



WorldMark South  
Pacific Club and  
Controlled Entity

A.R.S.N. 092 334 015

FINANCIAL REPORT  
For the year ended  
31 December 2015

**WORLDMARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY  
A.R.S.N. 092 334 015**

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**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**WORLDMARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
**A.R.S.N. 092 334 015**  
**REPORT OF THE RESPONSIBLE ENTITY**

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The Directors of the Responsible Entity, Wyndham Vacation Resorts South Pacific Limited A.B.N. 11 090 503 923, submit the financial statements of WorldMark South Pacific Club, (The Club), and Controlled Entity (The Consolidated Entity) for the year ended 31 December 2015.

**Directors**

The Directors of the Responsible Entity at any time during or since the end of the financial year are:

<b>Name and Qualifications</b>	<b>Appointed / Resigned</b>	<b>Special Responsibilities</b>
Gary Martin Croker		Director
Matthew James Taplin		Director
Jorge de la Osa	Appointed 31 August 2015	Director
Gregory John Bendlin	Resigned 31 August 2015	Director

Directors have been in office for the duration of the financial period, unless otherwise stated.

**Directors' meetings**

During the financial year, as per clause 21.3 of the constitution, the Directors executed eight resolutions.

**Principal activities**

The Consolidated Entity owns and operates vacation ownership resort properties.

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

**Review and results of operations**

During the financial year, 81 resort apartments at three resort locations (2014: 85 resort apartments at four resort locations) were placed into the Consolidated Entity for occupancy and 56,942,000 Vacation Credits were authorised (2014: 61,026,750 credits). At 31 December 2015, 51,784 members of the public (2014: 49,659 members) had subscribed and were allocated Vacation Credits in the Consolidated Entity.

The consolidated profit from operating activities after tax for the year ended 31 December 2015 was \$2,452,110 (2014 : \$783,083). The increase in consolidated profit is due to an increase in rental revenue distributed to the Club under a revised agreement between the Club and the Developer. The additional revenue provided under this agreement in 2015 was \$1,560,841 compared to 2014.

As at 31 December 2015, the value of the consolidated total assets was \$458,278,962, (2014: \$418,316,990). The valuation method for these assets is disclosed in Note 1 to the financial statements.

**Distributions**

Subject to clause 17.2 and except as specifically provided for (if any) in the Constitution, there shall be no distribution of income or capital to any member except upon the termination of the Consolidated Entity in accordance with clause 32 and in particular clause 32.3 of the Constitution.

**State of affairs**

In the opinion of the Directors of the Responsible Entity, there were no significant events impacting upon the state of affairs of the Consolidated Entity that occurred during the financial year.

**Responsible entity fees**

During the year, the Consolidated Entity incurred fees amounting to \$4,475,078, (2014: \$3,737,624) for the management of the entity by the Responsible Entity. As at 31 December 2015, the Responsible Entity does not hold any direct interest in the Consolidated Entity.

**Events subsequent to balance date**

On 19 January 2016, three (3) resort apartments at Wyndham Resort Surfers Paradise were placed into the Consolidated Entity for occupancy and 2,001,000 Vacation Credits valued at \$1,020,510 were authorised.

On 29 January 2016, one (1) resort apartment at Wyndham Resort Denarau Island, Fiji was placed into the Consolidated Entity for occupancy and 790,500 Vacation Credits valued at \$413,223 were authorised.

On 1 February 2016, one (1) resort apartment at Wyndham Hotel Melbourne was placed into the Consolidated Entity for occupancy and 1,600,550 Vacation Credits valued at \$912,003 were authorised.

On 8 February 2016, three (3) resort apartments at Wyndham Resort Surfers Paradise were placed into the Consolidated Entity for occupancy and 1,964,200 Vacation Credits valued at \$1,001,742 were authorised.

On 9 February 2016, one (1) resort apartment at Wyndham Resort Denarau Island, Fiji was placed into the Consolidated Entity for occupancy and 1,453,500 Vacation Credits valued at \$759,797 were authorised.

On 3 March 2016, two (2) resort apartments at Wyndham Resort Surfers Paradise were placed into the Consolidated Entity for occupancy and 1,195,600 Vacation Credits valued at \$609,756 were authorised.

On 14 March 2016, two (2) resort apartments at Wyndham Resort Surfers Paradise were placed into the Consolidated Entity for occupancy and 1,869,100 Vacation Credits valued at \$953,241 were authorised.

**WORLDMARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
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**REPORT OF THE RESPONSIBLE ENTITY**

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Apart from the matters discussed above, there are no other matters of significance that have occurred since 31 December 2015 that have or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in future periods.

**Options**

The Consolidated Entity has no powers to, and has not, at any time granted to a Director or Officer of the Responsible Entity an option to have issued to them any Authorised but Unissued Vacation Credits in the Consolidated Entity.

The Consolidated Entity has not granted to any other person, including the Developer, any rights in respect of Authorised but Unissued Vacation Credits in the Club other than as stipulated in the Constitution of the Consolidated Entity.

**Likely developments**

The Consolidated Entity will continue to perform its present functions for the foreseeable future.

**Indemnification and insurance of officers and auditors**

In respect of the Consolidated Entity:

The Consolidated Entity has not, during or since the financial year, in respect of any person who is or has been an auditor of the Consolidated Entity:

- (a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

In respect of the Responsible Entity:

The Responsible Entity has not, during or since the financial year, in respect of any person who is or has been an auditor of the Responsible Entity:

- (a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

**Insurance premiums**

A condition of the Australian Financial Services Licence is that the Consolidated Entity must maintain a professional indemnity insurance policy to cover claims against the Consolidated Entity. Accordingly, throughout the financial period the Responsible Entity had a policy to cover its Directors or Executive Officers for liability and legal expenses for claims up to an aggregate value of US\$15,000,000. The policy was renewed on 13 July 2015 and is next due for renewal on 13 July 2016. Such insurance contracts insure against certain liabilities (subject to specific exclusions) for persons who are or have been the Directors or Executive Officers of the Responsible Entity. No claims have been made and no claims are pending under the policy. Further details in respect of the policy have not been provided as the policy prohibits such disclosure.

**Leave of proceedings**

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

**Auditor's independence declaration**

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the financial year ended 31 December 2015.

Signed in accordance with a resolution of the Board of Directors of Wyndham Vacation Resorts South Pacific Limited.

Matthew Taplin  \_\_\_\_\_ Date 22/03/2016  
Director

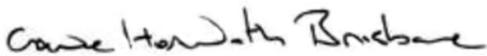
For and on behalf of Wyndham Vacation Resorts South Pacific Limited

## Auditor's Independence Declaration

As auditor of WorldMark South Pacific Club for the year ended 31 December 2015, 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.

This declaration is in respect of WorldMark South Pacific Club and the entities it controlled during the year.



**CROWE HORWATH BRISBANE**



**BRENDAN WORRALL**  
Partner

Signed at Brisbane, 22 March 2016

**WORLD MARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
**A.R.S.N. 092 334 015**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	31 Dec 15 \$	31 Dec 2014 \$
<b>Revenue</b>			
Levy income		51,833,328	46,170,954
Resort income	2(a)	12,419,291	9,918,146
Other income	2(a)	1,535,399	1,458,179
<b>Total revenue</b>		<u>65,788,018</u>	<u>57,547,279</u>
<b>Expenditure</b>			
Resort operation costs		(50,081,124)	(44,550,258)
Administration costs	2(b)	(13,180,484)	(12,104,506)
<b>Total expenditure</b>		<u>(63,261,608)</u>	<u>(56,654,764)</u>
Profit before income tax	3	2,526,410	892,515
Income tax expense	3	(74,300)	(109,432)
Profit for the year		<u>2,452,110</u>	<u>783,083</u>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified subsequently to profit and loss:</b>			
Exchange differences arising on translation of foreign operations		(426,854)	464,177
Other comprehensive (loss) / income for the year net of tax		(426,854)	464,177
<b>Total comprehensive income for the year</b>		<u>2,025,256</u>	<u>1,247,260</u>
Profit attributable to:			
Unitholders		2,452,110	783,083
<b>Profit for the year</b>		<u>2,452,110</u>	<u>783,083</u>
Total comprehensive income attributable to:			
Unitholders		2,025,256	1,247,260
<b>Total comprehensive income for the year</b>		<u>2,025,256</u>	<u>1,247,260</u>

**WORLD MARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	31 Dec 2015 \$	31 Dec 2014 \$
<b>Current assets</b>			
Cash and cash equivalents	4	33,635,458	31,525,004
Trade and other receivables	5	53,982,764	48,014,717
Inventories	6	113,792	111,976
Other current assets	7	2,134,281	1,553,539
<b>Total current assets</b>		<u>89,866,295</u>	<u>81,205,236</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	368,412,667	337,111,754
<b>Total non-current assets</b>		<u>368,412,667</u>	<u>337,111,754</u>
<b>Total assets</b>		<u>458,278,962</u>	<u>418,316,990</u>
<b>Current liabilities</b>			
Trade and other payables	9	6,936,290	6,912,261
Current tax liabilities	10	22,393	24,326
Other current liabilities	11	56,071,125	49,491,096
Employee benefits	12	842,454	689,844
<b>Total current liabilities</b>		<u>63,872,262</u>	<u>57,117,527</u>
<b>Non-current liabilities</b>			
Employee benefits	12	182,396	216,695
<b>Total non-current liabilities</b>		<u>182,396</u>	<u>216,695</u>
<b>Total liabilities</b>		<u>64,054,658</u>	<u>57,334,222</u>
<b>Net assets</b>		<u>394,224,304</u>	<u>360,982,768</u>
<b>Equity</b>			
Vacation Credits on issue	13	383,938,734	352,722,454
Retained earnings		8,679,924	6,227,814
Foreign currency translation reserve		1,605,646	2,032,500
		<u>394,224,304</u>	<u>360,982,768</u>

**WORLD MARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Vacation Credits on issue \$	Retained earnings \$	Foreign currency translation reserve \$	Total \$
<b>Consolidated</b>					
<b>Opening balance 1 January 2014</b>		320,212,713	5,444,731	1,568,323	327,225,767
<b>Total comprehensive income for the financial year</b>		-	783,083	464,177	1,247,260
<b>Transactions with Owners in their capacity as Owners</b>					
Vacation Credits issued	13	32,509,741	-	-	32,509,741
<b>Closing balance 31 December 2014</b>		352,722,454	6,227,814	2,032,500	360,982,768
<b>Opening balance 1 January 2015</b>		352,722,454	6,227,814	2,032,500	360,982,768
<b>Total comprehensive income / (loss) for the financial year</b>		-	2,452,110	(426,854)	2,025,256
<b>Transactions with Owners in their capacity as Owners</b>					
Vacation Credits issued	13	31,216,280	-	-	31,216,280
<b>Closing balance 31 December 2015</b>		383,938,734	8,679,924	1,605,646	394,224,304

**WORLD MARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		67,463,589	58,198,226
Interest received		912,733	969,232
Payments to suppliers and employees		(57,321,869)	(50,258,162)
GST paid		(1,200,136)	(833,103)
Net cash provided by operating activities	14(a)	9,854,317	8,076,193
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(7,049,423)	(4,484,487)
Net cash used in investing activities		(7,049,423)	(4,484,487)
<b>Cash flows from financing activities</b>			
Advances (to) / from related parties		(694,440)	137,992
Net cash (used in) / provided by financing activities		(694,440)	137,992
Net increase in cash and cash equivalents held		2,110,454	3,729,698
Cash and cash equivalents at the beginning of the financial year		31,525,004	27,795,306
Cash and cash equivalents at the end of the financial year	14(b)	33,635,458	31,525,004

**WORLD MARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of accounting**

The Consolidated Financial Statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The scheme is a 'for-profit' entity for financial reporting purposes under Australian Accounting Standards.

The financial statements cover the economic entity of WorldMark South Pacific Club, (The Club), and the Controlled Entity as the Consolidated Entity. WorldMark South Pacific Club is domiciled and incorporated in Australia.

The financial statements of WorldMark South Pacific Club and Controlled Entity comply with International Financial Reporting Standards in their entirety.

The Club was established on 1 March 2000 with an expiration of 80 years from the Commencement Date of the Club. This financial report was authorised for issue by the Board of Directors of the Responsible Entity on 22 March 2016.

**(b) Principles of consolidation**

The Consolidated Financial Statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group have been eliminated in full for the purpose of these consolidated financial statements.

Appropriate adjustments have been made to a Controlled Entity's financial statements where the accounting policies used by those entities were different from those adopted in the consolidated financial statements.

**(c) Property, plant and equipment**

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. Land and buildings are measured on a cost basis less impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have 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 entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the financial year in which they are incurred.

**Depreciation**

The depreciable amount of all property, plant and equipment excluding buildings and freehold land, is depreciated on a straight-line basis over their useful lives to the Consolidated Entity commencing from the time the asset is held ready for use.

Buildings are not depreciated. In the event a Resort or Apartment is transferred, sold, or assigned and will cease to be an asset of the Club, the Responsible Entity will ensure the Developer replaces that Resort or Apartment with another Resort or Apartment of at least equal quality and the same Vacation Credits as the old Resort or Apartment. Any risks or rewards associated with the transfer, sale or assignment flow through to the Developer.

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:

<b>Class of plant and equipment</b>	<b>Depreciation rate</b>
Furniture, fittings and equipment	3-14 years
Motor vehicles	5 years

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the asset. These gains and losses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**(d) Foreign currency transactions and balances**

**Functional and presentation currency**

The functional currency of each of the entities within the Consolidated Entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

**WORLDMARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Foreign currency transactions and balances (continued)**

**Transaction 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 Consolidated Statement of Profit or Loss and Other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**Group companies**

The financial results and position of foreign operations whose functional currency is different from the Consolidated Entity's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the year.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.
- Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and included in the Consolidated Entity's foreign currency translation reserve in the Consolidated Statement of Financial Position. These differences are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which the foreign operation is disposed.

**(e) Income tax**

The charge for current income tax expense is based on the profit or loss 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 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 the liability is settled. Deferred tax is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income except where it relates to items allocated 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 amounts 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 economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Based on the principal of mutuality, only income arising from non-member activities is subject to income tax. The Consolidated Entity is able to identify all non-member income.

**(f) Trade and other receivables**

Levies for owners are recorded as a receivable on a pro-rata basis, from the month following that in which they become owners. Membership fees are billed in November of each year and are due within 30 days unless the Owner elects and the Club agrees, that the levies can be paid monthly, quarterly or half yearly in advance.

Developer levies are included in the inter-entity account with Wyndham Vacation Resorts Asia Pacific Pty Limited and are paid to the Club within 14 days of the end of the month, in accordance with the Constitution of the Consolidated Entity.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Revenue**

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts and rebates, and amounts collected on behalf of third parties.

Levy revenue from owners are calculated on a pro-rata basis from the month following that in which they become a member. The revenue is then amortised on a straight-line basis over the remainder of the financial year.

Developer levy revenue is calculated in accordance with the Constitution of the Consolidated Entity based on the number of Authorised but Unissued Vacation Credits at the end of each month and is shown as revenue for that month.

Interest revenue is recognised on a proportionate basis taking into account the interest rates applicable to the financial assets.

Rental revenue is recognised at the time the room is occupied by the guest.

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Other revenue is recognised when the right to receive the revenue has been established.

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

**(h) Trade and other payables**

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

**(i) 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 Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisitions of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST payable to the ATO is included as a current liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to the ATO, are classified as operating cash flows.

**(j) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, 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, and cash reserves for future refurbishment.

**(k) Financial instruments**

**Recognition**

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Financial assets at fair value through profit or loss**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**WORLD MARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Financial instruments (continued)**

**Held-to-maturity investments**

These investments have fixed maturities, and it is the Consolidated Entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the Consolidated Entity are stated at amortised cost using the effective interest rate method.

**Available-for-sale financial assets**

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Derivative instruments**

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the Consolidated Statement of Profit or Loss and Other Comprehensive Income unless they are designated as hedges.

**Fair value**

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the Consolidated Statement of Profit or Loss and Other Comprehensive Income unless they are designated as hedges.

**Impairment**

At the end of the reporting period the Consolidated Entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

*Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account. All other impairment losses on financial assets at amortised cost are taken directly to the asset.

*Available for sale financial assets*

A significant or prolonged decline in value of an available for sale asset below its cost is objective evidence of impairment. In this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

**(l) Comparative figures**

Comparatives are consistent with prior years, unless otherwise stated.

**(m) Critical accounting estimates and judgments**

The Directors of the Responsible Entity evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity. There were no key adjustments during the year which required accounting estimates and judgments.

**Key estimates - Impairment**

The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Critical accounting estimates and judgments (continued)**

**Key estimates - Useful lives and recoverable amount of property, plant and equipment**

The Consolidated Entity estimates the useful lives and recoverable amount of property, plant and equipment based on experience with similar assets. The estimated useful lives and recoverable amount of property, plant and equipment are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of property, plant and equipment.

**Key estimates - Realisability of deferred taxes**

The Consolidated Entity reviews the carrying amounts of deferred income tax assets at each reporting date and reduces them to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be realised.

**Key Judgments - Impairment of receivables**

Included in trade receivables at the end of the reporting period is an amount receivable of \$20,629 relating to owners' late fees. A provision for impairment has been raised against this amount. This provision is based on a percentage estimate of late fees receivable that may be written off against revenue. Assumptions for the estimate are based on historical data and recent trends.

**Key Judgments - Classification of financial instruments**

The Consolidated Entity classifies a financial instrument, or its component, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of financial asset, financial liability and equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the Consolidated Statement of Financial Position.

Financial assets are classified as loans and receivables. Financial liabilities are classified as other liabilities. The Consolidated Entity determines the classification at initial recognition and re-evaluates the classification at every reporting date.

**(n) Date of registration**

The Club was registered by the Australian Securities & Investments Commission on 2 May 2000.

**(o) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in employee benefits. All other short-term employee benefit obligations are presented as payables.

**(ii) Other long-term employee benefit obligations**

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(p) New accounting standards and interpretations**

**Adoption of new and revised Accounting Standards and Interpretations**

In the current period, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the entity's accounting policies. Also, the adoption of these new and revised Standards and interpretations did not result in any changes to the reported results or financial position for the current or prior year.

**(q) New accounting standards for application in future periods**

At the date of authorisation of the financial report, the Standards and Interpretations listed below were issued but not yet effective.

<b>Standard/Interpretation</b>	<b>Operative Date</b>	<b>Expected to be initially applied</b>
AASB 9 'Financial Instruments'	01 January 18	31 December 18
AASB 15 'Revenue from Contracts from Customers'	01 January 18	31 December 18
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation'	01 January 16	31 December 16
AASB 2014-3 'Amendments to Australian Accounting Standards - Accounting for Interests in Joint Operations'	01 January 16	31 December 16

The potential effect of the revised Standards/Interpretations on the Consolidated Entity's financial statements has not yet been determined.

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**NOTE 2 (a) RESORT AND OTHER INCOME**

**Resort income**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Reservation income	7,418,083	5,120,395
Income from sale of goods and services	5,001,208	4,797,751
	12,419,291	9,918,146

**Other income**

Interest income	883,105	985,033
Other	652,294	473,146
	1,535,399	1,458,179

**NOTE 2 (b) EXPENDITURE**

The profit before income tax was arrived at after charging as expenses the following specific items:

Employee benefit expense	16,607,088	16,232,198
Depreciation	6,444,112	5,453,382
Management fees	4,475,078	3,737,624
Superannuation	1,342,742	1,283,750
Credit card fees	603,577	538,906
Owner newsletter and resort guide	282,458	213,011
Impairment of receivables	199,112	189,605
Auditors' remuneration	82,731	76,496
Custodial fees	69,300	66,467
Compliance committee fees	63,675	58,140

**NOTE 3 INCOME TAX**

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

Profit before income tax	2,526,410	892,515
Prima facie tax payable on profit before income tax at 30% (2014: 30%)	757,923	267,754
Adjustments for the tax effect of:		
Amounts excluded under Principle of Mutuality	(788,187)	(505,342)
Deferred tax assets not brought to account or utilised	104,564	347,020
Income tax expense	74,300	109,432

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% (2014: 30%):

<b>Tax losses</b>	<b>8,876,911</b>	<b>8,599,398</b>
Potential tax benefit	2,663,073	2,579,819
<b>Temporary differences</b>		
Other	9,005	6,134
Provisions	132,630	64,469
Potential tax benefit	42,491	21,181
Total deferred tax benefits not brought to account	2,705,564	2,601,000

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**NOTE 4 CASH AND CASH EQUIVALENTS**

	<b>2014</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash on hand and bank balances at call	33,635,458	31,525,004
	33,635,458	31,525,004

The Call Deposit account interest is variable, with a rate of 1.90% as at 31 December 2015 (2014: 2.40%).

It is the Consolidated Entity's policy to accumulate in a separate bank account, sufficient funds to enable the future refurbishment of property, plant and equipment. Cash reserves for future refurbishment held as at 31 December 2015 amounted to \$22,983,380 (2014: \$23,273,086). These funds are made up of a combination of cash and cash equivalents.

**NOTE 5 TRADE AND OTHER RECEIVABLES**

**Current**

Owner levies receivable	53,626,878	47,769,902
Provision for impairment	(20,629)	(30,775)
Other receivables	286,868	189,191
Interest receivable	42,817	72,445

*Related Party Receivables:*

Resort Management by Wyndham Pty Ltd	-	6,328
WVRAP (Denarau Island) Association Ltd	36,711	6,855
Wyndham Vacation Resorts (NZ) Limited	-	771
Wyndham Vacation Resorts Asia Pacific Pty Ltd	10,119	-
	46,830	13,953
Total current trade and other receivables	53,982,764	48,014,717

**NOTE 6 INVENTORIES**

Resort inventories - finished goods at cost	113,792	111,976
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**NOTE 7 OTHER CURRENT ASSETS**

Prepayments	2,134,281	1,553,539
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**NOTE 8 PROPERTY, PLANT AND EQUIPMENT**

Freehold land & buildings at cost	293,452,171	267,669,761
Leasehold land & buildings at cost	38,778,134	38,778,134
Building - common area at cost	3,415,053	3,415,053
Furniture, fittings & equipment at cost	67,920,118	59,615,060
Less: accumulated depreciation	(35,450,129)	(32,751,926)
Furniture, fittings & equipment at net book value	32,469,989	26,863,134
Office equipment and motor vehicle at cost	322,410	294,814
Less: accumulated depreciation	(25,090)	(22,194)
Office equipment and motor vehicle at net book value	297,320	272,620
Work in progress	-	113,052
Total property, plant and equipment	368,412,667	337,111,754

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**NOTE 8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

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

	<b>Freehold land &amp; buildings \$</b>	<b>Leasehold land &amp; buildings \$</b>	<b>Building - common area \$</b>	<b>Furniture, fittings &amp; equipment \$</b>	<b>Office equipment and motor vehicle \$</b>	<b>Work in progress \$</b>	<b>Total \$</b>
1 Jan 15	267,669,761	38,778,134	3,415,053	26,863,134	272,620	113,052	337,111,754
Additions and transfers	26,173,312	-	-	12,155,654	49,790	1,717,017	40,095,773
Disposals at written down value	-	-	-	(41,447)	-	-	(41,447)
Depreciation	-	-	-	(6,419,022)	(25,090)	-	(6,444,112)
Transfers	-	-	-	-	-	(1,830,069)	(1,830,069)
Effects of foreign exchange translation	(390,902)	-	-	(88,330)	-	-	(479,232)
31 Dec 15	293,452,171	38,778,134	3,415,053	32,469,989	297,320	-	368,412,667

	<b>Freehold land &amp; buildings \$</b>	<b>Leasehold land &amp; buildings \$</b>	<b>Building - common area \$</b>	<b>Furniture, fittings &amp; equipment \$</b>	<b>Office equipment and motor vehicle \$</b>	<b>Work in progress \$</b>	<b>Total \$</b>
1 Jan 14	246,603,892	32,131,935	3,415,053	22,583,138	394,800	188,348	305,317,166
Additions and transfers	20,682,314	6,646,199	-	6,778,276	23,065	2,765,153	36,895,007
Disposals at written down value	-	-	-	(123,056)	-	-	(123,056)
Depreciation	-	-	-	(5,377,229)	(22,194)	(53,959)	(5,453,382)
Transfers	-	-	-	2,909,541	(123,051)	(2,786,490)	-
Effects of foreign exchange translation	383,555	-	-	92,464	-	-	476,019
31 Dec 14	267,669,761	38,778,134	3,415,053	26,863,134	272,620	113,052	337,111,754

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**NOTE 9 TRADE AND OTHER PAYABLES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade payables	1,087,406	1,062,817
Other payables	817,841	783,950
Accrued expenses	4,751,652	4,098,632
GST payable	187,140	213,048
	6,844,039	6,158,447
<i>Related Party Payables:</i>		
Wyndham Vacation Resorts Asia Pacific Pty Ltd	18,366	608,977
Finance by Wyndham Pty Ltd	43,301	129,112
Resort Management by Wyndham Pty Ltd	5,136	5,951
WorldMark by Wyndham (NZ) Limited	7,725	-
Wyndham Vacation Resorts (NZ) Limited	17,723	9,774
	92,251	753,814
	6,936,290	6,912,261

All trade and other payables are current and settled within normal supplier terms and conditions. These accounts are non-interest bearing. Related party payables are non-interest bearing and repayable on demand.

**NOTE 10 CURRENT TAX LIABILITIES**

Income tax payable	22,393	24,326
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**NOTE 11 OTHER CURRENT LIABILITIES**

Owner levies deferred income	55,313,989	48,916,795
Reservations deposits received in advance	757,136	574,301
	56,071,125	49,491,096

**NOTE 12 PROVISIONS**

**Current**

Provision for annual leave	568,858	537,952
Provision for long service leave	273,596	151,892
	842,454	689,844

**Non current**

Provision for long service leave	182,396	216,695
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**NOTE 13 EQUITY**

**Owner Vacation Credits on issue**

	<b>2015</b>	<b>2014</b>
	<b>No. of units</b>	<b>No. of units</b>
Balance at 1 January	713,186,340	652,159,590
Authorised Vacation Credits issued	56,942,000	61,026,750
Balance at end of period	770,128,340	713,186,340
Vacation Credits on issue represented by:		
Authorised Vacation Credits issued and sold	765,825,760	697,872,760
Authorised Vacation Credits issued but unsold	4,302,580	15,313,580
	770,128,340	713,186,340
	<b>\$</b>	<b>\$</b>
Balance at 1 January	352,722,454	320,212,713
Authorised Vacation Credits issued	31,216,280	32,509,741
Balance at end of period	383,938,734	352,722,454

Note 14 (d)

As at 31 December 2015, the Responsible Entity does not hold any direct interest in the Consolidated Entity.

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<b>NOTE 14 CASH FLOW INFORMATION</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Reconciliation of cash flow from operating activities with profit after income tax</b>		
Profit after income tax	2,452,110	783,083
Adjust for non cash items:		
Depreciation	6,444,112	5,453,382
Provision for doubtful debts	(10,146)	11,528
Interest receivable	29,628	(15,801)
Loss on sale of property, plant and equipment	41,444	222,282
Movement in foreign currency reserve	52,379	(11,842)
Changes in assets and liabilities:		
<i>(Increase)/Decrease in:</i>		
Trade receivables	(5,856,976)	(5,573,490)
Other receivables	(97,676)	438,092
Inventories	(1,816)	18,323
Prepayments	(580,742)	33,109
<i>Increase/(Decrease) in:</i>		
Trade creditors	24,589	153,526
Income received in advance	6,580,029	5,318,849
Other creditors and accruals	686,912	1,350,764
Provision for employee entitlements	118,311	94,753
GST payable	(25,908)	(9,822)
Income tax provision	(1,933)	(190,543)
Net cash provided by operating activities	9,854,317	8,076,193

**(b) Reconciliation of cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and bank deposits in highly liquid investments at call net of bank overdrafts. Cash and cash equivalents 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:

Cash and cash equivalents per Statements of Cash Flows	33,635,458	31,525,004
Cash per Statement of Financial Position (Note 4)	33,635,458	31,525,004

**(c) Financing facilities**

The Consolidated Entity has no financing facilities with its bankers.

**(d) Non-cash transactions**

During the financial year, 81 resort apartments valued at \$31,216,280, (2014: 85 apartments valued at \$32,509,741), at three resort locations were acquired for the Consolidated Entity by Wyndham Vacation Resorts Asia Pacific Pty Limited - the Developer. The Developer owns one special class of Vacation Credit known as the Developer Vacation Credit. Under the terms of the Constitution of the Consolidated Entity, in exchange for placing the resort apartments into the Consolidated Entity unencumbered, the Developer is entitled to the proceeds of the Vacation Credits, as and when they are issued to the general public by the Responsible Entity.

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**NOTE 15 FINANCIAL REPORTING BY SEGMENTS**

The Consolidated Entity operates predominantly, and is domiciled, in Australia. Its principal activity is that of a vacation ownership resort property owner and operator. The Consolidated Entity currently owns properties at twenty six locations, of which one is in Fiji, eight in New South Wales, seven in Queensland, five in Victoria, one in Tasmania, two in New Zealand and two in Western Australia.

The majority of administrative operations are carried out at the Consolidated Entity's head office in Queensland.

The members of the Consolidated Entity mainly reside in Australia, Fiji or New Zealand.

**NOTE 16 FINANCIAL RISK MANAGEMENT**

The Consolidated Entity's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The carrying values approximate the fair value of these financial instruments, considering the short-term nature of the financial instruments.

The Consolidated Entity does not have any derivative financial instruments at 31 December 2015 (2014: Nil).

**Significant accounting policies**

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

**Financial risk management**

The main risks the Consolidated Entity is exposed to through its financial assets and liabilities are interest rate risk, liquidity risk and credit risk. The Consolidated Entity's risk management program focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects of the financial performance of the Consolidated Entity, by way of various measures detailed below.

Senior management analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Risk management is carried out by the Board of Directors and key management personnel.

**Capital risk management**

The Consolidated Entity manages its capital to ensure that it will be able to continue as a going concern through the optimisation of debt to equity ratios.

Its capital structure consists of cash and cash equivalents and equity comprising Vacation Credits, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

The Directors of the Responsible Entity review the capital structure on a regular basis. As a part of the review, the Board considers the cost of capital and the risks associated with each class of capital.

The Consolidated Entity's overall strategy remains unchanged from the year ended 31 December 2014.

**(a) Market risk**

**Interest rate risk**

The Consolidated Entity is not exposed to any significant interest rate risk.

**Price risk**

The Consolidated Entity is not exposed to any material commodity price risk.

**Foreign currency risk**

The Controlled Entity, WorldMark by Wyndham (NZ) Limited operates in New Zealand and is exposed to foreign exchange risk arising from currency exposures with respect to the NZ dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. Management has set up a policy requiring group entities to manage their foreign exchange risk against their functional currency. The NZ Owner Levies collected is used to fund the NZ operations and all excess cash is maintained in NZ until such time as the Parent Entity requires the cash flow.

The Consolidated Entity's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2015 \$	2014 \$
Trade and other receivables	826,824	715,888
Trade and other payables	314,365	34,534

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**NOTE 16 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity's credit risk is limited as a result of contracts entered into at the time of the initial sale of points, in that where the event arises of owners defaulting on paying levies, points can be forfeited and on sold to new owners. The Consolidated Entity does not have any significant credit risk exposure to any single counterparty of 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 Consolidated Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

	<b>2015</b>		<b>2014</b>	
	<b>Gross</b>	<b>Impairment</b>	<b>Gross</b>	<b>Impairment</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Not past due (current)	52,722,370	-	46,390,234	-
Past due 10-30 days (31 - 60 day aging)	249,059	-	125,781	-
Past due 31-60 days (61 - 90 day aging)	132,706	-	82,943	-
Past due more than 60 days (+91 day aging)	899,258	(20,629)	1,446,534	(30,775)
	<u>54,003,393</u>	<u>(20,629)</u>	<u>48,045,492</u>	<u>(30,775)</u>

The remaining balance of the past due receivables at 31 December 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.

*Movements in Carrying Amounts*

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Impairment</b>		
Late fees and penalties imposed assessed as impaired at the beginning of the year	(30,775)	(19,247)
Annual impairment expense per the Statement of Profit or Loss and Other Comprehensive Income	(199,112)	(189,605)
Late fees and penalties waived or written off during the year	209,258	178,077
Late fees and penalties imposed assessed as impaired at the end of the year	<u>(20,629)</u>	<u>(30,775)</u>

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**NOTE 16 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Liquidity risk**

The Consolidated Entity manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities and ensuring that adequate funds are maintained.

Trade payables are short-term in nature.

The Consolidated Entity is not exposed to any significant liquidity risk.

The following are contractual maturities of financial liabilities:

	Carrying amount \$	Contractual cash flows \$	Less than one year \$	1-5 years \$	Over 5 years \$
<b>Consolidated</b>					
<b>As at 31 December 2015</b>					
Trade and other payables	6,936,290	6,936,290	6,936,290	-	-
<b>Consolidated</b>					
<b>As at 31 December 2014</b>					
Trade and other payables	6,912,261	6,912,261	6,912,261	-	-

**(d) Interest rate risk**

The Consolidated Entity'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 weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted average interest rate %	Floating interest rate \$	Non interest bearing \$	Fixed interest rate maturing <1 year \$	Fixed interest rate maturing 1-5 years \$	Total \$
<b>Consolidated</b>						
<b>As at 31 December 2015</b>						
Cash and cash equivalents	2.70	33,635,458	-	-	-	33,635,458
Trade and other receivables		-	53,982,764	-	-	53,982,764
<b>Total financial assets</b>		33,635,458	53,982,764	-	-	87,618,222
Trade and other payables		-	6,936,290	-	-	6,936,290
<b>Total financial liabilities</b>		-	6,936,290	-	-	6,936,290

	Weighted average interest rate %	Floating interest rate \$	Non interest bearing \$	Fixed interest rate maturing <1 year \$	Fixed interest rate maturing 1-5 years \$	Total \$
<b>Consolidated</b>						
<b>As at 31 December 2014</b>						
Cash and cash equivalents	3.17	31,525,004	-	-	-	31,525,004
Trade and other receivables		-	48,014,717	-	-	48,014,717
<b>Total financial assets</b>		31,525,004	48,014,717	-	-	79,539,720
Trade and other payables		-	6,912,261	-	-	6,912,261
<b>Total financial liabilities</b>		-	6,912,261	-	-	6,912,261

The net carry values of financial assets and liabilities approximate their fair value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

**WORLDMARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
**A.R.S.N. 092 334 015**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 16 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(d) Interest rate risk (continued)**

**Cash flow sensitivity analysis for variable rate instruments**

The sensitivity analysis has been determined based on the exposure of the Consolidated Entity to variable interest rates for non-derivative financial instruments at the reporting date at the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 1% increase or decrease is used when reporting interest rates internally to key management personnel and represents management's assessment of the possible change in interest rates.

At 31 December 2015, if the interest rates had changed by 1% from the period-end rates with all other variables held constant, pre-tax profit for the year for the Consolidated Entity would have been \$259,247 lower/higher mainly as a result of lower/ higher interest income earned on cash and cash equivalents.

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

The following table summarises the sensitivity of the Consolidated Entity's financial assets and financial liabilities to interest rate risk.

	<b>Carrying amount at 31 Dec 15</b>	<b>Carrying amount at 31 Dec 14</b>	<b>+1%</b>		<b>-1%</b>	
			<b>Profit</b>	<b>Equity</b>	<b>Profit</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>						
Cash and cash equivalents and other financial assets	33,635,458	31,525,004	259,247	259,247	(259,247)	(259,247)
Total increase / (decrease)			259,247	259,247	(259,247)	(259,247)

**NOTE 17 KEY MANAGEMENT PERSONNEL**

**(a) Key management personnel**

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

Gregory John Bendlin	Resigned 31 August 2015	Director
Liam Rayden Crawley		Chief Financial Officer
Gary Martin Croker		Director
Adam Geneave	Appointed 19 May 2015	VP Customer Experience
Bruce Harkness		SVP Human Resources
Ross Stanley Nicholas		VP of Public Relations and Corporate Marketing
Jorge de la Osa	Appointed 31 August 2015	Director
Barry Alan Robinson		President & Managing Director
Tiffany Jane Rose		SVP Legal and Compliance
Matthew James Taplin		SVP Property Development & Resort Operations

Directors have been in office for the duration of the financial period, unless otherwise stated.

**WORLD MARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
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**FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 17 KEY MANAGEMENT PERSONNEL (CONTINUED)**

**(b) Key management personnel's remuneration**

The key management personnel of Wyndham Vacation Resorts South Pacific Limited were not remunerated for their role as key management personnel of the Responsible Entity in relation to the Consolidated Entity.

**(c) Transactions other related entities**

During the financial year, the Consolidated Entity incurred fees amounting to \$4,475,078 (2014: \$3,737,624) for the management of the entity by the Responsible Entity. As at 31 December 2015, the Responsible Entity does not hold any direct interest in the Consolidated Entity.

The Developer is Wyndham Vacation Resorts Asia Pacific Pty Limited. During the year, the Developer acquired 81 resort apartments (2014: 85 apartments), which it has placed into the Consolidated Entity unencumbered. Refer to note 14(d) for further details.

Developer levies are determined in accordance with the Constitution of the Consolidated Entity and are payable by the Developer to the Consolidated Entity within 14 days of the end of each month. During the year ended 31 December 2015, the Developer levies received were \$599,466 (2014: \$481,059).

Other entities of the Wyndham Group provide services to the Consolidated Entity which are invoiced on commercial arms-length terms as agreed with the responsible entity.

**NOTE 18 AUDITORS' REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor for:		
Auditing or reviewing the financial statements	72,259	69,346
Taxation and other services	10,112	7,150
	82,371	76,496

**NOTE 19 CONTROLLED ENTITY**

	<b>Country of incorporation</b>	<b>Percentage of Ownership</b>	
		<b>2015</b>	<b>2014</b>
		%	%
<b>Parent entity</b>			
WorldMark South Pacific Club	Australia	-	-
<b>Subsidiary of WorldMark South Pacific Club</b>			
WorldMark by Wyndham (NZ) Limited	New Zealand	100	100

**NOTE 20 COMPANY DETAILS**

The registered office and principal place of business of the Responsible Entity is:  
Level 7, 1 Corporate Court  
Bundall QLD 4217  
Australia

**WORLDMARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
**A.R.S.N. 092 334 015**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 21 SUBSEQUENT EVENTS**

On 19 January 2016, three (3) resort apartments at Wyndham Resort Surfers Paradise were placed into the Consolidated Entity for occupancy and 2,001,000 Vacation Credits valued at \$1,020,510 were authorised.

On 29 January 2016, one (1) resort apartment at Wyndham Resort Denarau Island, Fiji was placed into the Consolidated Entity for occupancy and 790,500 Vacation Credits valued at \$413,223 were authorised.

On 1 February 2016, one (1) resort apartment at Wyndham Hotel Melbourne was placed into the Consolidated Entity for occupancy and 1,600,550 Vacation Credits valued at \$912,003 were authorised.

On 8 February 2016, three (3) resort apartments at Wyndham Resort Surfers Paradise were placed into the Consolidated Entity for occupancy and 1,964,200 Vacation Credits valued at \$1,001,742 were authorised.

On 9 February 2016, one (1) resort apartment at Wyndham Resort Denarau Island, Fiji was placed into the Consolidated Entity for occupancy and 1,453,500 Vacation Credits valued at \$759,797 were authorised.

On 3 March 2016, two (2) resort apartments at Wyndham Resort Surfers Paradise were placed into the Consolidated Entity for occupancy and 1,195,600 Vacation Credits valued at \$609,756 were authorised.

On 14 March 2016, two (2) resort apartments at Wyndham Resort Surfers Paradise were placed into the Consolidated Entity for occupancy and 1,869,100 Vacation Credits valued at \$953,241 were authorised.

Apart from the matters discussed above, there are no other matters of significance that have occurred since 31 December 2015 that have or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in future periods.

**NOTE 22 PARENT ENTITY FINANCIAL INFORMATION**

**(a) Summary of financial information**

The individual financial statements for the parent entity show the following aggregate amounts:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Balance sheet</b>		
Current assets	86,009,046	77,243,585
Total assets	453,948,166	413,819,440
Current liabilities	63,457,718	56,791,400
Total liabilities	63,640,114	57,008,096
<i>Unitholders equity:</i>		
Vacation Credits on issue	383,938,734	352,722,454
Retained earnings	6,369,318	4,088,890
	<u>390,308,052</u>	<u>356,811,344</u>
<b>Profit for the year</b>	2,280,428	515,924
<b>Total comprehensive income</b>	<u>2,280,428</u>	<u>515,924</u>

**(b) Guarantees entered into by the parent entity**

The parent entity has not entered into any financial guarantees on behalf of the subsidiary.

**WORLDMARK SOUTH PACIFIC CLUB AND CONTROLLED ENTITY**  
**A.R.S.N. 092 334 015**  
**“RESPONSIBLE ENTITY” DIRECTORS’ DECLARATION**

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The Directors of the Responsible Entity declare that:

- (a) the financial statements and notes of WorldMark South Pacific Club and Controlled Entity set out on pages 6 to 26 are in accordance with the Corporations Act 2001, which:
- (i) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - (ii) give a true and fair view of the financial position of the Consolidated Entity as at 31 December 2015 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 Consolidated Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of the Responsible Entity at Bundall.

Matthew Taplin



Date 22/03/2016

Director

For and on behalf of Wyndham Vacation Resorts South Pacific Limited

## Independent Auditor's Report

To the Members of WorldMark South Pacific Club

### Report on the Financial Report

We have audited the accompanying financial report of WorldMark South Pacific Club and Controlled Entity ("the Scheme"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 of the consolidated entity comprising WorldMark South Pacific Club and the entity it controlled at the year's end or from time to time during the financial year.

### Directors' Responsibility for the Financial Report

The directors of the responsible entity of the Scheme 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

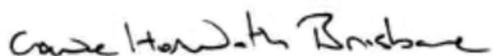
## Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the responsible entity of the Scheme, would be in the same terms if given to the directors as at the time of the auditor's report.

## Opinion

In our opinion:

- (a) the financial report of WorldMark South Pacific Club and Controlled Entity is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards, and the *Corporations Regulations 2001*; and
- (b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.



**CROWE HORWATH BRISBANE**



**BRENDAN WORRALL**

Partner

Signed at Brisbane, 22 March 2016

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