

CMCA CASINO VILLAGE LTD

CHAIRMAN'S ANNUAL REPORT

AGM - Tuesday 2 pm 23rd November 2006

It's certainly wonderful to see so many shareholders here today. To me, that indicates you are all very interested in monitoring your village, which is extremely encouraging. It's also great to see so many new shareholders in the audience. A very warm welcome to you all.

At this stage of the proceedings I would like to quickly introduce the other six members of the Board -

Les Towell

Terry Childs

Chrissy Eustace

Bill McMahon

John Hall (John T)

and our newest director - John Kingsbury Hall (John K)

As mentioned in the Spring Newsletter, following Vincent Moran's resignation in February, we, as your Board of Directors, sat down and analysed our strengths and where we could improve our talents. The one area we felt may have been lacking was legal. So the search began for someone who we felt would fill that bill. It took several months to find the RIGHT person. So as from September 1st we welcomed John onto the Board.

JK was admitted as a solicitor in 1971, initially working in his father's practice in country NSW. In 1987 he moved to Sydney, working for a number of years with one of Australia's largest legal firms, Allen Allen & Hemsley (now Allens Arthur Robinson). John's home base is Richmond NSW where he and his wife have their own practice. His specialty is small business and property matters.

A brief overview of the talents he brings to us includes being able to practise in NSW and in Queensland, registration as a tax agent, Master of Laws focusing on tax and company law.

John K Hall is filling a casual vacancy, so of course he will be eligible for election at this AGM. However, already the Directors feel he is a valuable asset, not only with his specialised knowledge, but also in his excitement with our vision and the whole village concept.

Earlier in the year our Village Managers, Wayne & Nerelle Hoskings, were forced to resign because of some very serious health issues with Nerelle. The Board, staff and residents were all very shocked and saddened to see them go, with a huge crowd farewelling them at a dinner in the clubhouse.

At the same function Vincent & Judy Moran were also farewelled with them both wishing to return to their motorhoming lifestyle, the habits of which had been seriously curtailed during the three years Vincent had been a mainstay in getting the village project 'off the ground'.

Both Vincent & Nerelle suggested that, in their opinion, her understudy in the office would be quite capable of taking over the management role and that her long term partner could join her to form an excellent management team. Following Board interviews they were subsequently installed on a 3-month trial basis, but for various reasons of unsuitability, their services were terminated.

Following their departure we advertised widely, particularly targeting country areas in the hope of attaining a couple with perhaps property management or small business experience and with a good work ethic. From eight original applicants, the field was quickly narrowed and following interviews (during which some subsequently found other work), a very enthusiastic couple were finally selected. This couple had researched us well, were computer literate, had management experience and appeared to work well as a team. However, despite them being given a very clear, concise 'rundown' of the demography of the village residents, the motorhomers' lifestyle with its (from our own experience) particular wants & needs - all directions and recommendations went unheeded, resulting in their resignation within a month.

Luckily for us all, David & Margaret Waterhouse were able to carry out office duties until Chrissy Eustace was able to spend more time on site, assuming control of site management for the interim period. Under her director's hat Chrissy was already doing much of the job that Vincent had previously done.

Upon review of the situation, the Board had a total rethink and decided that instead of a live-in couple, perhaps two separate positions should be created.

1. **MANAGER:** Assume control of the corporate entity including administration of the office with its five fulltime and one part time staff members.
2. **EVENTS MANAGER:** Create, organise and run more events as this is the area which offers the village most profitability.

The first position of Manager has just been advertised.

At this stage I would like to personally thank Chrissy Eustace for a job superbly done. She never ceases to amaze me in her ability to handle all aspects of the site management. I know all other members of the Board would concur.

As you will no doubt have read in the printed Directors' Report, our average of 58 motorhomers and caravanners per night in 2005 has now increased to an average of 113 per night - a 94% increase, and well above budget.

Our second share capital raising was fully subscribed, resulting in the issue of 1,869,150 new shares making a total issue of 5,806,450 shares. In the short term, we are looking to fund future assets with bank funding.

As per our forecast last AGM we have had a major profit turnaround, whereby a loss of \$639,000 in 2005 has been transformed into a \$90,000 profit this year. Revenue is up 350% from \$240,000 to \$1,178,350. An excellent result!

The Village held some annual events throughout the year - notably the Australian Disc Bowls Festival, Biennial National Camp Oven Festival, HF Radio Expo and many other Chapter related events. Next year we hope to add Summerland Olive Wine & Cheese Festival and the Bushman's Heritage - a celebration of Bush Poetry - to the list.

Three directors attended the 2006 Biennial Millmerran Camp Oven Festival in October, where they met the organising committee who are more than happy to work with us and particularly liked the idea of a 'State of Origin' type trophy. It is felt we can improve on the festival when it's our turn in 2007, making it a much more entertaining event.

The response to the manufactured housing concept has been absolutely fantastic. We now have approximately 30 residents semi-permanently on the site. To all accounts they are enjoying the camaraderie, participating whenever possible.

The allocated sites, which include provision of an ensuite and storage cabin, also have been very popular, with all sites currently fully committed.

A special mention here to Robert & Marjorie Murphy, keen motorhomers who have spent a lot of time on site with Robert assuming the position of Project Supervisor, where he can utilise his many talents in co-ordinating the civil works for some of Stage I housing plus all of Stage II, including the new sewerage pump station and stormwater on sites above 'D' Block. At present he is working on the roadway across the top of the Village Square and associated civil works. Thank you Robert and also to you Marjorie, for your assistance in the office.

The Avenue of Trees programme is still progressing, thanks to the efforts of the volunteers. Also to John & Sylvia Poore for their relentless efforts.

After a year of serious effort from consultants together with much input from your Chairman, we finally managed to have the proposal for our own waste water treatment plant submitted to the Richmond Valley Council on 17th October this year. It certainly paid to hold back until every detail was investigated and as a result, the application was approved without any changes. The next move is ours, to submit a full Operation, Maintenance & Monitoring Plan together with civil and building plans so that we can obtain a Construction Certificate in order to be able to commence work - hopefully by February 2007.

At the same Council meeting we received full approval (again, no alterations) to modify the original Condition 18 of our approval, to gain a more acceptable number of water ET's (ie. Equivalent Tenements) as well as a payment schedule that permits us to proceed without a serious drain on our working capital. This approval had been a major point of contention with the Richmond Valley Council for several years and it has involved a lot of effort on both sides to finally resolve the issue.

Our Seniors Living Precinct of 74 duplex type freehold villas is due to go before the November meeting of Council. The sale of these sites will create excellent revenue in the 2007/08 years.

Generally, we have had a great year, thanks to a lot of people. Firstly, to you, the shareholders for investing your money with us. I do hope you think we have spent it wisely.

The Directors have certainly all worked very well - both with each other and with me. I think it is this cohesiveness that has allowed us to push things as quickly as we have. A great team effort! Also a special vote of thanks to the partners, for not only joining in the work effort, but in putting up with the many 'phone calls, emails and interruptions that constantly interfere with our everyday lives.

A very special thank you to Jenny & Phil and all our other office and ground staff, for the extra effort and pride taken in their work, which is on show to us all on-site every day.

A mention too of our new part time financial Controller, Craig Kelly, who is the co-ordinator between our office, our Accountant, Paul Mulherrin, and our Auditors, Peter Brown and William Ford, to ensure our records meet ASIC compliance requirements and that all is submitted in time so as to have both monthly and annual financial report completed as required. Our thanks to all the team for the special effort in the presentation of this year's figures.

As shareholders we are really indebted to a large number of volunteers who perform regular duties on-site as well as many who assist with special events if and when required. The team here at the Village are simply fantastic - thank YOU, special people.

In October, Chrissy Eustace was largely responsible for collating and submitting our nomination for the Northern Star Tourism Award for 2006 and also for the Casino Business of the Year Award 2006. A huge effort and obviously very well done because we won both! - with a special commendation for the standard of the submission. The awards were presented at an Awards Dinner at the Casino RSM Club.

Ladies & Gentlemen, I trust you feel that a good job has been done thus far, in taking the village concept to the stage where it is today and I can only add that if all goes according to expectations you will surely see an even greater difference over the next five years.

Thank you for attending this Annual General Meeting and I look forward to seeing you all at the Dinner tonight.

Alan Tesch

Chairman