

**MINUTES OF THE THIRTY-FIRST ANNUAL GENERAL MEETING OF  
PACIFIC VIEW RESORT NO. 2 LTD.**

**HELD AT:** THE PACIFIC VIEW RESORT, 34 VICTORIA TERRACE, CALOUNDRA

**ON:** 26<sup>th</sup> MAY, 2012 AT: 12.02PM

**PRESENT:** AS PER ATTENDANCE REGISTER

**APOLOGIES:** AS PER ATTENDANCE REGISTER

**APOLOGIES FROM THE FLOOR:** NIL

**MINUTES OF THE THIRTIETH ANNUAL GENERAL MEETING:**

Moved by Lindsay Thomas and seconded by Don Fraser that they be taken as read. Carried.

**BUSINESS ARISING FROM THE MINUTES:**

NIL

**CHAIRMAN'S REPORT:**

The Chairman, Ken Park presented the following report:

I have pleasure in submitting this report to the annual general meeting on behalf of the Board.

**STAFF** The Board continues to be very pleased with the Manager's performance. We commend her for her commitment to the resort and to its owners. She now has book-keeping qualifications and is able to save the resort costs in this area.

Barry, Val and Sandy continue to give very good service and it is planned to facilitate on-going training and skills improvement for the staff.

**FINANCES** Shareholders have received a copy of the 2012 budget when levy notices were posted out. The significant items were, of course, the resolution of the GST issue and the special levy. I will speak separately about both of these.

This year the levy will be \$595 plus the one-off special levy of \$45 [2010 \$570].

The audited accounts show a 2011 trading result of \$328,136 net profit [2010 \$29,486]; cash and cash equivalents [which are mainly the sinking fund] are \$668,863 [2010 \$616,407]. Shareholders net equity is now \$674,390 [2010 \$346,254].

The Board's internal budget analysis for 2011 is enclosed for information. This may be more understandable than the formal accounts.

Last year I commented on the sale of forfeited weeks and on the elimination of bad debts. Both are still proceeding steadily.

**GOODS AND SERVICES TAX** Our change of GST status has been completed. This has involved a big effort by Fiona and by Finance Director Greg in establishing the rules and requirements with the ATO, in preparing individual statements for each owner, in amending our prior Business Activity Statements and in reworking the company financial statements for previous years. The change will result in a small benefit for owners. A small number of shareholders have queried whether the Board actually pursued the maximum benefit for owners, for example, by not acting in 2005 and taking advantage immediately of our change in GST status when it first occurred. Attached is an extract from an ATO Private Ruling which was issued unsolicited to Pacific View when we had completed all of the ATO's requirements. This is a complete endorsement of the steps the Board and Management have taken. On the other hand most other resorts are still struggling to make the adjustment.

*EXTRACT FROM ATO PRIVATE RULING*

*In the present case you have not made a mistake as the ATO's view was applied to treat the supply as taxable which was consistent with ATO ID 2001/385. This ATO ID was withdrawn on 16 December 2005. It was not until the publication of 5 February 2010 of ATO ID 2010/23 that the GST status of these supplies was determined to be input taxed. Therefore you did not make a mistake.....*

**SPECIAL LEVY** The Board is focussed on keeping the resort up to date, fresh, safe and attractive. This is important if we are to achieve a high occupancy rate. On the other hand the property is now 31 years old and needs up-dating in a few areas. The swimming pool area is of particular concern and so the Board proposes a major upgrade to that area in 2012. This upgrade includes the improvement of the plumbing and pump operations, re-surfacing of the spa and children's pool, replacement of the tiles in the main pool, upgrade of the swimming pool surrounds and the replacement of all pool fencing. The Board is of the opinion that a boost to refurbishments is needed in 2012 and that any significant erosion of the sinking fund would not be wise at this time. The proposed swimming pool area works have been budgeted at \$80,000 and the Board has decided to make a Special Levy of \$45 in order to cover \$68535 of this expenditure.

**MAJOR WORKS** The major visible change in 2011 has been the installation of air conditioning in all units. We are very pleased with the result and with the quality of the work. Comments have been favourable.

Also in 2011 a lot of improvements have been made in A block.....curtains, wall hangings, painting, door replacement and whitegoods update. Elsewhere the laundry industrial dryer has been replaced and our signs have been renewed.

An interesting project has been completed which I hope will save significantly on electricity costs. Where it has been feasible to do so most of our power consumption has now been run through one meter. This has eliminated numerous service fees and has enabled us to negotiate a favourable bulk rate.

We have researched the possibilities of solar power panels. Our flat roofed buildings present a waterproofing problem and at the moment government incentives are not attractive for commercial uses. The major projects for 2012, apart from the pool refurbishment, will be the complete external painting of the resort, replacement of bed spreads in blocks B and C, and the refurbishment of the toilets and showers adjacent to the two saunas.

**THE BOARD** During the year no Director has received a material benefit other than reimbursement of reasonable expenses.

Keith Martin has been Company Secretary for the whole year; Greg Suhr has been Finance Director and Brenda Suhr Staff Liaison Director. During 2011 Board meetings have continued to be productive and harmonious. I thank my fellow directors for their dedication and contribution and for their support to me. At this AGM Directors Greg Suhr, Keith Martin and Jasper Glover retire by rotation and, being eligible, have offered themselves for re-election. Two other valid nominations have been received. The result of the postal vote will be announced at the meeting.

On behalf of all owners I thank the unsuccessful candidates for their interest and I congratulate and welcome the successful candidates onto the Board.

**CONCLUSION** I am pleased to report that the resort is on a sound financial footing, with good staff and is in an attractive, well-maintained condition.

I move that this report be received Ken Park.

Moved by Ken Park seconded by Ray Bricknell

CARRIED.

**BUSINESS ARISING FROM THE CHAIRMAN'S REPORT:**

John Harnett question the special levy was it on top of the 2012 \$595 levy.

Ray Bricknell congratulated the Board and Management for the successful results in 2011 and adherence to the budget for 2011.

**FINANCIAL REPORT:**

Receive and adopt financial statements for the twelve month period ended 31<sup>st</sup> December 2011 together with the Director's and Auditor's Reports.

Moved by Greg Suhr seconded by Don Fraser.

**BUSINESS ARISING FROM THE FINANCIAL REPORT:**

Nil

**ELECTION OF AUDITOR:**

It was moved by Greg Suhr and seconded by Don Fraser that Crowe Horwarth, Chartered Accountants be our auditor for the year 2011. CARRIED.

**ELECTION OF DIRECTORS:**

Jasper Glover, Keith Martin and Greg Suhr retire from office and offer themselves for re-election. Further nominations were received from Gail Christou and Kathleen Wenban. A postal vote was conducted and the Returning Officer was Fiona Rickards, Scrutineers were appointed.

The returning officer declared that the successful nominees are Jasper Glover, Keith Martin and Greg Suhr. Carried.

Moved by Don Fraser seconded by Ros Martin.

CARRIED.

**GENERAL BUSINESS:**

Thanks to Barry

THERE BEING NO FURTHER BUSINESS the Meeting Closed at 12.23pm.