



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

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99228 na 20131218  
DS : HC

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

NOTICE IS HEREBY GIVEN that the 2013 Annual General Meeting of Members of the Company will be held at :

**THE ST KILDA SOLDIERS' & SAILORS' MEMORIAL HALL BUILDING**  
**1<sup>ST</sup> FLOOR**  
**88 – 90A ACLAND STREET**  
**ST KILDA**  
ON  
**WEDNESDAY, 18 DECEMBER, 2013 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.

There are two (2) open Board positions. The following Directors are retiring, and being eligible, offer themselves for reelection :

- Mr Hilton Garcia
- Mr Shane Jenkins

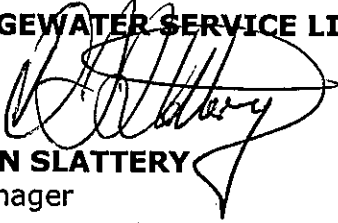
5. To receive the accounts and the budget.
6. To appoint an Auditor.
7. Any other business (includes Motions on Notice).

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, 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', written over a horizontal line.

**DAN SLATTERY**

Manager

**Direct Telephone : 8531 8118**

**Email : [dslattery@vbcs.com.au](mailto:dslattery@vbcs.com.au)**

25 November 2013

**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, 18 DECEMBER, 2013 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.

# Budget 13/14

# Edgewater Service Ltd.

Estimated COL Increase

5.0% 5.0% 5.0% 5.0%

	Actual 12/13	Budget 13/14	Budget 14/15	Budget 15/16	Budget 16/17	Budget 17/18
<b>Administrative</b>						
Annual Return & Lodgement Fees	60 \$ 2,557 \$	1,160 \$	1,220 \$	1,280 \$	1,340 \$	1,410 \$
Bank Charges	11 \$ 100 \$	110 \$	120 \$	130 \$	140 \$	150 \$
Committee Expenses	\$ 1,805 \$	1,910 \$	2,010 \$	2,110 \$	2,220 \$	2,330 \$
Communication Costs	\$ 5,158 \$	5,470 \$	5,740 \$	6,030 \$	6,330 \$	6,650 \$
GST- Lodgement Fees	242 \$ 968 \$	1,030 \$	1,080 \$	1,130 \$	1,190 \$	1,250 \$
Legal Fees	45 \$ 8,855 \$	12,000 \$	12,600 \$	13,230 \$	13,890 \$	14,580 \$
Management Fees	25 \$ 33,358 \$	35,360 \$	36,420 \$	37,510 \$	38,640 \$	39,800 \$
Professional Fees	44 \$ 332 \$	500 \$	530 \$	560 \$	590 \$	620 \$
Professional- VBOS	444 \$ 6,765 \$	7,170 \$	7,530 \$	7,910 \$	8,310 \$	8,730 \$
Professional - Spare/ASIC/sched3	448 \$ 11,718 \$	12,420 \$	13,040 \$	13,690 \$	14,370 \$	15,090 \$
Tax - PAYG	244 \$ 3,159 \$	3,350 \$	3,520 \$	3,700 \$	3,890 \$	4,080 \$
<b>Total Admin Expenses</b>	<b>\$ 74,775 \$</b>	<b>\$ 80,480 \$</b>	<b>\$ 83,810 \$</b>	<b>\$ 87,280 \$</b>	<b>\$ 90,910 \$</b>	<b>\$ 94,690 \$</b>
<b>Building Operations</b>	<b>Actual 12/13</b>	<b>Budget 13/14</b>	<b>Budget 14/15</b>	<b>Budget 15/16</b>	<b>Budget 16/17</b>	<b>Budget 17/18</b>
Common area upkeep	13 \$ 60,542 \$	65,000 \$	68,250 \$	71,660 \$	75,240 \$	79,000 \$
Electricity	17 \$ 21,287 \$	23,420 \$	25,290 \$	27,310 \$	29,490 \$	31,850 \$
Elevator - Service	53 \$ 36,347 \$	38,160 \$	40,070 \$	42,070 \$	44,170 \$	46,380 \$
Fire - ADT/Tyco	431 \$ 1,326 \$	1,390 \$	1,460 \$	1,530 \$	1,610 \$	1,690 \$
Fire Protection	43 \$ 4,131 \$	13,380 \$	14,050 \$	14,750 \$	15,490 \$	16,260 \$
Gardening	33 \$ 1,222 \$	1,280 \$	1,340 \$	1,410 \$	1,480 \$	1,550 \$
Insurance	14 \$ 62,692 \$	65,830 \$	68,460 \$	71,200 \$	74,050 \$	77,010 \$
Pest & Sanitation	37 \$ 2,079 \$	2,180 \$	2,290 \$	2,400 \$	2,520 \$	2,650 \$
Teistra - Phone line	531 \$ 2,348 \$	2,470 \$	2,590 \$	2,720 \$	2,860 \$	3,000 \$
Water	22 \$ 56 \$	60 \$	60 \$	60 \$	60 \$	60 \$
Window Cleaning	23 \$ 4,400 \$	4,620 \$	4,850 \$	5,090 \$	5,340 \$	5,610 \$
<b>Total Building Expenses</b>	<b>\$ 196,430 \$</b>	<b>\$ 217,790 \$</b>	<b>\$ 228,710 \$</b>	<b>\$ 240,200 \$</b>	<b>\$ 252,310 \$</b>	<b>\$ 265,060 \$</b>
<b>Repairs &amp; Maintenance</b>	<b>Actual 12/13</b>	<b>Budget 13/14</b>	<b>Budget 14/15</b>	<b>Budget 15/16</b>	<b>Budget 16/17</b>	<b>Budget 17/18</b>
Airlock Works	491 \$ - \$	98,000 \$	- \$	- \$	- \$	- \$
Bike Room	\$ 4,404 \$	3,600 \$	- \$	- \$	- \$	- \$
Building Refurbishment - Stage 2	491 \$ 41,175 \$	- \$	- \$	- \$	- \$	- \$
Paint Corridors & Carpet Replacement	491 \$ 89,821 \$	84,000 \$	- \$	- \$	- \$	- \$
Lobby & Corridor Beautification	491 \$ - \$	- \$	- \$	- \$	25,000 \$	15,000 \$
Eco Lighting	49 \$ - \$	40,000 \$	- \$	- \$	- \$	- \$
Electrical Repairs	31 \$ 8,185 \$	8,594 \$	8,940 \$	9,300 \$	9,670 \$	10,060 \$
Elevator Repairs	532 \$ 4,936 \$	5,183 \$	5,440 \$	5,710 \$	6,000 \$	6,300 \$
Fire Protection	43 \$ 2,285 \$	2,399 \$	2,520 \$	2,650 \$	2,780 \$	2,920 \$
Garden - Landscape & Hardscape	33 \$ 90,882 \$	- \$	- \$	- \$	- \$	- \$
General Repairs	282 \$ 2,986 \$	3,135 \$	3,290 \$	3,450 \$	3,620 \$	3,800 \$
Glass	34 \$ 320 \$	600 \$	630 \$	660 \$	690 \$	720 \$

# Budget 13/14

## Edgewater Service Ltd.

Estimated COL Increase

5.0% 5.0% 5.0% 5.0% 5.0%

		Actual 12/13	Budget 13/14	Budget 14/15	Budget 15/16	Budget 16/17	Budget 17/18
Globes & Hardware	29	\$ 845	\$ 887	\$ 930	\$ 980	\$ 1,030	\$ 1,080
Graffiti Removal	362	\$ 1,011	\$ -	\$ -	\$ -	\$ -	\$ -
Intercom	39	\$ 1,188	\$ 1,247	\$ 1,310	\$ 1,380	\$ 1,450	\$ 1,520
Lobby Mailbox repair	491	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -
Locksmith	35	\$ 4,413	\$ 4,634	\$ 4,870	\$ 5,110	\$ 5,370	\$ 5,640
Parking Area Redevelopment	544	\$ 138,674	\$ -	\$ -	\$ -	\$ -	\$ -
Plumbing	38	\$ 97,478	\$ 7,000	\$ 7,280	\$ 7,570	\$ 7,870	\$ 8,180
Repairs to Company-owned Windows		\$ 36,708	\$ -	\$ -	\$ -	\$ -	\$ -
Roof - Balustrade		\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -
Roof Enabling Works		\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -
Roof - Membrane (waterproofing)		\$ -	\$ 15,000	\$ 90,000	\$ 60,000	\$ -	\$ -
Roof - Decking Screening and Security		\$ -	\$ -	\$ -	\$ 90,000	\$ 60,000	\$ 60,000
Security Installation & Repair	571	\$ 8,658	\$ -	\$ -	\$ -	\$ -	\$ -
Security Doors & Gates	51/511	\$ 11,004	\$ 11,554	\$ 12,130	\$ 12,740	\$ 13,380	\$ 14,050
Stairwell Lighting Upgrade	491	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -
Sundries	58	\$ 2,293	\$ 2,408	\$ 2,530	\$ 2,660	\$ 2,790	\$ 2,930
TV Antenna Repairs	41	\$ 1,285	\$ 1,349	\$ 1,420	\$ 1,490	\$ 1,560	\$ 1,640
<b>Total R &amp; M Expenses</b>		<b>\$ 548,551</b>	<b>\$ 378,591</b>	<b>\$ 141,290</b>	<b>\$ 203,700</b>	<b>\$ 141,210</b>	<b>\$ 133,840</b>
<b>Total Expenditure</b>		<b>\$ 819,756</b>	<b>\$ 676,861</b>	<b>\$ 453,810</b>	<b>\$ 531,180</b>	<b>\$ 484,430</b>	<b>\$ 493,590</b>
<b>Less - Carry Over Projects</b>							
Eco Lighting	49	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
Airlock Works	491	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
Paint Corridors & Carpet Replacement	491	\$ 84,000	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 154,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Planned Current Expenditure</b>		<b>\$ 522,861</b>	<b>\$ 453,810</b>	<b>\$ 453,810</b>	<b>\$ 531,180</b>	<b>\$ 484,430</b>	<b>\$ 493,590</b>
<b>Actual Quarterly Service Fees</b>		\$ -	\$ 1,294	\$ 1,123	\$ 1,315	\$ 1,199	\$ 1,222
<b>Proposed Quarterly Service Fees</b>		\$ -	\$ 1,050	\$ 1,130	\$ 1,320	\$ 1,200	\$ 1,220

**Edgewater Service Ltd ABN 66 004 514 596**  
**Directors Report**

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Your directors present this report on the company for the financial year ended 30 June 2013.

### **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 (resigned 2 July 2013)  
Russell Jessop  
Mark Brickles  
Shane Douglas Jenkins (appointed 10 July 2013)

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 30 June 2013	Year ended 30 June 2012
\$	\$
(421,461.40)	32,956.82

### **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.

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The accompanying notes form part of these financial statements.

**Edgewater Service Ltd ABN 66 004 514 596**

**Directors Report**

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**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.

**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.

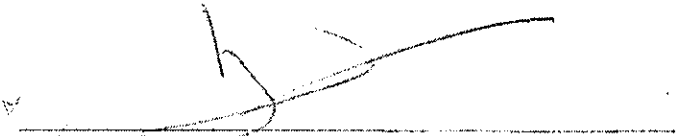
**Proceedings on Behalf of Company**

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:



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John Van Der Laan  
Director



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Sym Kohn  
Director

Dated: \_\_\_\_\_ November 2013

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The accompanying notes form part of these financial statements.

**Edgewater Service Ltd ABN 66 004 514 596**  
**Statement of Financial Performance - by Nature**  
**For the year ended 30 June 2013**

	2013 \$	2012 \$
<hr/>		
<b>Classification of Expenses by Nature</b>		
Revenues from ordinary activities	369,360.67	395,297.58
Other expenses from ordinary activities	(786,981.47)	(356,147.26)
<b>Profit (loss) from ordinary activities before income tax</b>	<u>(417,620.80)</u>	<u>39,150.32</u>
Income tax expense relating to ordinary activities	(3,840.60)	(6,193.50)
<b>Net profit (loss) attributable to members of the company</b>	<u>(421,461.40)</u>	<u>32,956.82</u>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<u>(421,461.40)</u>	<u>32,956.82</u>
Opening retained profits	895,897.44	862,940.62
Net profit (loss) attributable to members of the company	<u>(421,461.40)</u>	<u>32,956.82</u>
<b>Closing retained profits</b>	<u>474,436.04</u>	<u>895,897.44</u>

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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 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Current Assets</b>		
<b>Cash Assets</b>		
Cash At Bank	379,530.22	703,937.22
	<u>379,530.22</u>	<u>703,937.22</u>
<b>Receivables</b>		
Contributions & Levies In Arrears	50,081.09	109,057.36
GST On Contributions & Levies In Advance	-	3,455.17
Other Charges In Arrears	6,355.65	17,961.60
	<u>56,436.74</u>	<u>130,474.13</u>
<b>Other</b>		
Prepayments	7,527.66	5,975.67
	<u>7,527.66</u>	<u>5,975.67</u>
<b>Total Current Assets</b>	<u><b>443,494.62</b></u>	<u><b>840,387.02</b></u>
<b>Non-Current Assets</b>		
<b>Property, Plant and Equipment</b>		
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	227,313.17
Less: Accumulated depreciation	(162,012.00)	(145,115.00)
	<u>119,813.17</u>	<u>136,710.17</u>
<b>Total Non-Current Assets</b>	<u><b>119,813.17</b></u>	<u><b>136,710.17</b></u>
<b>Total Assets</b>	<u><b>563,307.79</b></u>	<u><b>977,097.19</b></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 2013**

	2013	2012
	\$	\$
<b>Current Liabilities</b>		
<b>Payables</b>		
<b>Unsecured:</b>		
Sundry Creditors & Accruals	1,067.17	908.35
Contributions & Levies Paid In Advance	45,589.98	38,006.90
	46,657.15	38,915.25
<b>Current Tax Liabilities</b>		
Provision For Income Tax	4.60	74.50
	46,661.75	38,989.75
<b>Total Current Liabilities</b>	<b>46,661.75</b>	<b>38,989.75</b>
<b>Total Liabilities</b>	<b>46,661.75</b>	<b>38,989.75</b>
<b>Net Assets</b>	<b>516,646.04</b>	<b>938,107.44</b>
 <b>Equity</b>		
<b>Issued Capital</b>		
1105 Ordinary Shares of \$2	2,210.00	2,210.00
<b>Reserves</b>		
General reserve	40,000.00	40,000.00
Retained profits / (accumulated losses)	474,436.04	895,897.44
<b>Total Equity</b>	<b>516,646.04</b>	<b>938,107.44</b>

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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 2013**

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## **Note 1: Summary of Significant Accounting Policies**

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

### **Basis of Preparation**

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, except for cash flow information, 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 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**

Each class of property, plant and equipment are carried at cost or fair value 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 a 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 basis of cost.

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## Edgewater Service Ltd ABN 66 004 514 596

### Notes to the Financial Statements

For the year ended 30 June 2013

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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 recognised immediately in profit or loss. 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 recognised as expenses in 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 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.

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**Edgewater Service Ltd ABN 66 004 514 596**

**Notes to the Financial Statements**

**For the year ended 30 June 2013**

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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 amount with a consequential recognition of an income or expense item 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 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 amount being included in profit or loss.

*(ii) Loans and 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 company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

*(iv) Available-for-sale investments*

Available-for-sale investments 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 other than financial guarantees are subsequently measured at amortised cost.

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**Edgewater Service Ltd ABN 66 004 514 596**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2013**

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*(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 assesses whether there is objective evidence that a financial asset has 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.

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 when the related obligations are either discharged, cancelled or have expired. The difference between the carrying amount 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 at 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.

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## Edgewater Service Ltd ABN 66 004 514 596

### Notes to the Financial Statements

For the year ended 30 June 2013

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

Interest revenue is recognised using the effective interest 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).

#### (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 (ATO). 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 the 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 components 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

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## Edgewater Service Ltd ABN 66 004 514 596

### Notes to the Financial Statements

For the year ended 30 June 2013

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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 required that owner changes in equity be presented in the income statement.

**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;
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**Edgewater Service Ltd ABN 66 004 514 596**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2013**

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- 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).

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. These changes are not 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).
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**Edgewater Service Ltd ABN 66 004 514 596**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2013**

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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.

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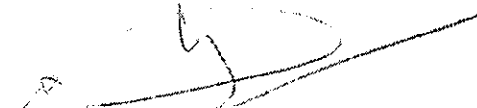
**Edgewater Service Ltd ABN 66 004 514 596**  
**Directors Declaration**


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The Directors of the company declare that:

1. the financial statements present fairly the company's financial position as at 30 June 2013 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 2013 and is signed for and on behalf of the Directors by:

  
\_\_\_\_\_  
John Van Der Laan  
Director

  
\_\_\_\_\_  
Sym Kohn  
Director

DirStatement2

**Edgewater Service Ltd ABN 66 004 514 596**  
**Detailed Statement of Financial Performance**  
**For the year ended 30 June 2013**

	2013	2012
	\$	\$
<b>Income</b>		
Contributions & Levies Receivable	345,453.92	351,730.64
Interest Receivable - Owners	8,009.90	12,361.10
Insurance recoveries	-	5,571.27
Interest received	13,091.36	21,026.48
Other income	2,805.49	4,608.09
<b>Total income</b>	<b>369,360.67</b>	<b>395,297.58</b>
<b>Expenses</b>		
Accounting And Audit Fees	6,155.00	6,030.00
Bank Fees And Charges	-	0.04
Cleaning/rubbish removal	4,000.00	4,000.00
Depreciation - Fixtures & Fittings	16,897.00	19,447.00
Electricity	19,351.51	21,662.72
Filing Fees	2,447.00	287.00
Fire Protection Services	6,777.52	14,570.14
Gardening	1,110.00	3,395.00
General expenses	-	660.00
Insurance	52,322.44	41,693.90
Interest adjustments	26,794.04	-
Legal fees	8,050.05	9,063.18
Lift Maintenance	33,043.00	31,411.70
Management fees	39,839.47	38,510.12
Meeting costs	1,709.92	936.14
Pest & Sanitation	1,890.00	1,190.00
Printing & stationery	3,719.48	1,925.33
Property Maintenance	554,810.51	157,746.89
Report Costs and Engineers	4,564.00	1,023.64
Rates & land taxes	56.15	60.70
Security	1,310.00	470.00
Telephone	2,134.38	2,063.76
<b>Total expenses</b>	<b>786,981.47</b>	<b>356,147.26</b>
<b>Profit (Loss) from Ordinary Activities before income tax</b>	<b>(417,620.80)</b>	<b>39,150.32</b>

The accompanying notes form part of these financial statements.

**Edgewater Service Ltd ABN 66 004 514 596**  
**Depreciation Schedule for the year ended 30 June, 2013**

	DISPOSAL		ADDITION		DEPRECIATION		PROFIT		LOSS				
	Total	Priv	CWDDV	Date	Cost	Value	Rate	Deprec	Priv	CWDDV	Up to + Above	Total	Priv
<b>Fixtures &amp; Fittings</b>													
Antennas	17,229.00	2207/99	560	0	0	560	20.00	152	0	768	0	0	0
Intercom System	32,349.00	26/02/01	2,552	0	0	2,552	20.00	518	0	2,074	0	0	0
Lift Upgrade	104,100.00	23/05/01	33,171	0	0	83,171	6.00	6,246	0	26,925	0	0	0
Sliding Door	54,312.00	16/10/09	29,846	0	0	39,846	20.00	5,969	0	23,877	0	0	0
Water Tank	2,279.68	26/10/09	1,825	0	0	1,825	8.00	140	0	1,679	0	0	0
Security Programming	6,167.27	30/03/10	1,984	0	0	1,994	40.00	798	0	1,196	0	0	0
Keys System													
Antennas Full Upgrade	4,659.86	15/01/10	2,710	0	0	2,710	20.00	542	0	2,168	0	0	0
Spinkler (8D)	4,400.00	09/02/10	3,668	0	0	3,668	8.00	299	0	3,319	0	0	0
Security Camera (includes Installation)	7,865.99	26/03/11	5,483	0	0	5,483	40.00	2,197	0	3,296	0	0	0
	<u>227,313</u>		<u>92,199</u>	<u>0</u>	<u>0</u>	<u>82,199</u>		<u>16,897</u>	<u>0</u>	<u>65,302</u>			
						Deduct Private Portion		0					
						Net Depreciation		<u>16,897</u>					

These financial statements are unaudited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.