

MAINLAND RESORTS TRUST

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

MAINLAND RESORTS TRUST
ABN 78 266 266 987

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MAINLAND RESORTS TRUST
ABN 78 266 266 987

**DIRECTORS' REPORT OF HOLIDAY CONCEPTS MANAGEMENT LIMITED AS MANAGER FOR
THE MAINLAND RESORTS TRUST**

The Directors of the Manager, Holiday Concepts Management Limited, present their report on the trust for the financial year ended 30 June 2009.

Directors

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

Mrs Elizabeth Clegg

Mr Noel Reynolds

Mr Steven Power

Mr Derek Reynolds

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

Operating Results

The profit of the Trust for the financial year after providing for income tax amounted to \$137,245.

Review of Operations

The Trust's result for the year was a net operating profit after tax of \$137,245 and after incurring resort refurbishment of \$79,624.

Significant Changes in State of Affairs

During the year redemptions from Blue Diamond Deposits Trust No. 1 were suspended by its manager. To ensure that the Club is not disadvantaged the Group Manager provided financial support, details of which are outlined in the Notes to the Accounts at notes 1(I), 14 and 16(c).

As a result of an inability to fulfil the role of trustee, the prior trustee (Custodial Limited) resigned in June 2009. A replacement has not yet been confirmed with the Australian Securities and Investments Commission (ASIC) due to other issues under the Corporations Act relating to legislative changes pertaining to Prescribed Interest Schemes. Holiday Concepts Management Limited is signing these accounts in its capacity as Manager of the Resort.

On February 7 2009, Kerami Gardens Resort was destroyed in the Victorian Bushfires. By virtue of a series of leases entered subsequent to the 2003 Annual General Meeting, this resort property had been made available to the Mainland Resorts Trust as described at Note 20 to the accounts. The Group Manager has made alternative high quality holiday accommodation available whilst the insurance claims are being resolved and this matter is further referred to in Note 20.

Principal Activity

The principal activity of the Trust during the financial year was the provision of holiday resort facilities and services for the benefit of members and their guests and to promote the common interests and welfare of those members.

No significant change in the nature of these activities occurred during the 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 trust, the results of those operations, or the state of affairs of the trust in future financial years.

Likely Developments

The manager expects to maintain the present status and level of operations and hence there are no likely developments in the trusts's operations.

MAINLAND RESORTS TRUST

DIRECTORS' REPORT OF HOLIDAY CONCEPTS MANAGEMENT LIMITED AS MANAGER FOR THE MAINLAND RESORTS TRUST (continued)

Environmental Issues

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

Distributions Paid or Recommended

The income and property of the Trust are to be applied solely towards the promotion of its objectives as set out in its Trust Deed. Accordingly, no distributions were paid or declared since the start of the financial year. No recommendation for payment of distributions has been made.

Information on Directors

Mrs Elizabeth Clegg	– Director and Company Secretary
Qualifications	– G.A.I.C.D. (Dip) M.B.A.
Experience	– Nineteen year experience in the real estate industry and twenty-five years experience in the time-share industry involved in the management of several trusts and Compliance Officer of the Licence Holder.
Special Responsibilities	– Responsible for ensuring that the trust has complied with all legal requirements.
Mr Noel Reynolds	– Director
Experience	– Thirty-eight years experience in the finance and accounting sector, thirty-three years in real estate and property development and twenty-four years direct involvement in the time-share industry in the areas of planning and construction of holiday resorts and directorship of the Licensed Manager,
Mr Steven Power	– Director
Qualifications	– Diploma of Business Studies; Diploma of Financial Services (Financial Planning) and Licensed Estate Agent.
Experience	– Twenty-eight years experience in various management roles within the Tool Properties Group of Companies, which has specialised in the developments of rural properties.
Mr Derek Reynolds	– Director
Qualifications	– Diploma of Management; Diploma of Financial Services (Financial Planning)
Experience	– Twenty-three years experience in property development, the real estate and time-share industries including involvement in primary and secondary time-share sales and resort management.
Special Responsibilities	– Oversees all financial aspects of the Club's operations.

MAINLAND RESORTS TRUST

DIRECTORS' REPORT OF HOLIDAY CONCEPTS MANAGEMENT LIMITED AS MANAGER FOR THE MAINLAND RESORTS TRUST (continued)

Meetings of Directors

During the year, 27 meetings of directors were held. Attendances by each director during the year were as follows:

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Mrs Elizabeth Clegg	27	27
Mr Noel Reynolds	27	27
Mr Steven Power	27	27
Mr Derek Reynolds	27	27

Indemnification of Officer or Auditor

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

Proceedings on Behalf of the Trust

No person has applied for leave of Court to bring proceedings on behalf of the trust or intervene in any proceedings to which the trust is a party for the purpose of taking responsibility on behalf of the trust for all or any part of those proceedings.


The trust was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

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

Director 
Mr Derek Reynolds

Director 
Mr Noel Reynolds

Dated this 27th day of January 2010

As directors of Holiday Concepts Management Limited, we attest that the Assets belonging to the Mainland Resorts Trust are in order and in existence.

MAINLAND RESORTS TRUST

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF HOLIDAY CONCEPTS MANAGEMENT
LIMITED AS MANAGER FOR THE MAINLAND RESORTS TRUST**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Waters Dace Partners



.....
Ken K.Y. Kwong - CA
Partner

27 January 2010
Level 3, 329 Thomas Street
Dandenong VIC 3175

MAINLAND RESORTS TRUST
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
Revenue	2	1,224,745	1,203,895
Other Income	2	<u>66,989</u>	<u>169,717</u>
		1,291,734	1,373,612
Resort Variable Operating Expenses		(489,765)	(574,607)
Resort Refurbishment Expenses		(79,624)	(118,046)
Administration Expenses		(265,771)	(261,178)
Finance Costs		-	(15)
Depreciation, Amortisation & Impairment Losses		(5,389)	(2,495)
Employment Expenses		(196,493)	(231,559)
Leasing Expenses		(15,679)	(13,619)
Occupancy Expenses		(48,275)	(60,311)
Other Expenses		<u>(49,538)</u>	<u>(54,095)</u>
Profit Before Income Tax	3	141,200	57,687
Income Tax Expense	4	<u>(3,955)</u>	<u>(9,341)</u>
Profit Attributable to Members of the Trust		<u>137,245</u>	<u>48,346</u>

The accompanying notes form part of these financial statements.

MAINLAND RESORTS TRUST

**BALANCE SHEET
AS AT 30 JUNE 2009**

	Notes	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	415,311	623,767
Trade and Other Receivables	6	43,908	133,956
Other Current Assets	7	<u>28,778</u>	<u>16,161</u>
TOTAL CURRENT ASSETS		<u>487,997</u>	<u>773,884</u>
NON-CURRENT ASSETS			
Other Financial Assets	8	490,000	-
Property, Plant and Equipment	9	<u>6,814,813</u>	<u>6,815,200</u>
TOTAL NON-CURRENT ASSETS		<u>7,304,813</u>	<u>6,815,200</u>
TOTAL ASSETS		<u>7,792,810</u>	<u>7,589,084</u>
CURRENT LIABILITIES			
Trade and Other Payables	10	43,955	50,244
Current Tax Liabilities	11	3,381	9,094
Short Term Provisions	12	2,423	5,873
Other Current Liabilities	13	<u>635,421</u>	<u>555,409</u>
TOTAL CURRENT LIABILITIES		<u>685,180</u>	<u>620,620</u>
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	11	804,000	804,000
Other Long Term Liabilities	13	<u>12,371</u>	<u>10,450</u>
TOTAL NON-CURRENT LIABILITIES		<u>816,371</u>	<u>814,450</u>
TOTAL LIABILITIES		<u>1,501,551</u>	<u>1,435,070</u>
NET ASSETS		<u>6,291,259</u>	<u>6,154,014</u>
EQUITY			
Settled Sum		100	100
Unit-Holders' Funds		6,006,500	6,006,500
Retained Earnings		<u>284,659</u>	<u>147,414</u>
TOTAL EQUITY		<u>6,291,259</u>	<u>6,154,014</u>

The accompanying notes form part of these financial statements.

MAINLAND RESORTS TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Settled Sum	Unit- Holders' Funds	Retained Earnings	Total
Balance at 1 June 2007	100	6,006,500	99,068	6,105,668
Profit (Loss) Attributable to Members of the Trust	<u>-</u>	<u>-</u>	<u>48,346</u>	<u>48,346</u>
Balance at 30 June 2008	<u>100</u>	<u>6,006,500</u>	<u>147,414</u>	<u>6,154,014</u>
Profit (Loss) Attributable to Members of the Trust	<u>-</u>	<u>-</u>	<u>137,245</u>	<u>137,245</u>
Balance at 30 June 2009	<u>100</u>	<u>6,006,500</u>	<u>284,659</u>	<u>6,291,259</u>

The accompanying notes form part of these financial statements.

MAINLAND RESORTS TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		1,385,733	1,145,706
Payments to suppliers and employees		(1,144,519)	(1,278,262)
Interest received		55,001	57,791
Borrowing costs		-	(15)
Income tax paid		<u>(9,668)</u>	<u>(2,338)</u>
Net cash provided by (used in) operating activities	18	<u>286,547</u>	<u>(77,118)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Redemption of Mortgage Income Trust investments		135,000	-
Payment for property, plant and equipment		<u>(5,003)</u>	<u>(203)</u>
Net cash provided by/(used in) investing activities		<u>129,997</u>	<u>(203)</u>
Net increase (decrease) in cash held		416,544	(77,321)
Cash at beginning of financial year		623,767	701,088
Effect of de-recognition of Mortgage Income Trust investments as an operating cash flow item	8	<u>(625,000)</u>	<u>-</u>
Cash at end of financial year	5	<u>415,311</u>	<u>623,767</u>

The accompanying notes form part of these financial statements.

MAINLAND RESORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied, unless otherwise stated.

The financial report is for the entity Mainland Resorts Trust as an individual entity. Mainland Resorts Trust is a public unit trust, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(a) Income Tax

The trust does not qualify for exemption from income tax. However, under the principle of mutuality it is only subject to income tax on income derived from non-members, such as interest from financial institutions, less an appropriate amount of directly and indirectly related expenses.

Deferred tax and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on tax rates enacted or substantively enacted at reporting date. This measurement also reflects the manner in which the trust expects to recover or settle the carrying amount of the related asset or liability.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Mainland Resorts Trust is not part of any consolidated income tax group.

MAINLAND RESORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Property, Plant and Equipment

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

The carrying amount of property, 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 not been discounted to their present values in determining recoverable amounts. Should an estimated recoverable amount exceed an asset's carrying amount, it is immediately written down to the recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The repair and replacement of original villa chattels is considered to be an on-going expense, the cost of which will be provided for by the Manager in the annual operating budget as Resort Refurbishment. Proceeds from the sale of any such items will be recognised in the accounts as sundry income as and when received.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their estimated useful lives to the trust commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Plant and equipment	18.75 - 40 %	Diminishing Value
Motor Vehicles	18.75 %	Diminishing Value
Office Equipment	18.75 - 40 %	Diminishing Value
Low Value Asset Pool	18.75 - 37.5 %	Diminishing Value

The Manager has not charged depreciation on either the buildings or their contents, as required under AASB 116: Property, Plant and Equipment as in the opinion of the Manager, compliance with the requirements of AASB 116 would result in the financial statements not consistently presenting a true, fair and realistic view of the net worth of the unit-holders' interest in the Trust's assets.

The Group Manager recommends that the frequency of revaluations should be considered by the unit-holders at each Annual General Meeting, but is of the opinion that revaluations at five yearly intervals is satisfactory. However, the Group Manager considers such revaluations are not necessary in relation to those assets which are subject to the lease and option arrangements referred to in Note 20.

Any net increments or decrements resulting from such revaluations will be reflected in the financial statements in accordance with the requirements of AASB 116: "Property, Plant and Equipment", unless a departure from the standard is deemed more appropriate at the time, and are shown as an adjustment to the value of unit-holders' funds at year end.

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

MAINLAND RESORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Employee Benefits

Employee benefits arising from wages and salaries, relating to annual leave, but not sick leave, have been brought to account at their nominal value.

Contributions are made by the trust to employee superannuation funds and are charged as expenses when incurred.

Long service leave is brought to account at an amount based on a formula whereby the entitlement is recognised upon a service period of greater than five years across all the Holiday Concept Group of time share resorts. The liability is calculated using a pro-rata nominal basis of current remuneration of the employees.

(d) Income Recognition

Members' annual maintenance fees are brought to account in respect of the financial year and are included in the accounts accordingly on an accruals basis.

However, since members are invoiced in respect of the calendar year, maintenance fees received and receivable in respect of the six months ended 31st December 2009 are excluded from current income and are shown in the accounts as part of Other Current Liabilities.

Interest receivable on maintenance fees in arrears is brought to account as and when received, not on an accruals basis.

Interest receivable from banks and mortgage income trusts is brought to account on an accruals basis.

(e) Cash & Cash Equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks and financial institutions. Due to a change in the liquidity of the underlying investments, investments in mortgage income trusts are not considered part of cash and cash equivalents from 1 July 2008.

(f) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(g) Impairment of Assets

At each reporting date, the Manager 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 income statement.

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

MAINLAND RESORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Bonus Time Income

Bonus time income was derived from additional weeks' holidays taken by resort owners, owners from sister (Holiday Concepts Group) resorts, affiliated resorts and other time share owners through the various exchange organisations.

Members are able to book bonus holidays, no longer than nine months in advance, provided they have both paid for and been allocated their ownership week(s). The Group Manager and Membership Services have advised that in any one year the experience of the time share industry generally and the Holiday Concepts Group (hereinafter referred as "HC Group") is that approximately 10% - 15% of the available space each year is not booked by members, whether financial or otherwise, and accordingly each resort has the ability to offer limited bonus time to financial members.

The trust has entered into an Agreement with Resort Systems Pty. Ltd.(H.C. Direct) to promote the availability of bonus time throughout the entire Holiday Concepts Group membership.

Resort Systems Pty. Ltd. allocates 60% of all bonus time income to the Clubs and in turn, the Group Manager allocates this income between the Clubs on a needs basis.

(i) Unpaid Maintenance Fees

The Group Manager has determined that a provision for unpaid maintenance fees is not necessary, as their experience to date has been that there is sufficient demand from other time-share owners in the HC Group to acquire the re-possessed weeks, at values at least equal to the amounts in arrears. Accordingly, the Manager has determined that a provision for unpaid maintenance fees is not necessary.

(j) Repossessed Weeks

Repossessed Weeks are brought to account at an amount equal to the total outstanding maintenance fees at the time of repossession. Interest and administration fees are not brought to account as part of repossessed weeks.

(k) GST Income Adjustment

During the course of the year, Holiday Concepts Management Limited received a Private Ruling from the Australian Taxation Office, to the effect that Club maintenance fees are input-taxed financial supplies and therefore are not subject to GST.

The Revenue item shown in the Income Statement is the net adjustment relating to the accounting treatment of the notional GST included in maintenance fees since 1st January 2007, less a proportionate amount of input-tax credits no longer claimable on Club expenses.

(l) Investment in Blue Diamond Deposits Trust No. 1

As referred to in Note 16(c), the Club's investment in the Blue Diamond Deposits Trust No. 1 ("Blue Diamond") has been impaired to the extent that it is not immediately recoverable. Furthermore, the Group Manager believes the final recoverable amount could be as low as 50 cents in the dollar, subject to the success or otherwise of certain legal proceedings and the realisation of securities held by Blue Diamond. No provision for any loss of capital has been made in these accounts as the Group Manager, Leisuretime Concepts Pty Ltd, has given the Manager an undertaking that it will provide sufficient financial support to the Club to ensure that it will not suffer any loss of capital arising from this investment.

The financial support referred to above will be limited to the face value of the Club's investment in Blue Diamond as at 30 June 2009, less the total of the actual amount recovered from Blue Diamond and the accumulated amounts of Group Management Fees foregone, as from the financial year ended 30 June 2009 until the financial year in which a final distribution is received from Blue Diamond.

Should the total of Blue Diamond recoveries and Group Management Fees foregone exceed the face value of the investment, the Group Manager will recover the excess from the Club.

MAINLAND RESORTS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 2: REVENUE			
Operating activities			
- Maintenance Fees		1,093,426	1,021,960
- Refurbishment Share - Sister Resort		3,874	13,171
- Bonus Time		66,617	76,138
- On-Site Management Fees		55,661	84,626
- Manager's Rent Received		<u>5,167</u>	<u>8,000</u>
		<u>1,224,745</u>	<u>1,203,895</u>
Non-operating activities			
- Interest Received	2(a)	41,006	57,698
- Telephone Income		1,287	1,537
- Hospitality Income		18,431	22,657
- Cleaning Income		580	607
- Video		1,206	1,176
- Merchandise		702	310
- Net GST Adjustment		2,378	82,243
- Sundry Income		<u>1,399</u>	<u>3,489</u>
		<u>66,989</u>	<u>169,717</u>
Total Income		<u>1,291,734</u>	<u>1,373,612</u>
 (a) Interest from:			
- Members		6,261	6,057
- Mortgage Income Trusts		23,904	51,274
- Financial Institutions		<u>10,841</u>	<u>367</u>
		<u>41,006</u>	<u>57,698</u>

MAINLAND RESORTS TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
NOTE 3: PROFIT (LOSS) FROM ORDINARY ACTIVITIES			
Profit (losses) from ordinary activities before income tax expenses has been determined after:			
(a) Expenses			
Borrowing costs:			
- other persons		<u>-</u>	<u>15</u>
Depreciation of non-current assets			
- Motor Vehicles		753	324
- Office Equipment		4,124	1,681
- Low Value Asset Pool		<u>512</u>	<u>490</u>
Total Depreciation		<u>5,389</u>	<u>2,495</u>
Remuneration of the auditors for			
- Audit or Review Services		6,600	4,768
Remuneration for other services to related practices of the auditor		<u>13,200</u>	<u>10,132</u>
		<u>19,800</u>	<u>14,900</u>
Rental expense on operating leases			
- minimum lease payments		<u>15,679</u>	<u>13,619</u>
Rental expense on operating leases		<u>15,679</u>	<u>13,619</u>
NOTE 4: INCOME TAX EXPENSE			
(a) The components of tax expense comprise:			
- Current Tax		<u>3,955</u>	<u>9,341</u>
(b) The prima facie tax payable on profit (loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie income tax payable (benefit) on profit (loss) from ordinary activities before income tax at 30.0% (2008 - 30.0%)		42,359	17,306
Less:			
Tax effect of:			
- Net Member Income		<u>38,404</u>	<u>7,965</u>
Income tax expense attributable to the trust		<u>3,955</u>	<u>9,341</u>
NOTE 5: CASH AND CASH EQUIVALENTS			
Cash on Hand		300	300
Cash at Bank		415,011	(1,533)
Mortgage Income Trusts	8	<u>-</u>	<u>625,000</u>
		<u>415,311</u>	<u>623,767</u>

MAINLAND RESORTS TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
NOTE 6: TRADE AND OTHER RECEIVABLES			
CURRENT			
Maintenance Fees in Arrears		40,985	112,021
Sundry Debtors		<u>2,923</u>	<u>21,935</u>
		<u>43,908</u>	<u>133,956</u>
 NOTE 7: OTHER ASSETS			
CURRENT			
Prepayments		6,392	13,454
Repossessed Weeks		<u>22,386</u>	<u>2,707</u>
		<u>28,778</u>	<u>16,161</u>
 NOTE 8: OTHER FINANCIAL ASSETS			
NON-CURRENT			
Mortgage Income Trusts			
- at cost		<u>490,000</u>	<u>-</u>
 Investments in Mortgage Income Trusts were shown as part of cash and cash equivalents for the year ended 30 June 2008. Due to the manager of these trusts placing a suspension on redemptions during the 2009 year, these have been shown as non-current financial assets for the year ended 30 June 2009. No restatement was made to comparative figures as these trusts were utilised as part of ordinary cash facilities prior to being frozen.			
 NOTE 9: PROPERTY, PLANT AND EQUIPMENT			
PROPERTY			
Timeshare weeks at Lakeside Numurkah Country Club			
At cost		12,500	12,500
2511-2513 Point Nepean Road, Rye, Victoria			
Villa Units and Chattels 1-20			
At independent valuation 30 June 2005	9(b)	3,650,000	3,650,000
Wattle Drive, Numurkah, Victoria			
Villas 1, 2, 4, 5, 6 & 8			
At independent valuation 30 June 2005	9(c)	1,038,000	1,038,000
Stackey Gully Road, Bright, Victoria			
Villas 33 & 34			
At independent valuation 30 June 2005	9(d)	340,000	340,000
'Club Beaches', 120 Alexandra Parade, Alexandra Headland, Sunshine Coast, Queensland			
Villas 1, 2, 3, 5, 6, 7 & 10-15			
At independent valuation 30 June 2003	9(e)	<u>1,770,000</u>	<u>1,770,000</u>
Unit-Holders' Equity in Resort Property		<u>6,810,500</u>	<u>6,810,500</u>

MAINLAND RESORTS TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT (Continued)			
PLANT AND EQUIPMENT			
(a) Motor Vehicles			
At cost		-	2,182
Less accumulated depreciation		<u>-</u>	<u>(1,429)</u>
		<u>-</u>	<u>753</u>
(b) Office Equipment			
At cost		6,573	15,555
Less accumulated depreciation		<u>(3,370)</u>	<u>(12,718)</u>
		<u>3,203</u>	<u>2,837</u>
(c) Low Value Asset Pool			
At Written Down Value		<u>1,110</u>	<u>1,110</u>
		<u>1,110</u>	<u>1,110</u>
Total plant and equipment		<u>4,313</u>	<u>4,700</u>
Total property, plant and equipment		<u>6,814,813</u>	<u>6,815,200</u>

(a) Movements in Carrying Amounts

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

	Property \$	Motor Vehicles \$	Office Equipment \$	Low Value Asset Pool \$
2009				
Balance at the beginning of the year	6,810,500	753	2,837	1,110
Additions	-	-	4,490	512
Depreciation expense	<u>-</u>	<u>(753)</u>	<u>(4,124)</u>	<u>(512)</u>
Carrying amount at end of year	<u>6,810,500</u>	<u>-</u>	<u>3,203</u>	<u>1,110</u>

(b) The revaluation of villas 1 – 20 at 2511 – 2513 Point Nepean Road, Rye, Victoria was based on the assessment of their current market value. The independent revaluation on 30 June 2005 was carried out by Fred Atki, AAPI (Val), Certified Practising Valuer and Robert Fellows, AAPI (Val), of 1 Hartnett Drive, Seaford, Victoria.

The valuations were made in accordance with a regular policy to revalue the properties every five years.

(c) The revaluation of villas 1,2,4,5,6, and 8 at Wattle Drive, Numurkah, Victoria was based on the assessment of their current market value. The independent revaluation on 30 June 2005 was carried out by Fons Rouw, AAPI, Certified Practising Valuer, and Graeme Weatherley, AAPI, Certified Practising Valuer of Suites 8-10, 69 McLennan Street, Mooroopna, Victoria.

The valuations were made in accordance with a regular policy to revalue the properties every five years.

(d) The revaluation of villas 33 and 34 at Stackey Gully Road, Bright, Victoria was based on the assessment

MAINLAND RESORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
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NOTE 9: PROPERTY, PLANT AND EQUIPMENT (Continued)

of their current market value. The independent revaluation on 30 June 2005 was carried out by Roger Porter, AAPI, Certified Practising Valuer, of 3 Victoria Parade, Wangaratta, Victoria.

The valuations were made in accordance with a regular policy to revalue the properties every five years.

(e) The revaluation of units 1,2,3,5,6,7 and 10-15 at "Club Beaches" 120 Alexandra Parade, Alexandra Headland, Sunshine Coast, Queensland was based on the assessment of their current market value. The independent revaluation on 30 June 2003 was carried out by Jo-Anne Case, AAPI, Certified Practising Valuer, of Mooloolaba, Queensland.

No revaluation has been made of these properties since 30 June 2003 as they are subject to the lease of real property and grant of option to purchase agreements as outlined at Note 20 to the accounts.

(f) As has been disclosed in the prospectus issued in relation to the Trust, the restaurant at the front of the Resort property in Rye is separately occupied under a 25 year lease commencing on 1 November 1989 with two further 25 year option periods. The current rental is \$1.00 per annum with the lessee being responsible for all outgoings levied or assessed against the restaurant premises.

NOTE 10: TRADE AND OTHER PAYABLES

CURRENT

Unsecured Liabilities

Trade Creditors	39,077	37,972
PAYG Withholding Payable	2,134	5,082
Sundry Creditors and Accruals	<u>2,744</u>	<u>7,190</u>
	<u>43,955</u>	<u>50,244</u>

NOTE 11: TAX LIABILITIES

CURRENT

Income Tax Payable	<u>3,381</u>	<u>9,094</u>
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NON-CURRENT

Deferred Tax Liabilities	<u>804,000</u>	<u>804,000</u>
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NOTE 12: PROVISIONS

2009

	Provision for Annual Leave
Carrying amount at beginning of period	5,873
Net movement in provisions during year	<u>(3,450)</u>
Carrying amount at reporting date	<u>2,423</u>

MAINLAND RESORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 13: OTHER LIABILITIES			
CURRENT			
Unearned Income		582,825	511,250
Maintenance Fees in Advance		52,429	43,492
Prepaid Income		<u>167</u>	<u>667</u>
		<u>635,421</u>	<u>555,409</u>
NON-CURRENT			
Maintenance Fees in Advance		<u>12,371</u>	<u>10,450</u>

NOTE 14: CONTINGENT LIABILITIES AND ASSETS

The Manager is not aware of any contingent assets, unasserted claims or litigation against the trust.

As disclosed at notes 1(l) and 16(c) to these accounts, the Group Manager has agreed to reduce its entitlement to group management fees to a lesser amount as part of financial support to the Club, given the uncertain Blue Diamond situation. Should recoveries from Blue Diamond and foregone group management fees exceed the face value of the Blue Diamond investment at 30 June 2009, the Group Manager will invoice the excess to the Club. As the recoveries from Blue Diamond are currently uncertain, a reliable estimate of this figure is not available and accordingly, is not quantified in these accounts. However, the total amount of financial support provided by the Group Manager to 30 June 2009 is \$37,578.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

On 17 December 2009, an administrator was appointed to Traditional Values Management Limited (the Responsible Entity of the Blue Diamond Deposits Trust). The Resort has investments in the Blue Diamond Deposits Trust. As at the date of this report, no information has been made available by the administrator as to the likely outcomes. It is unlikely that the Resort will suffer financial loss from this administration due to the financial support outlined at notes 1(l) and 16(c).

NOTE 16: RELATED PARTY TRANSACTIONS

(a) The developer of Stage 2 of the Mainland Resorts Trust, Leisuretime Services Pty Ltd and its associated entities Holiday Concepts Corp Pty Ltd, Leisuretime Concepts Pty Ltd and John Pernal Pty Ltd are also the developers of other time share schemes, being the Island Breeze Club Ltd, The Bright Resort Ltd, Riviera Beach Resort Ltd, Marine Cove Resort Club Trust, Lakeside Numurkah Country Club Ltd, Resort Vacation Trust, Bellbrae Country Club Ltd, Tamarind Sands Trust, Holiday Rewards Club Trust and the Links Club Trust.

(b) Certain directors of Holiday Concepts Management Ltd (the Manager of the Resort) are also the directors of the above limited companies. They have not received any remuneration for their services and no remuneration is payable to them for their services.

MAINLAND RESORTS TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
NOTE 16: RELATED PARTY TRANSACTIONS (Continued)			
<p>(c) As provided for in the trust's prospectus, the Group Manager Leisuretime Concepts Pty Ltd, an entity of which certain directors of the Manager are also directors and in which they have a beneficial interest, is entitled to annual remuneration for management services provided to the Trust and other resorts within the Holiday Concepts Group.</p> <p>As referred to in Note 1(l) of the accounts, the Group Manager has agreed to provide financial assistance to the extent of a potential loss in the Blue Diamond Deposits Trust No. 1 investment, in the form of a reduction in group management fees.</p>			
Amounts Paid to Leisuretime Concepts Pty Ltd		<u>52,683</u>	<u>76,647</u>
<p>No further entitlements are payable to either Holiday Concepts Management Ltd or Leisuretime Concepts Pty Ltd at the reporting date other than those fees provided for in the accounts, save for Leisuretime Concepts Pty Ltd recovering group management fees foregone as part of its financial support related to the Blue Diamond investment.</p>			
<p>(d) During the course of the year payments were made to Resort Systems Pty Ltd, an entity of which certain directors of Holiday Concepts Management Limited are also directors of, for membership services fees.</p>			
Amounts Paid to Resort Systems Pty Ltd		<u>117,536</u>	<u>102,250</u>
<p>(e) Central Administration Fees paid in respect of common Club operational expenses, shared on a per capita (member) basis.</p>			
Amounts Paid to The Holiday Club Pty Ltd		<u>46,897</u>	<u>38,904</u>
<p>(f) Face value of investments with Blue Diamond Deposits Trust No. 1, an entity in which Elizabeth Clegg and Noel Reynolds are directors of the Responsible Entity (Traditional Values Management Limited)</p>			
		<u>490,000</u>	<u>-</u>
Interest received from Blue Diamond Deposits Trust No. 1		<u>23,857</u>	<u>-</u>
<p>(g) Off-Site management fees paid to sister resorts in the Holiday Concepts Group</p>			
Amounts paid to The Bright Resort Limited		<u>33,429</u>	<u>28,581</u>
		<u>33,429</u>	<u>28,581</u>

Comparative figures are not shown at note 16(f) as this entity did not meet the definition of a related party until June 2009.

MAINLAND RESORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 17: SEGMENT REPORTING			
The Trust operates one business segment, being the provision of holiday resort facilities and services for the benefit of members and their guests predominately in Rye, Victoria.			
NOTE 18: CASH FLOW INFORMATION			
Reconciliation of cash flow from operations with profit (loss) from ordinary activities after income tax			
Profit from ordinary activities after income tax		137,245	48,346
Non-cash flows in profit (loss) from ordinary activities			
Depreciation		5,389	2,495
GST Paid (Refunded) on capital acquisitions		-	(387)
Changes in assets and liabilities			
(Increase)/decrease in receivables		90,048	(64,581)
(Increase)/decrease in other assets		(12,616)	5,174
Increase/(decrease) in prepaid income		10,357	(1,816)
Increase in unearned income		71,575	-
Decrease in payables		(6,289)	(75,060)
Increase/(decrease) in income tax payable		(5,713)	7,003
Increase/(decrease) in provisions		<u>(3,449)</u>	<u>1,708</u>
Net Cash Provided By (Used In) Operations		<u>286,547</u>	<u>(77,118)</u>

NOTE 19: TRUST DETAILS

The principal place of business of the Trust is:

Mainland Resorts Trust
2511-2513 Point Nepean Road
Rye Victoria

MAINLAND RESORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note	2009 \$	2008 \$
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NOTE 20: LEASE OF REAL PROPERTY AND GRANT OF OPTION TO PURCHASE

(a) As approved at the AGM in 2003, a series of leases and options was entered into (the Assex Unit Trust) to give effect to an exchange of resort facilities between Mainland Resorts Trust & an associated company of the Developer, HC Asia Pacific. This was entered into to offer a wider variety of holiday destinations to the members as the Manager's experience was that the existing facilities were under-utilised by the members.

(b) The facilities made available to Mainland Resorts Trust under a "right to use" condition and HC Asia Pacific received the same rights to its stock. The Assex Unit Trust allowed each party to take title at some future date, potentially as late as the wind-up of the Trust (with the consent of both parties).

(c) During the Victorian bushfires in February 2009, the Kerami Gardens Resort was destroyed. Kerami Gardens was a major component of HC Asia Pacific's contribution to the Assex Unit Trust. Consequently, the directors of HC Asia Pacific have substituted the following replacement assets as their contribution to the Assex Unit Trust, which are of at least equivalent value to those provided initially. These are:-

- Twelve (12) units at Tamarind Sands Resort, Cabarita Beach, NSW
- Two (2) units at Island Breeze Resort, Phillip Island, VIC
- The equivalent of another four (4) units still to be determined.

(d) The Manager is confident that the Trust will not be financially disadvantaged by the tragic consequences of the bushfires and the Members will continue to have access to sufficient high quality holiday accommodation to meet their normal requirements.

MAINLAND RESORTS TRUST

**DIRECTORS' DECLARATION OF HOLIDAY CONCEPTS MANAGEMENT LIMITED AS
MANAGER FOR THE MAINLAND RESORTS TRUST**


The Directors of the Manager, Holiday Concepts Management Limited declare that:

1. the financial statements and notes, as set out on pages 5 to 20 present fairly the Trust's financial position as at 30 June 2009 and of the performance for the financial year ended on that date of the Trust in accordance with Australian Accounting Standards and other mandatory professional reporting requirements;
2. in the Directors' opinion there are reasonable grounds to believe that the Trust 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 of the Manager.

Director 

Mr Derek Reynolds

Director 

Mr Noel Reynolds

Dated this 27th day of January 2010

As directors of Holiday Concepts Management Limited, we attest that the Assets belonging to the Mainland Resorts Trust are in order and in existence.

MAINLAND RESORTS TRUST
INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF
MAINLAND RESORTS TRUST

Report on the Financial Report

We have audited the financial report, being a general purpose financial report, of Mainland Resorts Trust, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the directors' declaration of the Manager.

Manager's responsibility for the financial report

The Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that it 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. In Note 1, the Manager also states, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagement 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Mainland Resorts Trust, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of Mainland Resorts Trust is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2009 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards in Australia (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) The financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

Application of Accounting Standard AASB 116

Without qualification to the opinion expressed above, attention is drawn to the following matter. As described in Note 1(b) to the accounts, the Mainland Resorts Trust has not provided depreciation for buildings and chattels in the financial statements and such is not in compliance with the requirements of Accounting Standard AASB 116 "Property, Plant & Equipment".

The Manager is of the opinion, however, that not providing depreciation on these items does not result in the financial report not giving a true and fair view as required by the Corporations Act 2001. We do not disagree with this non-application of accounting standard AASB 116 as the carrying values as disclosed in the accounts will not be materially overstated.

Financial Support Regarding Blue Diamond Deposits Trust No. 1 Investment

As disclosed in Note 16(c) the Group Manager has agreed to provide financial support by not charging the maximum entitlement to group management fees to the extent of a potential loss arising from the investment in Blue Diamond Deposits Trust No. 1. No provision for this financial support has been recognised in the accounts as the total amount, if any, cannot be reasonably measured as at the reporting date. We do not disagree with this accounting treatment on the basis that the ultimate recovery from Blue Diamond Deposits Trust No. 1 is inherently uncertain at the reporting date and the additional disclosures provided by the Manager has given a true and fair view of the financial report.



Waters Dace Partners
Level 3, 329 Thomas Street
Dandenong VIC 3175



Ken K.Y. Kwong - CA
Partner

27 January 2010
Dandenong

MAINLAND RESORTS TRUST
COMPILATION REPORT TO THE UNITHOLDERS OF
MAINLAND RESORTS TRUST

Scope

We have compiled the accompanying special purpose financial statements of Mainland Resorts Trust, which comprises of the detailed income statement for the financial year ended 30 June 2009. The specific purpose for which the special purpose financial statements were prepared was to provide additional information for the use of the Manager and members.

The Responsibility of the Manager

The Manager is solely responsible for the information contained in the special purpose financial statement and has determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statement in accordance with the basis of accounting adopted and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statement was compiled exclusively for the benefits of the Manager and the members. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Waters Dace Partners Pty Ltd
Level 3, 329 Thomas Street
Dandenong VIC 3175



Graham D.N. Dace - FCA

Director

27 January 2010

Dandenong

MAINLAND RESORTS TRUST
DETAILED INCOME STATEMENT
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
INCOME		
Maintenance Fees	1,093,426	1,021,960
Refurbishment Share - Resort Vacation	3,874	13,171
Bonus Time	66,617	76,138
On-Site Management Fees	55,661	84,626
Interest Received	41,006	57,698
Manager's Rent Received	5,167	8,000
Telephone Income	1,287	1,537
Hospitality Income	18,431	22,657
Cleaning Income	580	607
Merchandise	702	310
Net GST Adjustment	2,378	82,243
Sundry Income	1,399	3,489
Video	1,206	1,176
	<u>1,291,734</u>	<u>1,373,612</u>
LESS: VARIABLE OPERATING EXPENSES		
Activities Officer	380	1,686
Cleaning - Materials	14,400	16,025
Cleaning - Wages	128,689	151,560
Computer Expenses	7,749	7,442
Electricity	54,249	61,992
Gas	29,710	38,526
Ground Upkeep	18,096	24,665
Ground Wages	55,999	65,223
Hospitality Expenses	27,928	32,927
Laundry	36,014	40,671
Merchandise	673	556
Pool & Complex	36,642	44,121
Telephone	9,578	10,629
Vehicle Running Costs	13,851	15,444
Video	103	382
Villa Upkeep	33,422	43,772
Waste Disposal / Pest Control	22,282	18,986
TOTAL VARIABLE OPERATING EXPENSES	<u>489,765</u>	<u>574,607</u>
CARRIED FORWARD	<u>801,969</u>	<u>799,005</u>

These financial statements should be read in conjunction with the attached Compilation Report.

MAINLAND RESORTS TRUST
DETAILED INCOME STATEMENT
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
BROUGHT FORWARD	801,969	799,005
LESS: FIXED AND FINANCIAL EXPENSES		
Annual General Meeting	1,661	5,609
ASIC Fees	-	1,000
Audit & Accountancy	19,800	14,900
Bank Charges	6,470	5,867
Central Administration	46,897	38,904
Custodian Fees	5,624	4,100
Debt Recovery Costs	(4,120)	(1,777)
Depreciation	5,389	2,495
Group Management Fees	52,683	76,647
Insurance	21,974	23,850
Interest paid	-	15
Leasing Charges	15,679	13,619
Long Service Leave Expense	-	624
Maintenance Fees	2,675	2,400
Management & Office Salaries	163,723	187,684
Manager's & Staff Training	2,020	5,847
Member Services	117,536	102,250
Newsletter	6,454	3,278
Off-Site Management Fees	33,429	28,581
Printing, Postage and Stationery	4,910	5,920
Provision for Annual Leave	(3,450)	1,707
Rates & Taxes	22,102	32,861
Security Costs	1,524	1,200
Sundry Expenses	5,572	9,152
Superannuation	27,048	31,190
Trustee Fees	13,721	12,474
Uniforms	2,652	2,522
Workcover	<u>9,172</u>	<u>10,353</u>
TOTAL FIXED AND FINANCIAL EXPENSES	<u>581,145</u>	<u>623,272</u>
NET PROFIT (LOSS)	<u>220,824</u>	<u>175,733</u>
Less: Resort Refurbishment	<u>79,624</u>	<u>118,046</u>
NET OPERATING SURPLUS (DEFICIT) BEFORE TAX	<u>141,200</u>	<u>57,687</u>
Less: Income Tax Expense	<u>3,955</u>	<u>9,341</u>
OPERATING SURPLUS (DEFICIT) AFTER INCOME TAX	<u>137,245</u>	<u>48,346</u>

These financial statements should be read in conjunction with the attached Compilation Report.