

INTERCHANGE VACATION CLUB

ARSN 096 286 369

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

INTERCHANGE VACATION CLUB

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS	PAGE
Responsible Entity's Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Net Assets Attributable to Members	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Director's Declaration	24
Independent Auditor's Report	25

INTERCHANGE VACATION CLUB

Responsible Entity's Report 31 December 2018

The directors of Classic Clubs Limited (the 'Responsible Entity') present their report on Interchange Vacation Club (the 'Club') for the financial year ended 31 December 2018.

Directors

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

Ramy Filo	Geoff Missen
Karim Filo	Caroline Scott
Mark Stephenson	

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

Principal Activities

The principal activity of the Club during the financial year was that of a registered managed investment scheme. No significant change in the nature of these activities occurred during the year.

Review of Operations

The directors of the responsible entity have reviewed the operations for the year ended 31 December 2018 and report that the operations have been consistent with the 2018 operating budget and long term expectations.

The result from operations was a profit after tax for the year ended 31 December 2018 of \$87,368 (2017: profit of \$136,190).

During the year, the responsible entity issued nil (2017: 10,000) points rights, nil (2017: nil) term points, nil (2017: nil) select points and nil (2017: nil) provisional points.

At the end of the financial year, the developer had the right to sell 432,649 (2017: 441,649) points rights.

During the year, 299 (2017: 241) members withdrew from the Club and the responsible entity forfeited 1,581,453 (2017: 856,868) points from members under the Constitution of the Club.

The number of points rights issued at the end of the financial year was 10,820,178 (2017: 12,401,631) points, 107,066 (2017: 212,881) term points, 4,322,724 (2017: 4,871,996) select points and 3,000 (2017: 8,000) provisional points.

The total net book value of the Club's assets at the end of the financial year was \$4,662,047 (2017: 4,585,791). The basis for the valuation of the Club's assets is disclosed in Note 1 to the financial statements.

Significant Changes in State of Affairs

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

Distributions

No distributions are permitted by the constitution of the Club, other than in the event of winding up. Accordingly no distribution has been made or recommended to members of the Club (2017: \$nil).

Matters Subsequent to the End of the Financial Year

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

INTERCHANGE VACATION CLUB

Responsible Entity's Report

31 December 2018

Responsible Entity's Transactions with the Scheme and Interest Held in the Scheme

Fees paid to the responsible entity out of scheme funds during the financial year are disclosed in Note 15 to the financial statements.

The number of units in the scheme held by the responsible entity and its related parties as at the end of the reporting period together with the number of units issued to and withdrawals by the responsible entity and its related parties during the financial year are disclosed in Note 15.

Environmental Regulation

The Club's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Likely Developments

Likely developments in the operations of the Club and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Club.

Indemnifying Officers or Auditor

The responsible entity has agreements with each of the directors and officers of the responsible entity in office at the date of this report indemnifying them against liabilities to any person other than the responsible entity that may arise from their acting as directors or officers of the responsible entity. The indemnity applies, notwithstanding that they may have ceased to hold office, other than where such liabilities arise out of conduct involving a wilful breach of duty, the improper use by the directors or officers of their position or of information to gain an advantage for themselves or someone else or to cause detriment to the responsible entity.

The directors of the responsible entity have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability, as such disclosures are prohibited under the terms of the contract.

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 auditor of the Club.

Proceedings on Behalf of the Club

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

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

INTERCHANGE VACATION CLUB

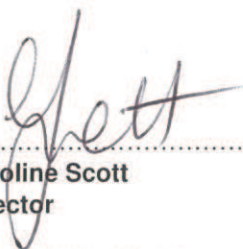
Responsible Entity's Report 31 December 2018

Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4 and forms part of the Responsible Entity's Report.

No officer or director of the responsible entity is or has been a partner / director of any auditor of the scheme.

Signed in accordance with a resolution of the Board of Directors of Classic Clubs Limited.



.....
Caroline Scott
Director

Signed at Varsity Lakes on 28 March 2019

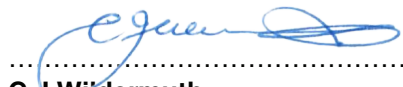
INTERCHANGE VACATION CLUB

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CLASSIC CLUBS LTD, THE RESPONSIBLE ENTITY FOR INTERCHANGE VACATION CLUB

I declare that, to the best of my knowledge and beliefs, during the year ended 31 December 2018 there have been no contraventions of:

- (a) the auditors independence requirements as set out in the *Corporations Act 2001* in relation to the audit of Interchange Vacation Club; and
- (b) any applicable code of professional conduct in relation to the audit of Interchange Vacation Club.

Wilco Chartered Accountants


.....
C J Wildermuth

Signed at Gold Coast on 28 March 2019

INTERCHANGE VACATION CLUB

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 \$	2017 \$
Revenue	2	2,578,622	2,925,709
Administrative and other expense		(64,939)	(46,565)
Audit and accounting fees		(7,022)	(8,910)
Depreciation		(574)	(2,134)
Bad and doubtful debts		(141,523)	(200,805)
Property and accommodation costs		(1,777,380)	(1,953,468)
Responsible entity fees		(499,816)	(577,637)
Profit before income tax	3	87,368	136,190
Income tax expense	4	-	-
PROFIT FOR THE YEAR ATTRIBUTABLE TO MEMBERS		87,368	136,190
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Fair value gains/(losses) on financial assets at fair value through other comprehensive income, net of tax		79,350	122,663
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR ATTRIBUTABLE TO MEMBERS		166,718	258,853

INTERCHANGE VACATION CLUB

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	6	132,669	98,258
Trade and other receivables	7	11,449	4,789
Other current assets	9	893,575	934,639
TOTAL CURRENT ASSETS		<u>1,037,693</u>	<u>1,037,686</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,204	805
Financial assets	10	3,622,150	3,547,300
TOTAL NON-CURRENT ASSETS		<u>3,624,354</u>	<u>3,548,105</u>
TOTAL ASSETS		<u>4,662,047</u>	<u>4,585,791</u>
CURRENT LIABILITIES			
Trade and other payables	11	555,996	641,958
TOTAL LIABILITIES		<u>555,996</u>	<u>641,958</u>
NET ASSETS		<u>4,106,051</u>	<u>3,943,833</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			
Members interests	12	5,911,068	5,915,568
Reserves	12	(2,288,918)	(2,368,268)
Retained income		483,901	396,533
TOTAL MEMBERS EQUITY		<u>4,106,051</u>	<u>3,943,833</u>

Notes to the financial statements are attached.

INTERCHANGE VACATION CLUB

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2018

	Members Interests \$	Revaluation Reserve \$	Retained Income \$	Total \$
<i>Balance at 1 January 2017</i>	6,445,181	(2,490,931)	260,343	4,214,593
Total comprehensive income:				
Profit for the year	-	-	136,190	136,190
Other comprehensive income	-	122,663	-	122,663
Total comprehensive income for the year	-	122,663	136,190	258,853
Interests redeemed during the year	(529,613)	-	-	(529,613)
<i>Balance at 31 December 2017</i>	5,915,568	(2,368,268)	396,533	3,943,833
<i>Balance at 1 January 2018</i>	5,915,568	(2,368,268)	396,533	3,943,833
Total comprehensive income:				
Profit for the year	-	-	87,368	87,368
Other comprehensive income	-	79,350	-	79,350
Total comprehensive profit for the year	-	79,350	87,368	166,718
Interests redeemed during the year	(4,500)	-	-	(4,500)
<i>Balance at 31 December 2018</i>	5,911,068	(2,288,918)	483,901	4,106,051

INTERCHANGE VACATION CLUB

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 Inflows (Outflows) \$	2017 Inflows (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		2,621,900	2,894,711
Payments to suppliers		(2,609,292)	(2,937,301)
Interest received		4,727	3,263
GST recovered / (paid)		<u>19,049</u>	<u>(5,722)</u>
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	14	<u>36,384</u>	<u>(45,049)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		<u>(1,973)</u>	<u>-</u>
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		<u>(1,973)</u>	<u>-</u>
NET CASH FROM FINANCING ACTIVITIES			
		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents held		34,411	(45,049)
Cash and cash equivalents at the beginning of the year		<u>98,258</u>	<u>143,307</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	<u>132,669</u>	<u>98,258</u>

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Interchange Vacation Club as an individual entity. The Club is a registered managed investment scheme established and domiciled in Australia.

The Club is primarily involved in the operation of a registered managed investment scheme in Australia.

The financial report was authorised for issue by the board of directors of the responsible entity on 28 March 2019.

Basis of Preparation

Statement of compliance

The financial report of Interchange Vacation Club is a general purpose financial report prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations and other pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards form the basis of the Australian Accounting Standards by the AASB.

The financial report of Interchange Vacation Club complies with all International Financial Reporting Standards (IFRS) in their entirety.

Reporting basis and conventions

The financial report is presented in Australian dollars.

The preparation of the financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenue and expenses.

- *Critical accounting estimates and judgements*

The estimates and judgements incorporated into the financial statements are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Club. The estimates and judgements made assume a reasonable expectation of future events but actual results may differ from these estimates.

- *Key estimates — Impairment*

The Club assesses impairment at each reporting date by evaluating conditions specific to the Club that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no key adjustments during the year which required accounting estimates and judgements.

The financial report has been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Club in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted at the reporting date.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Income Tax (continued)

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial report. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Club will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Because of the principle of mutuality, only income arising from non-member activities is subject to income tax. The Club is able to identify all non-member income.

(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.

Plant and equipment

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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

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 Club and the cost of the item can be measured reliably. All other repairs and maintenance are included in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the Club commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Furniture and fittings	14% to 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Property, Plant and Equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss in the period in which they arise.

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised on a straight-line basis over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred as this represents the pattern of benefits derived from the leased assets. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

The Club has adopted AASB 9 *Financial Instruments* which came effective in the current year. The requirements of AASB 9 represent a significant change from AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effects of the key changes to the Club's accounting policies resulting from its adoption of AASB 9 are summarised below. The change in accounting policy has not had a significant impact on the Club's financial results.

Classification of financial assets and financial liabilities

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. AASB 9 eliminates the previous AASB 139 categories of held to maturity, loans and receivables and available for sale.

Upon adoption of AASB 9, timeshare weeks previously classified as available-for-sale which represent investments that the Club intends to hold for the long term, were designated at the date of initial application as measured at FVOCI as permitted by AASB 9.

Loans and receivables are now classified as amortised cost.

The adoption of AASB 9 has not had a significant effect on the Club's accounting policies for financial liabilities.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (continued)

Financial assets

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Club becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value Through Profit or Loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Club may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Net gains (apart from dividends) and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Club considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Club considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit the Club's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (continued)

Impairment

Financial instruments and contract assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

The Club recognises loss allowances for expected credit losses on financial assets measured at amortised cost. The Club measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and including forward-looking information. The Club assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Club considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Club in full, without recourse by the Club to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Club expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

(e) Impairment of Assets

At each reporting date, the Club 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 included in profit or loss for the period.

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

(f) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(h) Revenue

Revenue was measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration was deferred, it was treated as the provision of financing and was 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 was interest revenue.

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

Revenue from rendering of services was recognised in proportion to the stage of completion of the service performed at the reporting date.

Annual subscription fees are levied either at the beginning of each financial year or on the member's joining anniversary and recognised as revenue in the financial year. Provisional user charges are levied each financial year based on the number of points held by each respective member and is recognised as revenue in the financial year it relates. Additional user charge may be levied if the member's usage charge is higher than the provisional charge and is recognised when levied. Rental revenues are recognised based on when the provision of service has been completed.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

The Club has adopted AASB 15 with a date of initial application of 1 January 2018. As a result, the Group has maintained its accounting policies on revenue recognition as detailed above. No adjustment to the opening balance of equity at 1 January 2018 was required.

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Foreign Currency Transactions and Balances

Functional and presentation currency

The financial report is presented in Australian dollars which is the Club's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on foreign currency transactions and the translation of monetary items are recognised in profit or loss for the year.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(l) Comparative Figures

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

(m) Trade Creditors and Accruals

A liability is recorded for goods and services received prior to reporting date, whether invoiced or not. Trade creditors are settled in accordance with supplier payment terms.

(n) Statement of Cash Flows

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of any outstanding bank overdrafts.

(o) New Accounting Standards and Interpretations

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the club. The club has decided not to early adopt any of the new and amended pronouncements. The club's assessment of the new and amended pronouncements that are relevant to the club but applicable in future reporting periods is set out below:

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 2 - REVENUE	2018	2017
	\$	\$
User charges	1,926,127	2,148,512
Subscription fees	549,897	604,686
Rental income	96,005	169,248
Interest received	4,727	3,263
Other income	1,866	-
Total revenue	<u>2,578,622</u>	<u>2,925,709</u>

NOTE 3 - PROFIT BEFORE INCOME TAX

The profit before income tax has been determined after:

Expenses

Impairment losses - financial assets
- Trade receivables

	<u>141,523</u>	<u>200,805</u>
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NOTE 4 - INCOME TAX

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable on profit before income tax at 27.5% (2017: 30%)	24,026	40,857
Decrease in income tax expense due to:		
- Amounts excluded under Principle of Mutuality	(21,071)	(34,432)
- Prior year tax losses recouped	<u>(2,955)</u>	<u>(6,425)</u>
Income tax attributable to operating profit	<u>-</u>	<u>-</u>

Deferred tax assets, the benefits of which will only be realised if the conditions for deductibility of tax losses set out in Note 1 occur based on corporate tax rate of 27.5% (2017: 30%):

- Losses	22,855	25,810
- Prior year losses revised due to change of tax rate	<u>(2,501)</u>	<u>-</u>
	<u>20,354</u>	<u>25,810</u>

NOTE 5 - KEY MANAGEMENT PERSONNEL REMUNERATION

Directors

Ramy Filo	Geoff Missen
Karim Filo	Caroline Scott
Mark Stephenson	

The directors of the responsible entity are directly accountable and responsible for the strategic direction and operational management of the Club. During the year there were no executives of the Club.

The directors act in an honorary capacity and did not receive any remuneration during the 2018 and 2017 years.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
NOTE 6 - CASH AND CASH EQUIVALENTS		
Cash at bank	132,669	98,258

Cash at bank is invested with Westpac Banking Corporation and earns interest at the current variable rate.

NOTE 7 - TRADE AND OTHER RECEIVABLES

Current

Trade receivables	146,670	204,594
Provision for impairment	(139,330)	(204,594)
	7,340	-
Other receivables	4,109	4,789
Total trade and other receivables	11,449	4,789

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

Furniture and fittings, at cost	19,905	17,932
Less accumulated depreciation	(17,701)	(17,127)
Total property, plant and equipment	2,204	805

Movements in carrying amounts

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

Furniture and fittings

Written down value at the beginning of the year

Additions

Depreciation expense

Written down value at the end of the year

805	2,939
1,973	-
(574)	(2,134)
2,204	805

NOTE 9 - OTHER ASSETS

Current

Prepaid expenses	891,575	932,639
Security bond	2,000	2,000
	893,575	934,639

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 10 - FINANCIAL ASSETS	2018	2017
	\$	\$
Interests in managed investment schemes	5,911,068	5,915,568
Revaluation to fair value	(2,288,918)	(2,368,268)
Total financial assets	<u>3,622,150</u>	<u>3,547,300</u>

Unlisted investments in equity instruments exist within an unofficial active resale market and could be disposed of if required. The fair value of investments in equity instruments can be reliably measured and are reflected at fair value through other comprehensive income. Fair values may recognise any movement in the underlying tangible assets of the unlisted managed investment schemes. There are no fixed returns on these interests as returns are contingent on the payment of annual levies and bookings.

During the year, accommodation assets amounting to nil (2017: nil) were introduced by the developer company, and accommodation assets amounting to \$4,500 (2017: \$529,613) were disposed of or returned to the developer company. The developer company is responsible for any gain or loss on disposal of accommodation assets.

NOTE 11 - TRADE AND OTHER PAYABLES	2018	2017
	\$	\$
Current		
Trade payables	49,481	118,283
Sundry creditors and accrued expenses	2,378	-
Members' charges paid in advance	504,137	523,675
Total trade and other payables	<u>555,996</u>	<u>641,958</u>

NOTE 12 - MEMBERS INTERESTS

Points rights	<u>5,911,068</u>	<u>5,915,568</u>
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The beneficial interests in the Club are divided equally into points of equal value, but a point does not confer an interest in any specific part of the Club. Term points are issued in the same manner as points rights, but only exists for the period for which the accommodation entitlement is available to the Club. When the accommodation entitlement ends, the associated term points cease to exist.

At 31 December 2018, there were 107,066 (2017: 212,881) term points issued.

Members are issued provisional points where they enter into finance arrangement with a financier, and with the consent of the responsible entity, their interest in their provisional points are security for their finance. Once the financier has discharged the finance obligation, the member will be issued the equivalent points rights and the provisional points will be cancelled.

At 31 December 2018, there were 3,000 (2017: 8,000) provisional points issued.

The founder member has no rights under the Constitution other than the exclusive right to licence and direct the issue of points to developer companies. No change to the Constitution can be made to the founder member rights without the approval of the founder member. The founder member will retain developer companies to introduce accommodation assets into the Club.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 12 - MEMBERS INTERESTS (continued)

The developer has rights to sell points rights, in return for introducing accommodation assets to the Club. When accommodation is introduced, subject to the responsible entity's approval, points rights based on the accommodation's points ranking, resort rating and demand and time period priority of the accommodation being introduced will be made available to the developer company that introduced the accommodation. If points rights have been issued to the developer, the points rights are held in trust by the responsible entity.

The Club has the first lien on each member's points for all amounts owed by a member to the Club. If, under the Constitution, a member's points are forfeited, the responsible entity must take steps to advise any financier and sell such points at fair market price using reasonable endeavours, but if unsuccessful must cancel the points of the defaulting member.

Member liability is limited to the charges specifically provided by the Constitution and members are not liable to indemnify the responsible entity or any creditor of it in the event of any deficiency in the assets of the Club. The term of the Club will be 80 years from 4 April 2001 subject to early winding up provisions within the Constitution.

Revaluation reserve

The revaluation reserve was created to record the movement in fair value of financial assets through other comprehensive income.

NOTE 13 - CAPITAL AND LEASING COMMITMENTS

Financial assets with annual accommodation entitlements require the payment of annual levies to utilise those entitlements. Accommodation entitlements, which are not used by members in any one year, are rented and the revenue is paid to the Club. Any accommodation entitlements not used or rented during the year, are space/banked with various exchange groups or expire. Accommodation entitlements which are space-banked during the year have an extended period of use for a fixed term from the date of banking, after which entitlements expire. If the entitlements are used by members during the period, a user charge will be received by the Club. At balance date, the responsible entity is not able to determine the amount of revenue received or annual levies payable in respect of unused entitlements or which entitlements will be utilised or the quantity of revenue that will be generated in the future through the utilisation of entitlements.

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2018	2017
	\$	\$
<i>Payable - minimum lease payments</i>		
- not later than 12 months	35,628	35,016
- between 12 months and 5 years	5,496	40,789
	<u>41,124</u>	<u>75,805</u>

The property leases are non-cancellable leases with terms between one to two years with rent payable weekly in advance. Options exist to renew the leases at the end of the term.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
NOTE 14 - CASH FLOW INFORMATION		
Reconciliation of net cash from / (used in) operating activities to loss after income tax:		
Net profit after income tax	87,368	136,190
Adjustment for non cash items		
Depreciation	574	2,134
Adjustment for changes in assets and liabilities		
<i>Decrease / (increase) in:</i>		
Trade and other receivables	(6,660)	68,560
Other current assets	41,064	(88,509)
<i>(Decrease) / increase in:</i>		
Trade and other payables	(66,424)	(57,803)
Members' charges paid in advance	(19,538)	(105,621)
Net cash from / (used in) operating activities	<u>36,384</u>	<u>(45,049)</u>

NOTE 15 - RELATED PARTY TRANSACTIONS

Transactions with directors and director related entities:

- (i) Responsible entity fees totalling \$499,816 (2017: \$577,638) were paid in the ordinary course of business to Classic Clubs Ltd.
- (ii) The developer company nominated by the founder member may introduce accommodation assets into the Club for consideration in points. The developer company is Beneficium (Int) Pty Ltd, a company of which Ramy Filo and Mark Stephenson are directors, and Karim Filo is an alternate director.

	2018	2017
Developer points held by the Club at balance date:		
- Points rights	<u>432,649</u>	<u>441,649</u>

- (iii) Fees for services totalling \$4,550 (2017: \$1,756) were paid in the ordinary course of business to Debt Management Australia Pty Ltd, a company of which Ramy Filo is a director.
- (iv) Fees for accommodation and other services totalling \$47,466 (2017: \$40,563) were paid in the ordinary course of business to Classic Leisure Pty Ltd, a company of which Ramy Filo and Karim Filo are directors.
- (v) Fees for accommodation rentals totalling \$nil (2017: \$3,171) were received in the ordinary course of business from Classic Holiday Club Pty Ltd, a company of which Ramy Filo and Mark Stephenson are directors.
- (vi) Fees for accommodation rentals totalling \$96,005 (2017: \$165,505) were received in the ordinary course of business from Classic Leisure Pty Ltd, a company of which Ramy Filo and Karim Filo are directors.
- (vii) Fees for services totalling \$4,930 (2017: \$5,610) were paid in the ordinary course of business to The MBA Partnership Pty Ltd, an entity of which Geoff Missen is a partner.

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 16 - FINANCIAL INSTRUMENTS

Financial risk management

The Club's financial instruments consist mainly of deposits with banks, interests in managed investment schemes, accounts receivable and payable. The main purpose of the non-derivative financial instruments is to maintain assets for Club operations.

(a) Treasury risk management

Senior management of the Club meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury and currency management strategies in the context of the most recent economic conditions and forecasts.

(b) Financial risks

The main risks the Club is exposed to through its financial instruments are interest rate risk, foreign currency risks and liquidity risks.

Interest rate risks are managed with a movement of funds between accounts to maximise interest rate revenue.

Foreign currency risks arise due to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Clubs measurement currency. Senior management of the Club meet to monitor currency exposure and manage the exposure within determined parameters.

Liquidity risks are managed by monitoring forecast cash flows and ensuring that receivables management procedures are maintained. Unlisted investments at market values are reviewed biannually to ensure any decrement in fair values is recognised and managed.

The Club's exposure to interest rate risk, which is the risk that the financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities, is as follows:

	Weighted Average Interest Rate	Floating Interest Rate \$	Non-Interest Bearing \$	Total \$
31 December 2018:				
Financial assets				
Cash and cash equivalents	0.1%	132,669	-	132,669
Trade and other receivables		-	150,779	150,779
Other financial assets		-	3,622,150	3,622,150
Total financial assets		132,669	3,772,929	3,905,598
Financial liabilities				
Trade and other payables		-	51,859	51,859
31 December 2017:				
Financial assets				
Cash and cash equivalents	0.1%	98,258	-	98,258
Trade and other receivables		-	209,383	209,383
Other financial assets		-	3,547,300	3,547,300
Total financial assets		98,258	3,756,683	3,854,941
Financial liabilities				
Trade and other payables		-	118,283	118,283

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 16 - FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

(b) Financial risks (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Club. The Club does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Club's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The ageing of the Club's trade and other receivables at the reporting date was:

	2018		2017	
	Gross \$	Impairment \$	Gross \$	Impairment \$
Not past due (current)	30,109	(18,660)	39,813	(35,024)
Past due 0-30 days (30 day ageing)	17,431	(17,431)	16,631	(16,631)
Past due 31-60 days (60 day ageing)	-	-	2,463	(2,463)
Past due more than 60 days (+90 day ageing)	103,239	(103,239)	150,476	(150,476)
Total trade and other receivables	150,779	(139,330)	209,383	(204,594)

The balance of the past due receivables at 31 December 2018 was not impaired because it is expected that these amounts will be received in full through various recovery actions in the normal course of business.

The other classes of other receivables do not contain impaired assets and are not past due. Based on the credit history of the receivables, it is expected that these amounts will be received when due.

Movements in carrying amounts

Movements in the carrying amounts of impairment expenses between the beginning and the end of the current financial year:

	2018 \$	2017 \$
Trade and other receivables:		
Assessed as impaired at the beginning of the year	204,594	188,235
Annual impairment expense per the statement of comprehensive income	141,523	200,805
Assessed as impaired and written off during the year	(206,787)	(184,446)
Assessed as impaired at the end of the year	139,330	204,594

Fair value measurements

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

INTERCHANGE VACATION CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 16 - FINANCIAL INSTRUMENTS (continued)

Fair value measurements (continued)

(a) Fair value hierarchy (continued)

Recognised fair value measurements

The following table presents the entity's assets and liabilities measured and recognised at fair value at 31 December 2018.

	Note	2018 \$	2017 \$
Level 2:			
Investments in equity instruments			
- Interests in managed investment schemes	10	3,622,150	3,547,300

There were no transfers between levels for recurring fair value measurements during the year.

The entity's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

(b) Valuation techniques used to derive level 2 fair values

Specific valuation techniques used to value financial assets include independent valuations obtained based on previous trading data of similar assets.

All the resulting fair value estimates are included in level 2.

(c) Fair values of current receivables and current payables

Due to their short-term nature, the carrying amounts of the current receivables and current payables is assumed to approximate their fair values.

NOTE 17 - CONTINGENT LIABILITIES

The Club has no contingent liabilities at the date of this report (2017: nil).

NOTE 18 - EVENTS AFTER THE REPORTING DATE

No other material events occurred after reporting date and to the date of this report requiring disclosure.

NOTE 19 - SEGMENT INFORMATION

The Club operates in one business and geographical segment as a registered managed investment scheme in Australia.

NOTE 20 - CLUB DETAILS

The registered office of the Club is:

Interchange Vacation Club
c/o The MBA Partnership
Level 3 Pivotal Point
50 Marine Parade
Southport QLD 4215

The principal place of business is:

Interchange Vacation Club
Level 4 Bermuda Point
1 Lake Orr Drive
Varsity Lakes QLD 4227

INTERCHANGE VACATION CLUB

Directors' Declaration

The directors of the responsible entity declare that:

- (a) The financial statements and notes, as set out on pages 5 to 23 are in accordance with the Corporations Act 2001 including:
 - (i) complying with Australian Accounting Standards including International Financial Reporting Standards as referred to in Note 1, and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Club's financial position as at 31 December 2018 and its performance for the year ended on that date; and
- (b) In the directors opinion there are reasonable grounds to believe that the Club 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 Classic Clubs Limited.



.....
Caroline Scott
Director

Signed at Varsity Lakes on 28 March 2019

INTERCHANGE VACATION CLUB

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERCHANGE VACATION CLUB

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of **Interchange Vacation Club**, which comprises the statement of financial position as at 31 December 2018, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of Interchange Vacation Club is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Club's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of **Interchange Vacation Club**, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the responsible entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Club to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

INTERCHANGE VACATION CLUB

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERCHANGE VACATION CLUB

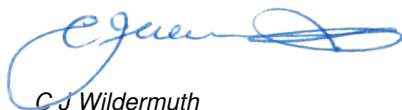
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Club to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Club audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Wilco Chartered Accountants



C.J. Wildermuth
Gold Coast, 28 March 2019