	\$ 964	\$ 655
Lobby Restoration	491	\$ 30,000		\$ 30,000
Locksmith	35	\$ 850	\$ 3,585	\$ 3,800
Parking Area Redevelopment	544	\$ 90,000		\$ 70,000
Plumbing	38	\$ 11,127	\$ 15,777	\$ 45,000
Repairs to Company-owned Windows		\$ 15,000		\$ 15,000
Security Installation & Repair	571	\$ 12,000	\$ 9,633	
Security Doors & Gates	51/511		\$ 1,337	\$ 11,000
Signs & Line Markings	48	\$ -	\$ 451	\$ 1,000
Sundries	58	\$ 2,000	\$ 1,593	\$ 1,700
TV Antenna Repairs	41	\$ 500	\$ 1,318	\$ 1,397
Total R & M Expenses		\$ 339,966	\$ 136,289	\$ 392,711
Total Expenditure		\$ 660,762	\$ 378,788	\$ 668,727
Less - Carry Over Projects				
Eco Lighting	49			\$ 40,000
External Plumbing Works				\$ 10,000
Landscaping				\$ 25,000
Elevator Repairs	532			\$ 75,000
Lobby Restoration	491			\$ 30,000
Parking Area Redevelopment	544			\$ 70,000
Building Refurbishment - Stage 2	491			\$ 35,000
				\$ 285,000
Total Planned Current Expenditure				\$ 383,727
Quarterly Service Fees				\$ 950

Funding for these projects was approved at the 2010 AGM. In some cases the projects have been commenced & in other cases, the projects have been planned but will commence in the current fiscal year.

Edgewater Service Ltd ABN 66 004 514 596

Directors Report

Your directors present this report on the company for the financial year ended 30 June 2012.

Directors

The names of the directors in office at any time during or since the end of the year are:

John Van Der Laan

Sym Kohn

Hilton Garcia

Adrian Constable

Russell Jessop (appointed 1 March 2011)

Mark Brickles (appointed 28 April 2011)

Franz Josef Samuel (appointed 21 November 2011 - resigned 28 September 2012)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Result

The profit (loss) of the company for the financial year after providing for income tax amounted to:

	Year ended	Year ended
	30 June 2012	30 June 2011
	\$	\$
	32,956.82	(788,876.42)

Principal Activities

The principal activities of the company during the course of the year were the ownership of land at 12 Marine Parade, St Kilda and the management of own your own home units constructed thereon.

No significant change in the nature of these activities occurred during the year.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The accompanying notes form part of these financial statements.

Edgewater Service Ltd ABN 66 004 514 596

Directors Report

Dividends

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

Share Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

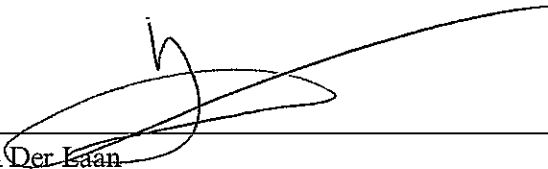
Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

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



John Van Der Kaan
Director



Sym Kohn
Director

Dated: 13 November 2012

**EDGEWATER SERVICES LTD
A.C.N. 004 514 596**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

1. no contraventions of the auditor's 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.



PETER GREGORY D'AMBROSIO
Registered Company Auditor No. 10515

Dated this 5th day of November 2012
Address: 1 Rose Street
IVANHOE VIC 3079

Edgewater Service Ltd ABN 66 004 514 596
Statement of Financial Performance - by Nature
For the year ended 30 June 2012

	Note	2012	2011
		\$	\$
Classification of Expenses by Nature			
Revenues from ordinary activities		395,297.58	466,848.23
Other expenses from ordinary activities		(356,147.26)	(1,243,198.75)
Profit from ordinary activities before income tax		39,150.32	(776,350.52)
Income tax expense relating to ordinary activities		(6,193.50)	(12,525.90)
Net profit attributable to members of the company		32,956.82	(788,876.42)
Total changes in equity other than those resulting from transactions with owners as owners		32,956.82	(788,876.42)
Opening retained profits		862,940.62	1,651,817.00
Net profit attributable to members of the company		32,956.82	(788,876.42)
Closing retained profits		895,897.44	862,940.58

The accompanying notes form part of these financial statements.

Edgewater Service Ltd ABN 66 004 514 596
Detailed Statement of Financial Position As At 30 June 2012

	2012	2011
	\$	\$
Current Assets		
Cash Assets		
Cash At Bank (Note 4)	703,937.22	620,085.27
	<u>703,937.22</u>	<u>620,085.27</u>
Receivables		
Contributions & Levies In Arrears	109,057.36	132,359.38
GST On Contributions & Levies In Advance	3,455.17	2,222.15
Other Charges In Arrears	17,961.60	15,260.10
Sundry Debtors	-	22,328.00
	<u>130,474.13</u>	<u>172,169.63</u>
Other		
Prepayments	5,975.67	4,902.54
	<u>5,975.67</u>	<u>4,902.54</u>
Total Current Assets	<u>840,387.02</u>	<u>797,157.44</u>
Non-Current Assets		
Property, Plant and Equipment (Note 5)		
Freehold land - at cost	2,200.00	2,200.00
Building Improvements - at cost	52,312.00	52,312.00
Fixtures & Fittings	227,313.17	219,447.18
Less: Accumulated depreciation	<u>(145,115.00)</u>	<u>(125,668.00)</u>
	<u>136,710.17</u>	<u>148,291.18</u>
Total Non-Current Assets	<u>136,710.17</u>	<u>148,291.18</u>
Total Assets	<u>977,097.19</u>	<u>945,448.62</u>

The accompanying notes form part of these financial statements.

Edgewater Service Ltd ABN 66 004 514 596
Detailed Statement of Financial Position As At 30 June 2012

	2012	2011
	\$	\$
Current Liabilities		
Payables		
Unsecured:		
Sundry Creditors & Accruals	908.35	4,703.15
Contributions & Levies Paid In Advance	38,006.90	24,443.65
GST On Contributions & Levies In Arrears	-	12,070.34
	38,915.25	41,217.14
Current Tax Liabilities		
Provision For Income Tax	74.50	(919.10)
	74.50	(919.10)
Total Current Liabilities	38,989.75	40,298.04
Total Liabilities	38,989.75	40,298.04
Net Assets	938,107.44	905,150.58
Equity		
Issued Capital		
1105 Ordinary Shares of \$2	2,210.00	2,210.00
Reserves		
General reserve	40,000.00	40,000.00
Retained profits / (accumulated losses)	895,897.44	862,940.58
Total Equity	938,107.44	905,150.58

The accompanying notes form part of these financial statements.

Edgewater Service Ltd ABN 66 004 514 596

Notes to the Financial Statements

For the year ended 30 June 2012

Note 1: Summary of Significant Accounting Policies

Edgewater Service Ltd is a company limited by shares, incorporated and domiciled in Australia.

Reporting Basis and Conventions

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of the statements are as follows:

Accounting Policies

(a) Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on Taxable income calculated using applicable income tax rates at the reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Property, Plant and Equipment (PPE)

Each class of property, plant and equipment are carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis.

Edgewater Service Ltd ABN 66 004 514 596

Notes to the Financial Statements

For the year ended 30 June 2012

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each depreciable asset are in accordance with the estimated useful life of the asset.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of 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 fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

Edgewater Service Ltd ABN 66 004 514 596

Notes to the Financial Statements

For the year ended 30 June 2012

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial Assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and other receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(vi) *Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(d) **Impairment of Assets**

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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Notes to the Financial Statements

For the year ended 30 June 2012

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

(e) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefit will result and that the outflow can be measured reliably. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

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Notes to the Financial Statements

For the year ended 30 June 2012

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) 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.

(l) Adoption of New and Revised Accounting Standards

During the current year, the company has adopted the revised Australian Accounting Standards AASB 101: Presentation of Financial Statements, which became mandatory. The adoption of this Standard has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of this standard has had on the financial statements of Edgewater Service Ltd.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements. These changes are not expected to impact the financial performance or financial position of the company.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of the AASB 101 requires that owner changes in equity be presented in the income statement.

Edgewater Service Ltd ABN 66 004 514 596

Notes to the Financial Statements

For the year ended 30 June 2012

Statement of comprehensive income – The revised AASB 101 requires all income and expense to be presented in either one statement – the statement of comprehensive income, or two statements – a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income - The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are also required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 1010 did not contain an equivalent concept.

(m) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. A discussion of those future requirements and their impact on the company is as follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirement to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the investment; and
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.
 - AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).
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Notes to the Financial Statements

For the year ended 30 June 2012

This standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the company.

- AASB 2009-4: Amendment to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvement project. No changes are expected to materially affect the company.

- AASB 2009-8: Amendment to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

This standard clarifies the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the company.

- AASB 2009-12: Amendment to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 and 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

- AASB 2009-13: Amendment to Australian Accounting Standards arising from Interpretation 19. [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the company.

- AASB 2009-14: Amendment to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

The standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

EDGEWATER SERVICE LTD
ABN 66 004 514 596

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
Revenue	2	395,298	466,848
Accounting & audit fees		6,030	5,410
Depreciation expense		19,447	20,258
Management fees		38,510	37,688
Property maintenance		157,747	1,039,404
Meetings costs		936	1,841
Printing & stationery		1,925	4,072
Telephone		2,064	1,249
Other costs		129,488	133,276
Net profit (loss) from operations		<u>\$ 39,150</u>	<u>(\$ 776,350)</u>
Other comprehensive income for the year		-	-
Total comprehensive income attributable to members		<u><u>\$ 39,150</u></u>	<u><u>(\$ 776,350)</u></u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		394,920	440,392
Payments to suppliers and employees		(346,770)	(1,447,475)
Interest received & sundry		43,567	65,600
Net cash provided by operating activities	6	<u>\$ 91,717</u>	<u>(\$ 941,483)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant & equipment		(7,866)	-
Net cash provided by (used in) investing activities		<u>(\$ 7,866)</u>	<u>-</u>
Net increase (decrease) in cash held		83,851	(941,483)
Cash and cash equivalents at beginning of financial year		620,086	1,561,569
Cash and cash equivalents at end of financial year	4	<u><u>\$ 703,937</u></u>	<u><u>\$ 620,086</u></u>

The accompanying notes form part of these financial statements.

EDGEWATER SERVICE LTD
ABN 66 004 514 596

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 2: Total Income	2012	2011
	\$	\$
Revenue - owners		
Contribution & Levies	351,731	401,249
Interest received	12,361	19,396
Insurance recoveries	5,571	-
	<u>369,663</u>	<u>420,645</u>
Other income		
Interest	21,026	43,094
Other income	4,608	3,110
	<u>\$ 395,298</u>	<u>\$ 466,848</u>

Note 3: Auditors remuneration	2012	2011
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial report	1,400	1,400
- taxation services	-	-

Note 4: Cash and Cash Equivalents	2012	2011
	\$	\$
Trading Account	44,851	141,026
Interest bearing investments accounts	659,086	479,060
	<u>\$ 703,937</u>	<u>\$ 620,086</u>

The effective interest rate for cash on deposit at the end of the financial year was 2.99% (2011: 6.95%). This cash on deposit is available to the Company at call.

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash and cash equivalents	<u>\$ 703,937</u>	<u>\$ 620,086</u>
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EDGEWATER SERVICE LTD
ABN 66 004 514 596

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 5: Property, Plant and Equipment

	2012	2011
	\$	\$
Freehold Land		
At cost	2,200	2,200
	2,200	2,200
Fixtures & Fittings		
At cost	227,313	219,447
Accumulated depreciation	(145,115)	(125,668)
	82,198	93,779
Building Improvements:		
At cost	52,312	52,312
	52,312	52,312
 Total Property, Plant & Equipment	 \$ 136,710	 \$ 148,291

Movements in carrying amounts

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

	Freehold Land	Fixtures & Fittings	Building Improvements	Total
Balance at 1 July 2010	2,200	114,037	52,312	168,549
Additions	-	-	-	-
Adjustment of disposal	-	-	-	-
Depreciation expense	-	(20,258)	-	(20,258)
	2,200	93,779	52,312	148,291
Additions	-	7,866	-	7,866
Adjustment of disposal	-	-	-	-
Depreciation expense	-	(19,447)	-	(19,447)
Carrying amount at end of year	\$ 2,200	\$ 82,198	\$ 52,312	\$ 136,710

EDGEWATER SERVICE LTD
ABN 66 004 514 596

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 6: Cash Flow Information

	2012	2011
	\$	\$
Reconciliation of Cash Flow from Operations with Profit (Loss)		
Profit (Loss)	\$ 39,150	(\$ 776,350)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	19,447	20,258
Changes in assets and liabilities, net of effects of purchase and disposal of subsidiaries:		
(Increase) Decrease in trade and term debtors	41,695	58,617
(Increase) Decrease in prepayments	(1,074)	(792)
(Increase) Decrease in fixed assets	(7,866)	-
Increase (Decrease) in trade and other payables	(3,795)	(211,064)
Increase (Decrease) in contributions	13,564	(14,005)
Increase (Decrease) in income received in advance	(12,070)	(5,469)
Increase (Decrease) in provision for income tax	994	(12,678)
	\$ 90,045	(\$ 941,483)

Note 7: Company Details

The registered office and principal place of business of the Company is:
 Edgewater Service Ltd
 12 Marine Parade, St Kilda, Victoria, 3182

Note 8: Segment Reporting

The Company operates predominantly in one business and geographical segment, being the body corporate providing services to its Members within its defined region.

Note 9: Statement of Changes in Equity

	Ordinary Shares	General Reserve	Retained Earnings	Total
Balance at 1 July 2011	2,210	40,000	862,941	905,151
Profit attributable to equity shareholders	-	-	32,956	32,956
Transfers to reserves	-	-	-	-
Dividends paid	-	-	-	-
Balance at 30 June 2012	2,210	40,000	895,897	938,107

Edgewater Service Ltd ABN 66 004 514 596

Directors Declaration

The Directors of the company declare that:

1. the financial statements present fairly the company's financial position as at 30 June 2012 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. in the Directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors on __November 2012 and is signed for and on behalf of the Directors by:



John Van Der Laan

Director



Sym Kohn

Director

DirStatement2

EDGEWATER SERVICES LTD
A.C.N. 004 514 596

Independent Auditor's report to the Members of Edgewater Services Ltd

Report on the financial report

I have audited the accompanying financial report, being a special purpose financial report, of Edgewater Services Ltd (the company), which comprises the balance sheet as at 30 June 2012, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial year

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error, in making this risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Edgewater Services Ltd on 14th November 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion the financial report of Edgewater Services Ltd is in accordance with the Corporations Act 2001, including;

- a. giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.



PETER GREGORY D'AMBROSIO
Registered Company Auditor No. 10515

1 Rose Street
Ivanhoe Vic 3079

Dated this 5th day of November 2012

EDGEWATER SERVICES LTD
A.C.N. 004 514 596

Independent Auditor's Report to the Members of Edgewater Services Ltd

I have audited the attached Detailed Statement of Financial Performance for the year ended 30th June 2012 and audited the reconciliation of total expenses \$356,147 to the amount detailed payments to suppliers and employees \$356,147 as disclosed in the Statement of Cash Flows for the year ended 30th June 2012.

This amount of \$356,147 is the equivalent of \$3,526 for each of 101 apartments.



PETER GREGORY D'AMBROSIO
Registered Company Auditor No. 10515

1 Rose Street
Ivanhoe Vic 3079

Dated this 5th day of November 2012

Edgewater Service Ltd ABN 66 004 514 596**Detailed Statement of Financial Performance**

For the year ended 30 June 2012

	2012	2011
	\$	\$
Income		
Contributions & Levies Receivable	351,730.64	401,249.06
Interest Receivable - Owners	12,361.10	19,395.80
Insurance recoveries	5,571.27	-
Interest received	21,026.48	43,093.74
Other income	4,608.09	3,109.63
Total income	<u>395,297.58</u>	<u>466,848.23</u>
Expenses		
Administration Costs	-	(38.41)
Accounting And Audit Fees	6,030.00	5,410.00
Bank Fees And Charges	0.04	861.58
Cleaning/rubbish removal	4,000.00	4,300.00
Depreciation - Fixtures & Fittings	19,447.00	20,258.00
Electricity	21,662.72	19,687.35
Filing Fees	287.00	1,307.00
Fire Protection Services	14,570.14	13,380.84
Gardening	3,395.00	3,820.00
General expenses	660.00	1,174.54
Insurance	41,693.90	34,294.16
Legal fees	9,063.18	21,984.53
Lift Registration	-	21.50
Lift Maintenance	31,411.70	30,885.24
Management fees	38,510.12	37,688.20
Meeting costs	936.14	1,841.42
Pest & Sanitation	1,190.00	440.00
Printing & stationery	1,925.33	4,072.37
Property Maintenance	157,746.89	1,039,403.70
Report Costs and Engineers	1,023.64	1,100.00
Rates & land taxes	60.70	57.75
Security	470.00	-
Telephone	2,063.76	1,248.98
Total expenses	<u>356,147.26</u>	<u>1,243,198.75</u>
Profit from Ordinary Activities before income tax	<u>39,150.32</u>	<u>(776,350.52)</u>

The accompanying notes form part of these financial statements.

