ACCOR VACATION CLUB

ARSN 094 718 108

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER, 2023

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I N D E X

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RESPONSIBLE ENTITY'S REPORT

The directors of A.P.V.C. Limited (ACN 093 228 141) ("the Responsible Entity") submit herewith the financial report of the Accor Vacation Club ("the Club") for the year ended ***31st December, 2023.*** In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors
The names of directors of the Responsible Entity are:

Mr Craig Steven Wood (Appointed 26th November 2009)
Mr Philip Joseph Basha (Appointed 1st December 2012)
Ms Sarah Dianne Derry (Appointed 16th February 2021)

Principal Activities
The Club is a registered Managed Investment Scheme domiciled in Australia. The Club's principal activities in the course of the year were timeshare and hotel operations. There has been no significant change in the activities of the Club during the year.

Dividends Paid or Recommended
The directors recommend that no dividend be paid by the Club. No dividends have been declared or paid by the Club during the financial year, (2022: $nil).

Operating Results
The results of the operations of the Club are disclosed in the Statement of Profit or Loss and Other Comprehensive Income. The total comprehensive income attributable to Members was a profit of $1,859 (2022: Loss ($1,872,116)). The net profit after income tax for the financial year ended 31 December, 2023 was $1,859 (2022: Loss ($1,872,116)).

The value of scheme assets at the balance date is $219,269,748 (2022: $218,414,039). Scheme assets are held at cost in accordance with the accounting policies in Note 1.

Membership
The membership of the Club at balance date consisted of the following categories:-

Category	Points per Membership	Memberships Sold	Total Points Sold
Developer		2	2
Bronze	2,300 to 2,999	4,971	11,433,300
Biannual	3,000 biannually	123	184,500
Silver	3,000 to 3,999	6,590	19,770,000
Gold	4,000 to 4,999	3,734	14,936,000
Platinum	5,000 to 10,000	10,732	58,306,300
Traveller	10,001 to 20,000	1318	14,321,001
Corporate	20,001 to 50,000	78	1,784,000
		27,548	120,735,103

In addition, there were 1,429,397 unissued points at 31 December, 2023 (2022: 2,379,098).

Property
The Club continued its refurbishment program in 2023 with 6 properties, a total of 94 rooms, undergoing refurbishments. The Sebel Darling Harbour (15 apartments) and Grand Mercure Basildene Manor (19 apartments) had all rooms undergo full refurbishment. Mercure Gold Coast Resort (11 aparrtments), Pacific Bay Resort (20 apartments), The Lady Links Bay Resort (14 apartments) and Oakridge Resort Wanaka (15 apartments) had all apartments undergo soft refurbishment. The quality of the refurbishment program continues to be of an extremely high standard and well received by Members.

The extensive refurbishment initiative has effectively transformed The Sebel Manly Beach Resort into an upscale establishment, culminating in its rebranding to Peppers Manly Beach.

The Club hasn't acquired or pointed any property during the year ended 31st December 2023.

Significant Changes in State of Affairs
During the year there was no significant change in the state of affairs of the Club other than those referred to in the financial report or notes thereto.

Environmental Regulation
The Club's operations are subject to various environmental regulations. The directors are not aware of any breaches of the legislation during the financial year which are material in nature.

After Balance Date Events
Accor Resorts Management Pty Ltd., the owners of the Responsible Entity, have agreed to sell their ownership to Travel + Leisure Co., marking a notable event subsequent to the balance sheet date. This acquisition is expected to be completed in the first quarter of 2024. Additionally, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations or state of affairs of the Club in subsequent financial years.

Future Developments
The Club will continue to provide quality products and service to Members through regular refurbishment of properties and other programs to facilitate positive Member experience. It is planned to grow the Club and to point new properties in the future.

RESPONSIBLE ENTITY'S REPORT

Information on Directors

Director: Craig Steven Wood (Chief Executive Officer - Accor Vacation Club)

Experience:
Mr Wood is a director of A.P.V.C. Limited and was appointed the Chief Executive Officer for the Accor Vacation Club group of companies in November 2009. He has over 20 years senior management experience in the vacation ownership industry and was previously Chief Operating Officer of Accor Vacation Club before being appointed as CEO. Mr Wood is also the chair of the board of ATHOC "Australian Timeshare and Holiday Ownership Council". Prior to joining Accor Vacation Club he was Operational Director of Marriott Vacation Club's Middle East operation and owned a number of vacation club marketing companies across the United Arab Emirates and Pakistan.

Director: Philip Joseph Basha (Chief Financial Officer - Pacific)

Experience:
Philip Basha joined the AccorHotels Finance team in 2003 and is currently the Chief Financial Officer - Pacific. Philip commenced his accounting career at KPMG in 1999 and spent 5 years as an auditor in the Consumer and Industrial Markets group. He holds a Bachelor of Economics (Accounting) from Macquarie University and is a member of the Australian Institute of Chartered Accountants. He is a Director and Company Secretary for AccorHotels. Philip has a Real Estate License under the Property Occupations Act 2014 QLD.

Director: Ms Sarah Derry (Chief Executive Officer - Pacific)

Experience:

Sarah joined Accor in 2017 and was SVP Talent & Culture – Pacific until 31 January 2022. She was appointed Chief Executive Officer for Accor Pacific on 01 February 2022. Prior to joining Accor Sarah operated her own firm People Reaching Potential (PRP) working across multiple industries in the areas of organisational culture transformation, executive coaching and HR consulting. With over 25 years industry experience Sarah has worked extensively in the hospitality and tourism industry and has significant experience in fields of learning & development, attraction & retention and business innovation.

Sarah is also degree qualified having completed postgraduate studies in HR Management, Training and Executive Coaching. A member of the International Coaching Federation and the Australian HR Institute, she specialises in culture transformation, strategic business planning, leadership development, employee engagement and organisational behaviour.

Meetings of Directors
The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). The directors made full use of written resolutions during the year wherein all directors signed a like document as provided for in the constitution

	Meetings eligible to attend	Meetings attended
Philip Joseph Basha	19	19
Craig Steven Wood	19	19
Sarah Dianne Derry	19	19

Directors and Auditors Indemnification
During the year, the Responsible Entity paid a premium in respect of a contract insuring the directors of the Responsible Entity, the Responsible Entity secretary, and all executive officers of the Responsible Entity and of any related body corporate and the Compliance Committee against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001* . The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the year end, indemnified or agreed to indemnify an officer or auditor of the Club or any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on Behalf of the Company
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.

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*
The lead auditor's independence declaration is set out on page 3 and forms part of the Responsible Entity's report for the year ended 31 December, 2023. Crowe continues in office in accordance with Section 327 of the *Corporations Act 2001* .

Interests of the Responsible Entity

	2023		2022	
	Memberships	**Points**	**Memberships**	**Points**
Number of Interests held in the scheme by the RE	-	-	-	-
Number of Interests in the scheme issued during the year	23	995,701	(401)	(502,400)
Interests in the scheme withdrawn by the RE	-	-	-	-

Responsible Entity Remuneration
Details of remuneration paid to the Responsible Entity is set out in Note 11. Total Responsible Entity management fees paid totalled $4,639,486 (2022 : $4,418,558).

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.306(3) of the *Corporations Act 2001* .

Craig Wood
Director
Gold Coast, 29 February, 2024

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Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Accor Vacation Club

As auditor of Accor Vacation Club for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, 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.

Crowe Brisbane

Mark Andrejic
Partner – Audit & Assurance

Signed at Brisbane, on this 29th day of February 2024

ACCOR VACATION CLUB ARSN 094 718 108
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
		$	$
Revenue from continuing operations:			
Club Fees		**29,602,220**	28,335,939
Hotel revenue		**18,704,607**	17,979,753
Other operating revenue		**857,013**	844,164
Interest income		**1,696,713**	570,677
Total revenue		**50,860,553**	47,730,533
Expenditure:			
Body corporate fees		**2,928,508**	2,804,107
Repairs and maintenance		**394,059**	313,469
Rates and taxes		**1,715,893**	1,618,376
Responsible Entity management fee		**4,639,486**	4,418,558
Member Services expenses		**2,079,549**	1,989,728
Accor Hotel Select Programme expense		**727,926**	1,870,867
Utilities		**765,767**	826,344
Cleaning costs		**5,651,735**	5,027,553
Audit and compliance costs		**87,121**	106,913
Payroll expenses		**15,059,121**	13,676,118
Shared services		**307,392**	305,199
Cost of sales		**994,087**	999,534
Management fee - other		**915,153**	869,416
Hotel divisional expenses		**3,936,692**	3,316,654
Hotel administrative expenses		**447,340**	459,048
Hotel sales and marketing expenses		**113,430**	79,054
Hotel energy expenses		**953,743**	1,046,297
Hotel maintenance expenses		**1,045,314**	838,690
Other expenses		**2,578,351**	2,674,128
Interest expense		**12,715**	17,412
Foreign exchange unrealised gain		**7,978**	(33,186)
GST expense		**1,495,671**	1,499,697
Depreciation expense		**4,001,663**	4,878,673
Total expenditure		**50,858,694**	49,602,649
Profit/(Loss) before Income Tax	**2**	**1,859**	(1,872,116)
Income tax expense	3	**-**	-
Profit/(Loss) after Income Tax for the Year Attributable to Members		**1,859**	(1,872,116)
Other comprehensive income for the full year, net of tax		**-**	-
Total Comprehensive Loss for the Year Attributable to Members		**1,859**	(1,872,116)

The above statement of profit and loss and other comprehensive income should be read in conjuction with the accompanying notes.

ACCOR VACATION CLUB ARSN 094 718 108
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	NOTE	2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents		**4,414,796**	6,917,492
Financial investment - term deposits		**26,679,858**	26,928,648
Trade and other receivables	5	**8,709,429**	8,485,519
Inventories		**62,128**	56,437
Prepayments		**765,032**	717,942
TOTAL CURRENT ASSETS		**40,631,243**	43,106,038
NON-CURRENT ASSETS			
Prepayments		**73,920**	92,400
Property, plant and equipment	6	**178,564,585**	175,215,601
TOTAL NON-CURRENT ASSETS		**178,638,505**	175,308,001
TOTAL ASSETS		**219,269,748**	218,414,039
CURRENT LIABILITIES			
Secured loans	7	**641,279**	641,279
Trade and other payables	8	**10,153,747**	10,061,015
Deferred membership revenue		**3,271,229**	3,475,930
TOTAL CURRENT LIABILITIES		**14,066,255**	14,178,224
NON-CURRENT LIABILITIES			
Trade and other payables	8	**20,101,250**	19,536,873
TOTAL NON-CURRENT LIABILITIES		**20,101,250**	19,536,873
TOTAL LIABILITIES		**34,167,505**	33,715,097
TOTAL NET ASSETS		**185,102,243**	184,698,942
EQUITY			
Member equity	9	**182,089,801**	181,688,359
Retained earnings		**3,012,442**	3,010,583
TOTAL EQUITY ATTRIBUTABLE TO MEMBERS		**185,102,243**	184,698,942

The above statement of financial position should be read in conjuction with the accompanying notes.

ACCOR VACATION CLUB ARSN 094 718 108

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Member Equity	Retained Profits	Total
	$	$	$
Balance at 1 January 2022	181,688,359	4,882,699	186,571,058
Total comprehensive income:			
Net loss for the year	-	(1,872,116)	(1,872,116)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(1,872,116)	(1,872,116)
Transactions with members in their capacity as members			
Points issued in respect of member equity generated during the year	-	-	-
Balance at 31 December 2022	181,688,359	3,010,583	184,698,942
Balance at 1 January 2023	**181,688,359**	**3,010,583**	**184,698,942**
Total comprehensive income:			
Net loss for the year	**-**	**1,859**	**1,859**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**1,859**	**1,859**
Transactions with members in their capacity as members			
Points issued in respect of member equity generated during the year	**401,442**	**-**	**401,442**
Balance at 31 December 2023	**182,089,801**	**3,012,442**	**185,102,243**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

ACCOR VACATION CLUB ARSN 094 718 108
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023	2022
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Club operations		**48,330,749**	47,341,814
Payment to short-term and low value leases		**(166,462)**	(164,493)
Payments to suppliers and employees		**(46,187,154)**	(44,637,858)
Interest received		**1,696,713**	570,677
NET CASH FROM OPERATING ACTIVITIES	**10 (a)**	**3,673,846**	3,110,140
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(6,271,396)**	(2,882,092)
Transfer to term deposits		**248,790**	(11,216,457)
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		**(6,022,606)**	(14,098,549)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments		**(153,936)**	(88,328)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(153,936)**	(88,328)
Net increase / (decrease) in cash and cash equivalents held		**(2,502,696)**	(11,076,737)
Cash and cash equivalents at the beginning of the year		**6,917,492**	17,994,229
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**10 (b)**	**4,414,796**	6,917,492

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity
Accor Vacation Club is a registered Managed Investment Scheme established and domiciled in Australia. The financial report covers the Accor Vacation Club ('the Club') as an individual entity. According to the requirements of AASB 1054 *Australian Additional Disclosures*, the Club is a “for-profit” entity for financial reporting purposes. However, the operations of the Club are run to benefit the Members and not to make profit.

The principal activities of the Club in the course of the financial year have been timeshare and hotel operations.

This financial report was authorised for issue by the directors of the Responsible Entity on 29 February 2024.

New or amended Accounting Standards and Interpretations adopted
The Club has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation
The financial report of Accor Vacation Club is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Reporting Basis and Conventions
The financial report is presented in Australian dollars.

The preparation of financial reports 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.

The financial report has been prepared on an accruals basis and is based on historical costs.

Going Concern
The financial report of the Club has been prepared on a going concern basis which contemplates that the Club will be able to realise its assets and extinguish its liabilities in the ordinary course of business, and will be in a position to pay its debts as they become due and payable.

The Club is reliant on the continued receipt of income from Members to meet their annual Club fees (and special Club fees), together with the continued financial support of the Developer Member in respect of the Club fees in relation to unsold or unissued memberships, in order to continue as a going concern.

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

(a) Foreign Currency Transactions and Balances
Functional and presentation currency
The functional currency of the Club is measured using the currency of the primary economic environment in which the Club operates. The financial statements are 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. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

(b) Revenue
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Club recognises revenue when it transfers control over a product or service to a customer.

All revenues are measured at the fair value of the consideration received or receivable, net of returns and discounts. The major revenue streams of the Club recognised under the accounting standard are as follows:

Club Fees: For Club Members at the beginning of each year, Club fees are amortised over the twelve months of the financial year on a straight line basis and for new Members Club fees are amortised on a straight-line basis over the period from when their points are first issued, to the end of the financial year. This amortisation period matches the perormance obligation, i.e the validity period of the points.

Interest income: Interest income is recognised as it is earned on the basis of the interest rate carried by the financial assets.

Revenue from Resorts: Room rental revenue is recognised when a room is occupied by the guest. Revenue from sale of goods and services is recognised when goods or services or right to ownership of such goods or services are delivered to the guest.

Other Operating Revenue: Other operating revenue mainly includes revenue generated for providing various services to Club Members. Revenue for these services is recognised when the performance obligation has been met.

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

(c) Income Tax
The Club recognises the current and future tax consequences of all transactions and other events recognised in the Club’s statement of financial position as current and deferred tax liabilities and assets. The Club is able to apply the 'mutuality concept' under the Income Tax Assessment Act. The mutuality concept allows the Member income and Member expenditure to be tax free. All non-member income and expenditure is taxable at the 30% corporate tax rate. Accordingly, the tax consequence arising on all transactions is not of material consequence for the Club.

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

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 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 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 profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Income Tax(continued)

Deferred 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. Deferred tax assets in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Club's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Club's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and Other Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for expected credit losses. Club Fees are invoiced at the beginning of the relevant financial year.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Financial Instruments

Investments and other financial assets

Classification

The Club classifies its financial assets in the following measurement categories in accordance with AASB 9:
• those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
• those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Club currently holds no financial assets measured at fair value.

Measurement

At initial recognition, the Club measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit or loss.

Impairment

The Club assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Club applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Club currently holds no financial liabilities at FVTPL.

The Club derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Club also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, Plant, and Equipment

Property, plant and equipment is brought to account at cost less, where applicable, any accumulated depreciation and 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 which will be received from the asset's employment and subsequent disposal.

Buildings are not depreciated. In the event a Club Resort or other Club Property ceases to form part of the Club Property, the Responsible Entity will ensure that a replacement Club Resort becomes part of Club Property which is at least of equal quality and has no less than the number of Club Resort Premiere Points allocated to it as the number of Club Resort Premiere Points allocated to the Club Resort or other Club Property which ceased to be part of Club Property. Risks associated with the Club property are borne by the Developer.

The depreciable amounts of all fixed assets including capitalised lease assets, but excluding freehold land and buildings, are depreciated over their useful lives using the straight line method commencing from the time the assets held are ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation rates and methods are reviewed annually and, if necessary, adjustments are made. Assets not ready to be used are treated as work in progress and are not depreciated until they are ready to be used.

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

Class of Asset	Depreciation Rates
Club Property Fixture and Fittings	1 to 30 years
Furniture, plant and equipment	1 to 15 years

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Club. The gain or loss on disposal of all property, plant and equipment, is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in profit or loss before income tax of the Club in the year of disposal.

(k) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Club expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Club has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(l) Leases

The Club leases various items of equipment and office space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. These lease arrangements do not impose any covenants, but leased assets may not be used as security for borrowing purpose.

Lease are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Club. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments)
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease terms reflects the lessee exercising that option

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Club's incremental borrowing rate.

(m) Impairment of non-financial 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 expensed to profit or loss.

The Club considers the properties in the Club to constitute one cash generating unit, and the value in use to be the ability of Members to continue to utilise their points in the Club properties. Thus in evaluating whether an impairment is to be made, the Club assets are considered as belonging to one cash generating unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Trade and Other Payables
Trade payables and other accounts payable are recognised when the Club becomes obliged to make future payments resulting from the purchase of goods or services. Measured initially at fair value and subsequently at amortised cost.

(o) Contract liabilities
Contract liabilities represent the Club's obligation to transfer goods or services to a customer or Member and are recognised when a customer or Member pays consideration, or when the Club recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Club has transferred the goods or services to the customer or Member.

(p) Loans and Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(q) Employee Benefits
Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(r) Units Issued by the Club
Premiere Points or Units Issued in the Club
In accordance with the Constitution of the Club, Premiere Points represent the unit of measure or use comparison or currency or value established for the Club and referrable to each Club Property (as defined by the Constitution), which forms part of the assets of the Club. Premiere Points can also be created in relation to an accommodation entitlement that may not necessarily constitute Club Properties recognised in the statement of financial position. In accordance with the Constitution and Regulations of the Club, Premiere Points entitle a Member to an accommodation or timeshare entitlement in these Club Properties as well as a right to share in the net assets of the Club on winding up of the Club.

Contribution of Assets and the Issue of Units
In accordance with the Constitution of the Club, during the financial year when the Developer Member acquires properties which it then contributes to the Club (referred to as Club Property). Once the Club has obtained the majority of the risks and benefits of ownership pursuant to the Club Properties contributed, Premiere Points are created and units issued equivalent to the cost of the Club properties contributed.

As noted above and in accordance with the Constitution, Premiere Points can also be created in relation to an accommodation entitlement contributed to the Club that may not necessarily constitute Club Properties recognised in the statement of financial position. In this case, Premiere Points are created for no unit contribution.

When Premiere Points are created and as set out in the Constitution and the Developer Agreement, the Developer will retain, in addition to its Developer Membership, the obligations in respect of unissued Premiere Points created pursuant to the unit contribution by the Developer of Club Properties (as defined by the Constitution) as if they were issued to the Developer.

(s) Member Funds
The Club classifies Members' funds relating to permanent points as equity, as holders have a right to participate in any distribution of net assets upon a winding up of the Club.

(t) New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Club for the annual reporting period ended 31 December 2023. The Club has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(u) Critical accounting judgements, estimates and assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The estimates and judgements incorporated into the financial report 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.

Revenue from contracts with customers involving sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Club is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on age of the debt, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions are based on historical and recent debt collection experience, and forward-looking information that is available. The allowance for expected credit losses, as disclosed in Note 5, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Estimation of useful lives of assets
The Club determines the estimated useful lives and related depreciation for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Assessment of Developer Liability
The Club owes a significant amount to Accor Resorts Management Pty Ltd, the Developer, in respect of various properties contributed to the Club in accordance with the Constitution. Settlement is realised, at the discretion of the Responsible Entity, through the pointing of the respective properties that make up this payable amount in order to meet the Club's immediate property needs. Management and the Club have adopted the policy that the intercompany payable amount which relates to property which is not budgeted to be pointed in the 12-month period subsequent to reporting date, should be classified as a non-current liability. Management is satisfied that the Responsible Entity has the sole discretion to determine when settlement of the liability will occur and therefore the unconditional right to defer payment in accordance with this arrangement.

Impairment of Non-financial assets
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 and assumptions.

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.

NOTE 2 - (LOSS)/PROFIT BEFORE INCOME TAX

	2023 $	2022 $
(Loss)/Profit has been determined after:		
Expenses		
Depreciation - Plant and Equipment	**4,001,663**	4,878,673
Auditors remuneration		
Audit and review of financial statements	**78,900**	75,300
Staff costs	**13,839,432**	12,598,673
Superannuation contributions expense	**1,219,689**	1,077,445

NOTE 3 - INCOME TAX

	2023 $	2022 $
The prima facie tax payable on Loss before income tax is reconciled to the income tax expense as follows:		
(Loss)/Profit before income tax	**1,859**	(1,872,116)
Prima facie tax payable on Loss before income tax at 30% (2022 : 30%)	**558**	**(561,635)**
Decrease in income tax expense due to:		
Amounts excluded under Principle of Mutuality	**741,773**	1,002,785
Deferred tax assets not taken up	**(742,331)**	(441,150)
Income tax expense attributable to profit for the year	**-**	**-**

Deferred tax assets not brought to account, 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 30% (2022: 30%) for Australian companies and 28% for New Zealand operations (2022: 28%):

	2023 $	2022 $
Tax losses	18,247,922	20,722,357
Potential tax benefit	**5,474,377**	6,216,707
Temporary differences		
Other	-	-
Total deferred tax benefits not brought to account	**5,474,377**	6,216,707
Deferred Tax Liabilities		
Total deferred tax liabilities not brought to account	-	-
Total deferred tax assets not brought to account - net	**5,474,377**	6,216,707

NOTE 4 - KEY MANAGEMENT PERSONNEL

(a) Key management personnel

The key management personnel of the Responsible Entity who held office at any time during the year and their membership in the Club are as follows:

Name	Position	Memberships
Ms Sarah Dianne Derry	Director	-
Mr Philip Joseph Basha	Director	-
Mr Craig Steven Wood	Director & CEO	-

(b) Directors' Remuneration and Retirement Benefits

Remuneration provided with respect to services provided to the Club received or due and receivable from the Club and any related body corporate:

2023	Salary, fees and allowances $	Short-term benefits $	Post employment benefit $	Total $
Ms Sarah Dianne Derry	**-**	**-**	**-**	**-**
Mr Philip Joseph Basha	**-**	**-**	**-**	**-**
Mr Craig Steven Wood	**43,616**	**1,260**	**-**	**44,876**
	43,616	**1,260**	**-**	**44,876**

2022	Salary, fees and allowances $	Short-term benefits $	Post employment benefit $	Total $
Ms Sarah Dianne Derry	-	-	-	-
Mr Philip Joseph Basha	-	-	-	-
Mr Craig Steven Wood	41,668	1,226		42,894
	41,668	1,226	-	42,894

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

These expenses are not reflected in the Club Financials as they are incurred by a Related Party. Calculation for these costs are based on time spent by directors on Club related matters.

NOTE 5 TRADE AND OTHER RECEIVABLES

	2023	2022
Current	$	$
Member fees	**8,410,196**	7,126,482
Other debtors	**530,752**	488,612
Less : Provision for expected credit losses	**(1,773,062)**	(1,148,714)
	7,167,886	6,466,380
Related party receivables		
APVC Holdings Pty Ltd	**325,044**	665,540
PT APVC Indonesia	**1,216,499**	1,353,599
APVC Nominees Pty Ltd	**-**	-
	1,541,543	2,019,139
Net trade and other receivables	**8,709,429**	8,485,519

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	$	$
Club property and improvements, at cost	**142,422,700**	142,021,257
Less accumulated depreciation	**-**	-
	142,422,700	142,021,257
Furniture, plant and equipment, at cost	**78,670,440**	76,301,332
Less accumulated depreciation	**(62,787,167)**	(62,749,645)
	15,883,273	13,551,687
Right of use assets	**396,215**	497,113
Less accumulated amortisation	**(104,098)**	(122,921)
	292,117	374,192
Work in progress	**19,966,495**	19,268,465
Total property, plant and equipment	**178,564,585**	175,215,601

Movements in Carrying Amounts
Work in progress represents the cost of the unpointed Club apartments. Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

31 December, 2023	**WIP**	**Club Properties**	**Furniture, Plant & Equipment**	**Right of use Assets**	**Total**
	$	**$**	**$**		**$**
Written down value at the beginning of the year	**19,268,465**	**142,021,258**	**13,551,687**	**374,192**	**175,215,602**
Additions	**1,099,472**	**-**	**6,271,395**	**-**	**7,370,867**
Disposals/impairment	**-**	**-**	**(42,244)**	**22,023**	**(20,221)**
Transfers of developer property put into use	**(401,442)**	**401,442**	**-**	**-**	**-**
Reclassification as Non-Current Asset Held for Sale	**-**	**-**	**-**	**-**	**-**
Transfer of depreciation on disposals	**-**	**-**	**-**	**-**	**-**
Depreciation expense	**-**	**-**	**(3,897,565)**	**(104,098)**	**(4,001,663)**
Written down value at the end of the year	**19,966,495**	**142,422,700**	**15,883,273**	**292,117**	**178,564,585**
31 December, 2022					
Written down value at the beginning of the year	19,151,965	142,021,257	15,583,544	512,486	177,269,252
Additions	116,500	-	2,765,592	-	2,882,092
Disposals	-	-	(41,697)	(15,373)	(57,070)
Transfers of developer property put into use	-	-	-	-	-
Reclassification as Non-Current Asset Held for Sale	-	-	-	-	-
Transfer of depreciation on disposals	-	-	-	-	-
Depreciation expense	-	-	(4,755,752)	(122,921)	(4,878,673)
Written down value at the end of the year	19,268,465	142,021,257	13,551,687	374,192	175,215,601

	2023	2022
	$	**$**
Club properties and Improvements cost:		
Coral Coast Apartments, Palm Cove – QLD	**6,619,174**	6,604,727
Hotel St Moritz Queenstown - NZ	**1,472,548**	1,475,653
Pacific Bay Resort - NSW	**3,942,566**	3,927,296
Novotel Lake Crackenback Resort - NSW	**3,997,500**	3,993,541
The Sebel Twin Waters Sunshine Coast - QLD	**3,220,499**	3,206,425
The Sebel Melbourne Flinders Lane - VIC	**18,263,783**	18,258,530
Turtle Beach Resort Mermaid Beach - QLD	**8,909,528**	8,904,855
Legends Hotel Surfers Paradise - QLD	**3,950,168**	3,949,583
The Sebel Darling Harbour Pinnacle Apartment – NSW	**11,905,147**	11,461,192
The Sebel Pinnacle Valley Resort - VIC	**9,157,439**	9,046,772
The Sebel Forest Resort - VIC	**8,946,740**	8,344,947
Grand Mercure Basildene Manor – WA	**4,948,403**	4,944,959
Grand Mercure Puka Park Resort – NZ	**11,331,354**	11,022,984
The Sebel Busselton - WA	**14,748,086**	14,679,818
Grand Mercure The Vintage - NSW	**15,104,537**	15,078,003
The Links Lady Bay Resort - SA	**4,020,751**	3,943,134
Novotel Nusa Dua - Bali	**2,829,733**	2,825,553
Grand Mercure Oakridge Resort - NZ	**6,022,663**	6,043,124
The Sebel The Vines - WA	**10,030,613**	9,984,698
The Sebel Bowral - NSW	**13,132,027**	13,105,661
Freshwater Point Resort Broadbeach - QLD	**19,158,631**	19,135,912
The Sebel Coral Coast Palm Cove - QLD	**17,403,793**	17,355,234
Peppers Sydney Manly Beach - NSW	**11,992,398**	11,593,793
The Sebel Manly - NSW	**10,629**	0
Mercure Gold Coast - QLD	**1,688,214**	1,579,927
Corporate Office and Other - QLD	**8,286,216**	7,856,269
	221,093,140	218,322,589
Comprising:		
Club property and improvements, at cost	**142,422,700**	142,021,257
Furniture, plant and equipment, at cost(Unpointed assets 2023 : $754,393 (2022 : $752,230))	**78,670,440**	76,301,332
	221,093,140	218,322,589

NOTE 7 SECURED CREDITORS

	2023	2022
Current	**$**	**$**
Secured Creditors		
AAPC Ltd - intercompany loan	**641,279**	641,279
Total secured creditors	**641,279**	641,279
TOTAL SECURED CREDITORS	**641,279**	641,279

Above mentioned secured loan is taken from AAPC Ltd for the acquisition of The Sebel Manly Beach. This loan is secured against unpointed apartments at the Sebel Manly Beach, classified as work in progress property in Note 6.

NOTE 8 TRADE AND OTHER PAYABLES

	2023	2022
	$	**$**
Unsecured Creditors - Current		
Trade and other creditors	**848,353**	517,690
Deposits	**2,156,159**	2,367,622
Accrued expenses	**5,598,321**	5,994,257
Lease liabilities	**151,469**	139,182
Total unsecured creditors	**8,754,302**	9,018,751
Related party payables		
APVC Holdings Pty Ltd	**629,045**	494,879
APVC Limited	**425,286**	405,034
AAPC Properties Pty Limited	**345,114**	142,351
	1,399,445	1,042,264
TOTAL CURRENT TRADE AND OTHER PAYABLES	**10,153,747**	10,061,015
Unsecured Creditors - Non-Current		
Lease liabilities	**134,757**	268,407
Accor Resorts Management Pty Ltd (payable for work in progress)	**19,966,493**	19,268,466
Total unsecured creditors	**20,101,250**	19,536,873
TOTAL NON-CURRENT TRADE AND OTHER PAYABLES	**20,101,250**	19,536,873
TOTAL TRADE AND OTHER PAYABLES	**30,254,997**	29,597,888

NOTE 9 - MEMBER EQUITY

	2023	2023	2022	2022
	No.	**$**	**No.**	**$**
Balance at beginning of year	**122,118,500**	**181,688,359**	122,118,500	181,688,359
Points Generated	**46,000**	**401,442**	-	-
Balance at end of year	**122,164,500**	**182,089,801**	122,118,500	181,688,359

Total Première Points as at 31 December, 2023 represent the aggregate of points sold to Members of 120,735,103 (2022: 119,739,402) and unissued points of 1,429,397 (2022: 2,379,098). The Developer is responsible pursuant to the Developer Agreement for those unissued points as if they were points issued to the Developer.

NOTE 10 CASH FLOW INFORMATION

	2023	2022
	$	**$**
(a) Reconciliation of net cash from operating activities to operating profit after income tax		
Net loss after income tax	**1,859**	(1,872,116)
Adjustment for non cash items		
Depreciation	**4,001,663**	4,878,673
Loss on disposal of assets	**42,244**	41,697
Adjustment for changes in assets and liabilities		
Decrease / (increase) in:		
Trade and other receivables	**(4,043)**	(654,699)
Inventories	**(5,690)**	(4,540)
Prepayments	**(28,610)**	138,145
Increase / (decrease) in:		
Trade and other payables	**(128,876)**	(482,249)
Levies invoiced in advance	**(204,701)**	1,065,229
Net cash from operating activities	**3,673,846**	3,110,140

NOTE 10 CASH FLOW INFORMATION (continued)

(b) For the purposes of the statement of cash flows, cash includes cash on hand and bank deposits at call net of bank overdrafts. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the accounts as follows:

	2023	2022
	$	$
Cash and Cash Equivalents	**4,414,796**	6,917,492
	4,414,796	6,917,492

(c) Non-cash Transactions

During the year the Developer contributed $401,442 (2022: $ NIL) in capital in the form of Club properties. In accordance with the terms of the constitution the Developer is entitled to the proceeds from the sale of the Club points associated with these properties when they are sold to the general public by the Responsible Entity, in exchange for placing the Club properties into the Club. These transactions are non-cash in nature and have not been taken into account in the cash flow statement.

NOTE 11 RELATED PARTY TRANSACTIONS

Transaction with Related Entities

(i) The Responsible Entity of the Club is A.P.V.C. Limited. Management fees are determined in accordance with the Constitution of the Club. During the year ended 31 December, 2023, the Responsible Entity's fees were $4,639,486 (2022: $4,418,558). At 31 December, 2023 the amount owing to the Responsible Entity was $425,286 (2022: $405,034).

(ii) The Developer is Accor Resorts Management Pty Ltd. During the year, the Developer pointed NIL resort units (2022: NIL units), which it has placed into the Club unencumbered. Refer to note 6 for further details of work in progress movements.

(iii) Developer levies are determined in accordance with the Constitution of the Club and are payable by the Developer to the Club within 14 days of the end of each month. During the year ended 31 December, 2023, the Developer levies amounted to $452,726 (2022: $480,081). At 31 December, 2023 the amount owing by the Developer was $ NIL (2022: $ NIL).

(iv) During 2023, APVC Holdings Pty Ltd provided shared services (e.g. office rent, Legal, IT, Human Resource, Communications and Finance services) to the Club and received fees amounting to $416,483 (2022: $421,107). The amount payable to APVC Holdings Pty Ltd at 31 December, 2023 was $629,045 (2022: $494,879).

(v) During 2023, Lease rental for the usage of common facilities at The Sebel Pinnacle Valley Resort, $60,128 (2022: $55,980) was payable to the APVC Holdings Pty Ltd. The amount payable to APVC Holdings Pty Ltd in relation to this lease at 31 December, 2023 was NIL (2022: 55,980). As at 31st December, 2023 balance of right of use asset was $47,344 (2022: $80,621) and lease liability for right of use asset was $20,387 (2022: $87,025).

(vi) A franchise agreement is held with AAPC Properties Pty Limited, a company of which Philip Basha and Sarah Derry are directors, in accordance with which a fee is payable monthly. At 31 December, 2023 the amount owing to AAPC Properties Pty Limited was $345,114 (2022: payable of $142,351). Total franchise fees paid during the year amounted to $434,955 (2022: $423,120).

(vii) The Club has taken a secured loan of $6,000,000 from AAPC Ltd for the acquisition of The Sebel Manly Beach, a company of which Philip Basha and Sarah Derry are directors. This loan is secured against unpointed apartments at the Sebel Manly Beach. Accrued interest on this loan at 31 December, 2023 is $641,278 (2022: $641,278). At 31 December, 2023, the loan has been paid in full and amount owing to AAPC Ltd, in relation to this loan, for interest expense is $641,278 (2022: $641,278).

(viii) A lease agreement is held with Accor Australia & New Zealand Hospitality Pty Ltd to rent the reception, offices, storage areas and parking lot at The Sebel Manly Beach, a company of which Philip Basha and Sarah Derry are directors, in accordance with which rent is payable monthly. At 31 December, 2023 the amount owing to Accor Australia & New Zealand Hospitality Pty Ltd, was $14,442 (2022: NIL). Total rent paid during the year amounted to $69,888 (2022: $65,328). As at 31st December, 2023 balance of right of use asset was $174,694 (2022: $208,034) and lease liability for right of use asset was $186,264 (2022: $225,183).

(ix) BRK Resorts Pty Ltd, a company of which Philip Basha is a director, provided room cleaning services at The Sebel Twin Waters. At 31 December, 2023 the amount owing to BRK Resorts Pty Limited was NIL (2022: NIL). Total cleaning fees paid during the year amounted to $124,469 (2022: $129,621).

(x) Samarad Pty Ltd. trading as Mantra Group, a company of which Philip Basha and Sarah Derry are directors, provided hotel stays for the Club Members under the Accor Hotel Select program. At 31 December, 2023 the amount owing to Samarad Pty Ltd was NIL (2022: $37,655). Total amount paid during the year amounted to $100,706 (2022: $320,884).

All amounts advanced to or payable to related parties are unsecured, unless otherwise stated above. No interest is charged on the outstanding balance, unless stated otherwise. The amounts outstanding will be settled in cash.

NOTE 12 COMPANY DETAILS

The Club is a registered Managed Investment Scheme and was registered by the Australian Securities and Investments Commission on 11 October 2000.

Registered Office	***Principal Place of Business***
Ground Floor, 50 Cavil Avenue	Mantra on View Hotel, Ground Floor
Surfers Paradise	22 View Avenue,
QLD 4217	Surfers Paradise QLD 4217

NOTE 13 FINANCIAL INSTRUMENTS

(a) Financial Risk Management
The Club's financial instruments consist mainly of cash and cash equivalents/term deposits with banks, accounts receivable and accounts payable.

The overall risk management strategy of the directors of the Responsible Entity seeks to assist the Club in meeting its financial targets, whilst minimising the potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors of the Responsible Entity on a regular basis. These include the credit risk policies and future cash flow requirements. The main purpose of non-derivative financial instruments is to manage cash flow for operations.

	2023	2022
Financial assets	$	$
Held at amortised aost		
- Cash and cash equivalents	**4,414,796**	6,917,492
- Trade and other receivables	**8,709,429**	8,485,519
- Term deposits and financial investments	**26,679,858**	26,928,648
Financial liabilities		
Held at amortised cost		
- Secured loans	**(641,279)**	(641,279)
- Current trade and other payables	**(10,153,747)**	(10,061,015)
- Non-current trade and other payables	**(20,101,250)**	(19,536,873)
	8,907,808	12,092,492

The company does not have any derivative instruments at 31 December, 2023 (2022: NIL).

i. Treasury risk management
The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial risks
The main risks the Club is exposed to through financial instruments are market risk, liquidity risk and credit risk.

(b) Market Risk
Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). Interest rate risk is managed with a mixture of fixed and floating rate bank accounts and deposits.

(i) Interest Risk

31 December, 2023	**Weighted Average Effective Interest Rate** %	**Floating Interest Rate** $	**Non Interest Bearing** $	**Fixed Interest Rate Maturing** **<1 Year** $	**1-5 Years** $	**Over 5 Years**	**Total** $
Cash and cash equivalents	**3.95**	**-**	**-**	**4,414,796**	**-**	**-**	**4,414,796**
Financial investments / term deposits	**4.62**	**-**	**-**	**26,679,858**	**-**	**-**	**26,679,858**
Trade and other receivables		**-**	**8,709,429**	**-**	**-**	**-**	**8,709,429**
Total financial assets		**-**	**8,709,429**	**31,094,654**	**-**	**-**	**39,804,083**
Secured loan	**3.84**	**(641,279)**	**-**	**-**	**-**	**-**	**(641,279)**
Trade and other payables		**-**	**(30,254,997)**	**-**	**-**	**-**	**(30,254,997)**
Total financial liabilities		**(641,279)**	**(30,254,997)**	**-**	**-**	**-**	**(30,896,276)**

31 December, 2022	**Weighted Average Effective Interest Rate** %	**Floating Interest Rate** $	**Non Interest Bearing** $	**Fixed Interest Rate Maturing** **<1 Year** $	**1-5 Years** $	**Over 5 Years**	**Total** $
Cash and cash equivalents	1.35	-	-	6,917,492	-	-	6,917,492
Financial investments /term deposits	1.87	-	-	26,928,648	-	-	26,928,648
Trade and other receivables		-	8,485,519	-	-	-	8,485,519 -
Total Financial Assets		-	8,485,519	33,846,140	-	-	42,331,659
Secured loan	3.84	(641,279)	-	-	-	-	(641,279)
Trade and other payables		-	(29,597,888)	-	-	-	(29,597,888)
Total financial liabilities		(641,279)	(29,597,888)	-	-	-	(30,239,167)

NOTE 13 FINANCIAL INSTRUMENTS (continued)
(b) Market Risk (Continued)

Cash flow sensitivity analysis for variable rate instruments
The sensitivity analysis has been determined based on the exposure of the Club to interest rates for non-derivative financial instruments at the reporting date with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 1% increase or decrease represents management's assessment of the possible change in interest rates.

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

	Carrying Value	1.00%		-1.00%	
	31/12/2023	Profit	Equity	Loss	Equity
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	**4,414,796**	**44,148**	**-**	**(44,148)**	**-**
Financial investments /term deposits	**26,679,858**	**266,799**	**-**	**(266,799)**	**-**
Trade and other receivables	**8,709,429**	**-**	**-**	**-**	**-**
Financial liabilities					
Secured loan	**(641,279)**	**(6,413)**	**-**	**6,413**	**-**
Trade and other payables	**(30,254,997)**	**-**	**-**	**-**	**-**
Total increase/(decrease)		**304,534**	**-**	**(304,534)**	**-**

	Carrying Value	1.00%		-1.00%	
	31/12/2022	Profit	Equity	Loss	Equity
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	6,917,492	**69,175**	**-**	**(69,175)**	**-**
Financial investments /term deposits	26,928,648	**269,286**	**-**	**(269,286)**	**-**
Trade and other receivables	8,485,519	**-**	**-**	**-**	**-**
Financial liabilities					
Secured loan	(641,279)	**(6,413)**	**-**	**6,413**	**-**
Trade and other payables	(29,597,888)	**-**	**-**	**-**	**-**
Total increase/(decrease)		**332,048**	**-**	**(332,048)**	**-**

There has been no change to the Club's exposure to interest rate risk or the manner in which it manages and measures the risk.

(ii) Foreign Currency Risk

Foreign currency sensitivity analysis
The Club's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	Carrying Value	NZ Impact -10.00%		NZ Impact 10.00%	
	31/12/2023	Profit	Equity	Profit	Equity
	$				
Trade and other receivables	**1,005,747**	**(43,748)**	**-**	**43,748**	**-**
Trade and other payables	**(932,060)**	**40,543**	**-**	**(40,543)**	**-**
Net Impact	**73,688**	**(3,205)**	**-**	**3,205**	**-**

	Carrying Value	NZ Impact -10.00%		NZ Impact 10.00%	
	31/12/2022	Profit	Equity	Profit	Equity
	$				
Trade and other receivables	906,266	**(29,520)**	**-**	**29,520**	**-**
Trade and other payables	(1,004,259)	**32,712**	**-**	**(32,712)**	**-**
Net Impact	**(97,993)**	**3,192**	**-**	**(3,192)**	**-**

The Club undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arise.

The Club is mainly exposed to NZ Dollars. The above table details the Club's sensitivity to a 10% increase and decrease in the Australian dollar against the NZ dollar. A positive number indicates an increase in profit or loss where the Australian dollar strengthens against the NZ dollar.

(iii) Price risk
The Club is not exposed to any material commodity price risk.

(c) Liquidity Risk
The Club manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities and ensuring that adequate unutilised borrowing facilities are maintained.

The following are contractual maturities of financial liabilities:

31 December, 2023	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**1-5 years**
	$	**$**	**$**	**$**
Secured loans	**641,279**	**641,279**	**641,279**	**-**
Trade and other payables	**30,254,997**	**30,254,997**	**10,153,747**	**20,101,250**

31 December, 2022	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**1-5 years**
	$	**$**	**$**	**$**
Secured loans	641,279	641,279	641,279	-
Trade and other payables	29,597,888	29,597,888	10,061,015	19,536,873

NOTE 13 FINANCIAL INSTRUMENTS (continued)

(d) 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 impairment 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 receivable at the reporting date was:

	2023		2022	
	Gross	**Impairment**	**Gross**	**Impairment**
	$	**$**	**$**	**$**
Not past due (current)	**234,729**	**-**	316,870	-
Past due 30 days (30 day ageing)	**204,092**	**-**	153,095	-
Past due 31-60 days (60 day ageing)	**68,399**	**-**	48,286	-
Past due more than 60 days (+90 day ageing)	**8,433,728**	**1,773,062**	7,096,842	1,148,714
	8,940,948	**1,773,062**	7,615,093	**1,148,714**

The balance of the past due receivables at 31 December 2023 were assessed and an impairment loss provision of $1,773,062 (2022: $1,148,714) on trade receivables arising from contracts with customers was made for expected credit losses. Receivables from Members as on 31st December, 2023 were $8,410,196 (2022 : $7,126,482) and receivables from other debtors as at 31st December, 2023 were $530,753 (2022 : $488,612).

The credit risk assessment policy is determined by the board of the Responsible Entity from time to time to reflect changes in economic conditions as well as legislative changes. Members are unable to access Club property until Club Fees are paid and in the event the Member does not pay then the membership may be foreclosed. In the past, such Club Fees were recovered via the sale of the foreclosed membership and the Club did not have to impair the asset. The current economic environment has impacted the sale of new memberships and the board has determined that an expected credit loss provision is required.

(e) Capital risk management
The directors of the Responsible Entity manage the capital to ensure that the Club is able to continue as a going concern while maximising returns to stakeholders, through the optimisation of debt and equity balances.

The capital structure of the Club consists of cash and cash equivalents and equity comprising of Member equity, reserves and retained profits.

The board of the Responsible Entity reviews this structure and the associated risks with each class of capital on a regular basis.

Capital risk management policies remain unchanged from the prior year.

NOTE 14 - EVENTS SUBSEQUENT TO BALANCE DATE
Accor Resorts Management Pty Ltd., the owners of the Responsible Entity, have agreed to sell their ownership to Travel + Leisure Co., marking a notable event subsequent to the balance sheet date. This acquisition is expected to be completed in the first quarter of 2024. Additionally, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations or state of affairs of the Club in subsequent financial years.

ACCOR VACATION CLUB ARSN 094 718 108
DIRECTOR'S DECLARATION

The directors of the Responsible Entity declare that:

(a) The financial report and notes set out on pages 4 to 18 are in accordance with the *Corporations Act 2001* and:

- (i) comply with Australian Accounting Standards including International Financial Reporting Standards (as set out in Note 1 to the financial statements) and the *Corporations Regulations 2001* ; and

- (ii) give a true and fair view of the financial position of the Club as at 31 December 2023 and its performance, for the year ended on that date; and

(b) in the Directors' opinion:

- (i) at the date of this declaration, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.303(5) of the *Corporations Act 2001* .

On behalf of the Directors

Craig Wood
Director
Gold Coast, 29/02/2024.

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Independent Auditor's Report

To the Members of Accor Vacation Club

Opinion

We have audited the financial report of Accor Vacation Club (the "Club"), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of the Club is in accordance with the *Corporations Act 2001*, including:

(a) Giving a true and fair view of the Club's financial position as at 31 December 2023 and of its financial performance for the year then ended.

(b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 the 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.

Other Information

The directors of A.P.V.C. Limited (the "Responsible Entity") are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors of the Responsible Entity 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.

As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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 entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Concludes on the appropriateness of those charged with governance's 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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluates 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.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Crowe Brisbane

Mark Andrejic
Partner – Audit & Assurance

Signed at Brisbane, on this 29th day of February 2024