Korora Bay Village Limited

72 001 779 200

Financial Statements

For the Year Ended 31 December 2021

Korora Bay Village Limited

72 001 779 200

Contents

For the Year Ended 31 December 2021

Directors' Report

31 December 2021

The directors present their report on Korora Bay Village Limited for the financial year ended 31 December 2021.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

G Edgell	
Experience	Company Director since 1982, Grazier, Chair Central Tablelands Regional Pest Animal Committee, Treasurer Lithgow Baptist Church. Justice of the Peace. Sales and marketing background in textile and fashion industry for over 30 years. Previously held position of Deputy Chair the Scots School Bathurst NSW.
B Gemmell	
Experience	Retired Commonwealth public servant who worked at an Executive level since the late 1980s. Other roles outside the public service include Employment Manager and Company Director. For the last 13 years Bruce has served as a Director on the KBV Board.
S Hogan	Concluded 15/05/2021
Qualifications	Certificate IV In Hospitality
Experience	Stephanie has 32 years' experience in the timeshare industry. Previous director roles undertaken have been with ATHOC (Australian Timeshare Holiday Ownership and Council) and Coffs Coast Tourism.
Special responsibilities	Korora Bay Village Limited Resort Manager. Club Secretary
B Sobey	
Qualifications	B. Ec., Dip Teach. (Primary)
Experience	Bruce has managed information systems for major government entities including superannuation, education and electoral authorities. Experienced timeshare board member.
S Argue	
Qualifications	Dip Lead. and Mgt, Dip Bus. Admin, Cert IV Com. Serv, Justice of the Peace
Experience	Simon has 30 years’ experience as a financial manager with NSW Communities and Justice, in various senior customer service, project and Covid-19 related roles. A timeshare owner since 1986, he brings his experience in global timeshare ownership, disabilities, land titles and associated dealings
R Filo	Appointed 15/05/2021
Qualifications	Bachelor of Engineering (Mech), FAICD
Experience	CEO of the Classic Group of Companies. Director of the Australian Timeshare and Holiday Ownership Council. Previously 12 years management experience with an international engineering corporation (Bently Nevada) as South East Asia Regional Manager.

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Directors' Report

31 December 2021

1. General information

Information on directors

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

Principal activities

The principal activity of Korora Bay Village Limited during the financial year was that of a timeshare resort operator.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Provide modern facilities for timeshare members, guests and visitors.

Long term objectives

The Company's long term objectives are to:

- Ensure the continued achievement of the short term objective by way of implementing upgrades as necessary.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Maintain ratings of the resort.
- Ensure member levies are maintained at an appropriate level.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Periodic refurbishment in order to keep the facilities modern, thus maintaining high occupancy.

Performance measures

The following measures are used within the Company to monitor performance:

- Monitoring of delinquent accounts.
- Occupancy rates.
- Actual costs vs budgeted costs (variances).

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Directors' Report

31 December 2021

1. General information

Members' guarantee

Korora Bay Village Limited is a company limited by guarantee.The amount capable of being called up from each member and any person or association who ceased to be a member in the year, is limited to $10, subject to the provisions of the company's constitution.

At 31 December 2021 the collective liability of members was $ 5,130 (2020: $ 5,650).

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
G Edgell	4	4
B Gemmell	4	4
S Hogan	2	2
B Sobey	4	4
S Argue	4	4
R Filo	2	2

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2021 has been received and can be found on page 4 of the financial report.

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

Director: ....
S Argue

Director: ....
G Edgell

Dated 27th April 2022

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Korora Bay Village Limited

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Korora Bay Village Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, 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.

James Davis
Partner
HQB Accountants Auditors Advisors

Korora Bay Village Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

	Note	2021 $	2020 $
Sales revenue	4	**1,203,187**	1,194,123
Cost of sales	6	**(26,044)**	(25,553)
Gross profit		**1,177,143**	1,168,570
Other income	4	**119,245**	374,031
Administrative expenses		**(804,775)**	(876,370)
Depreciation expenses	6	**(86,024)**	(88,318)
Other expenses		**(241,563)**	(233,007)
Finance expenses	5	**(6,124)**	(17,097)
Profit before income tax		**157,902**	327,809
Income tax expense		**-**	-
Profit for the year		**157,902**	327,809
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**157,902**	327,809

The accompanying notes form part of these financial statements.

Korora Bay Village Limited

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Statement of Financial Position

As At 31 December 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**412,680**	405,689
Trade and other receivables	8	**-**	1,920
Other assets	9	**53,670**	38,735
TOTAL CURRENT ASSETS		**466,350**	446,344
NON-CURRENT ASSETS			
Property, plant and equipment	10	**1,732,060**	1,700,602
TOTAL NON-CURRENT ASSETS		**1,732,060**	1,700,602
TOTAL ASSETS		**2,198,410**	2,146,946
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**139,939**	124,173
Borrowings	12	**19,268**	81,682
Short-term provisions	13	**35,697**	32,588
Other liabilities	14	**705,597**	722,651
TOTAL CURRENT LIABILITIES		**900,501**	961,094
NON-CURRENT LIABILITIES			
Borrowings	12	**14,138**	55,873
Long-term provisions	13	**5,289**	9,399
TOTAL NON-CURRENT LIABILITIES		**19,427**	65,272
TOTAL LIABILITIES		**919,928**	1,026,366
NET ASSETS		**1,278,482**	1,120,580
EQUITY			
Retained earnings		**1,278,482**	1,120,580
		1,278,482	1,120,580
TOTAL EQUITY		**1,278,482**	1,120,580

The accompanying notes form part of these financial statements.

Korora Bay Village Limited

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Statement of Changes in Equity
For the Year Ended 31 December 2021

2021

	Retained Earnings	Total
	$	$
Balance at 1 January 2021	**1,120,580**	**1,120,580**
Profit attributable to members of the entity	**157,902**	**157,902**
Balance at 31 December 2021	**1,278,482**	**1,278,482**

2020

	Retained Earnings	Total
	$	$
Balance at 1 January 2020	792,771	792,771
Profit attributable to members of the entity	327,809	327,809
Balance at 31 December 2020	1,120,580	1,120,580

Korora Bay Village Limited

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Statement of Cash Flows

For the Year Ended 31 December 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from members and guests		**1,291,524**	1,240,131
Receipts from government stimulus		**55,918**	314,500
Payments to suppliers and employees		**(1,108,136)**	(1,170,778)
Interest paid		**(6,124)**	(17,097)
Net cash provided by/(used in) operating activities	21	**233,182**	366,756
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(a), 10	**(122,041)**	(98,290)
Net cash provided by/(used in) investing activities		**(122,041)**	(98,290)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(104,150)**	(100,225)
Net cash provided by/(used in) financing activities		**(104,150)**	(100,225)
Net increase/(decrease) in cash and cash equivalents held		**6,991**	168,241
Cash and cash equivalents at beginning of year		**405,689**	237,448
Cash and cash equivalents at end of financial year	7	**412,680**	405,689

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2021

The financial report covers Korora Bay Village Limited as an individual entity. Korora Bay Village Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

2 Summary of Significant Accounting Policies

(a). Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b). Revenue and other income

Rendering of services

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

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

2 Summary of Significant Accounting Policies

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Company are:

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c). Goods and services tax (GST)

Revenue, 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).

Receivables and payables are stated inclusive of GST.

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

(d). Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated over the assets useful life to the Company, commencing when the asset is ready for use.

2 Summary of Significant Accounting Policies

(d). Property, plant and equipment

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

Fixed asset class	Depreciation rate
Capital Refurbishment	2.5% - 30%
Plant and Equipment	2.5% - 66.6%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e). Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

2 Summary of Significant Accounting Policies

(e). Financial instruments

Financial assets
Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

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

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

2 Summary of Significant Accounting Policies

(e). Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivables and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company classifies financial liabilities into either:

- liabilities measured at fair value through profit or loss; or
- other financial liabilities.

Liabilities measured at fair value through profit or loss comprise of derivative financial instruments and changes in fair value are recorded in profit or loss at each reporting period.

Other financial liabilities are initially recorded at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprise trade payables, bank and other loans and finance lease liabilities.

(f). Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

2 Summary of Significant Accounting Policies

(f). Impairment of non-financial assets

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g). Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(h). Leases

At inception of a contract, the Company assesses whether a lease exists.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2 Summary of Significant Accounting Policies

(i). Provisions

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

(j). Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2021; the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2021

4 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	$	$
Revenue from contracts with customers (AASB 15)		
- provision of services	**272,310**	239,853
- levy revenue	**930,877**	954,270
Total Revenue	**1,203,187**	1,194,123

	2021	2020
Other Income		
- other income	**63,327**	59,531
- government stimulus	**55,918**	314,500
	119,245	374,031
Total Revenue and Other Income	**1,322,432**	1,568,153

5 Finance Income and Expenses

Finance expenses

	2021	2020
	$	$
Interest expense	**5,884**	16,877
Borrowing expense	**240**	220
Total finance expenses	**6,124**	17,097

6 Result for the Year

The result for the year includes the following specific expenses:

	2021	2020
	$	$
Other expenses:		
Employee benefit expenses	**413,185**	520,295
Depreciation expenses	**86,024**	88,318
Cost of sales	**26,044**	25,553
Bad debts	**228,376**	213,010

7 Cash and Cash Equivalents

	2021	2020
	$	**$**
Cash on hand	**650**	650
Cash at bank	**412,030**	405,039
	412,680	405,689

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2021	2020
Cash and cash equivalents	**412,680**	405,689
Balance as per statement of cash flows	**412,680**	405,689

8 Trade and Other Receivables

		2021	2020
		$	**$**
CURRENT			
Trade receivables	(a).	**-**	1,920
Total current trade and other receivables		**-**	1,920

(a). Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2021 is determined as follows, the expected credit losses incorporate forward looking information.

31 December 2021	**Current**	**< 30 days overdue**	**< 90 days overdue**	**> 90 days overdue**	**Total**
Gross carrying amount ($)	**-**	**-**	**-**	**-**	**-**

31 December 2020	**Current**	**< 30 days overdue**	**< 90 days overdue**	**> 90 days overdue**	**Total**
Gross carrying amount ($)	1,920	-	-	-	1,920

Notes to the Financial Statements

For the Year Ended 31 December 2021

8 Trade and Other Receivables

(b). Collateral held as security

The Company does not hold any collateral over any receivables balances.

9 Other Assets

	2021 $	2020 $
CURRENT		
Prepayments	**53,670**	38,735
	53,670	38,735

10 Property, plant and equipment

	2021 $	2020 $
Buildings		
At cost	**594,373**	594,373
Total buildings	**594,373**	594,373
Total land and buildings	**594,373**	594,373
Plant and equipment		
At cost	**435,318**	417,095
Accumulated depreciation	**(244,456)**	(246,940)
Total plant and equipment	**190,862**	170,155
Motor vehicles		
At cost	**41,792**	41,792
Accumulated depreciation	**(33,141)**	(30,258)
Total motor vehicles	**8,651**	11,534
Improvements		
At cost	**1,576,806**	1,524,950
Accumulated depreciation	**(638,632)**	(600,410)
Total Improvements	**938,174**	924,540
Total plant and equipment	**1,137,687**	1,106,229
Total property, plant and equipment	**1,732,060**	1,700,602

Notes to the Financial Statements

For the Year Ended 31 December 2021

10 Property, plant and equipment

(a). Movements in carrying amounts of property, plant and equipment

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

	Buildings	Plant and Equipment	Motor Vehicles	Improvements	Total
	$	$	$	$	$
Year ended 31 December 2021					
Balance at the beginning of the year	**594,373**	**170,155**	**11,534**	**924,540**	**1,700,602**
Additions	**-**	**58,786**	**-**	**63,255**	**122,041**
Disposals	**-**	**(4,355)**	**-**	**(204)**	**(4,559)**
Depreciation expense	**-**	**(33,724)**	**(2,883)**	**(49,417)**	**(86,024)**
Balance at the end of the year	**594,373**	**190,862**	**8,651**	**938,174**	**1,732,060**

	Buildings	Plant and Equipment	Motor Vehicles	Improvements	Total
	$	$	$	$	$
Year ended 31 December 2020					
Balance at the beginning of the year	594,373	161,043	15,379	919,834	1,690,629
Additions	-	43,683	-	54,607	98,290
Depreciation expense	-	(34,571)	(3,845)	(49,901)	(88,317)
Balance at the end of the year	594,373	170,155	11,534	924,540	1,700,602

11 Trade and Other Payables

	2021	2020
	$	$
Current		
Trade payables	**14,061**	19,627
Deposits held	**66,456**	39,941
GST payable	**8,367**	13,957
Employee benefits	**8,738**	10,145
Accrued expenses	**13,000**	13,000
Other payables	**29,317**	27,503
	139,939	124,173

Notes to the Financial Statements

For the Year Ended 31 December 2021

12 Borrowings

	Note	2021 $	2020 $
CURRENT			
Secured liabilities:			
Lease liability	15	**-**	6,134
Bank loans		**19,268**	75,548
Total current borrowings		**19,268**	81,682
NON-CURRENT			
Secured liabilities:			
Bank loans		**14,138**	55,873
Total non-current borrowings		**14,138**	55,873
Total borrowings		**33,406**	137,555

Summary of borrowings

The bank loans as stated above are secured with a first registered company charge over all the assets (including real property) and undertakings of Korora Bay Village Limited.

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

13 Provisions

	2021 $	2020 $
CURRENT		
Annual leave	**22,309**	24,857
Long service leave	**13,388**	7,731
	35,697	32,588
NON-CURRENT		
Long service leave	**5,289**	9,399
	5,289	9,399

Notes to the Financial Statements

For the Year Ended 31 December 2021

13 Provisions

	Employee Entitlements	Total
	$	$
Opening balance at 1 January 2021	**41,987**	**41,987**
Additional provisions	**19,535**	**19,535**
Provisions used	**(17,437)**	**(17,437)**
Provisions reversed	**(3,099)**	**(3,099)**
Balance at 31 December 2021	**40,986**	**40,986**

14 Other Liabilities

	2021	2020
	$	$
CURRENT		
Income in advance	**705,597**	722,651
	705,597	722,651

Additional repayments of $361,752 have been paid into the CBA home loan in order to minimise interest expense for the year. These funds can be re-drawn at any time as and when required.

Notes to the Financial Statements

For the Year Ended 31 December 2021

15 Capital and Leasing Commitments

(a). Finance Leases

	2021	2020
	$	$
Minimum lease payments:		
- not later than one year	-	8,220
Minimum lease payments	-	8,220
Less: finance changes	-	(2,086)
Present value of minimum lease payments	-	6,134

Finance leases are in place for motor vehicles and normally have a term between 2 and 5 years. The leases have terms of renewal but no purchase option or escalation clauses. Renewals are at the option of the entity holding the lease.

16 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Lease liabilities
- Floating rate bank loans

16 Financial Risk Management

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Korora Bay Village Limited's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Korora Bay Village Limited's activities.

The Board of Directors receive quarterly reports which provide details of the effectiveness of the processes and policies in place.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Ongoing credit evaluation is performed on the financial condition of trade receivables.

Notes to the Financial Statements

For the Year Ended 31 December 2021

16 Financial Risk Management

Credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management acknowledges that the concentration of ownership by any member under the scheme presents a potential credit risk.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The following table details the Company's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past due but not impaired (days overdue)				
	Gross amount	Past due and impaired	< 30	31-60	61-90	> 90	Within initial trade terms
	$	$	$	$	$	$	$
2020							
Trade receivables	1,920	-	1,920	-	-	-	-
Total	1,920	-	1,920	-	-	-	-

All of these financial assets are considered to have low credit risk and therefore the impairment provision recognised during the period was limited to 12 months expected credit losses.

16 Financial Risk Management

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

	2021	2020
	$	$
Floating rate instruments		
Borrowings	**33,406**	137,555

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2.00% and -2.00% (2020: +2.00%/-2.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2021		2020	
	+2.00%	-2.00%	+2.00%	-2.00%
	$	$	$	$
Net results	**(7,537)**	**7,537**	(5,291)	5,291
Equity	**(7,537)**	**7,537**	(5,291)	5,291

17 Key Management Personnel Interests

The totals of remuneration paid to the key management personnel of Korora Bay Village Limited during the year are as follows:

	2021	2020
	$	$
Employee benefits	**131,970**	127,862
Post-employment benefits	**12,882**	12,146
	144,852	140,008

17 Key Management Personnel Interests

The direct, indirect, and beneficial holdings of directors, their director-related entities and key management personel in timeshare interests of the company at the reporting date are as follows:

31 December 2021	Balance at beginning of year	Other changes	Balance at the end of year
Directors			
G Edgell	2	-	2
B Gemmell	3	-	3
S Hogan	3	-	3
B Sobey	3	-	3
S Argue	2	-	2
Classic Clubs Limited	194	-	194
Classic Leisure Pty Limited	2	-	2
Classic Property Management Pty Limited	12	-	12
Timeshare Brokers Pty Limited	28	-	28
	249	-	249

18 Auditors' Remuneration

	2021 $	2020 $
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	**13,600**	13,600
Total	**13,600**	13,600

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (31 December 2020:$nil).

20 Related Parties

(a). Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

S Hogan derived income from conveyancing fees on the sale of time-shares which arise from referrals by the company. This director also rents a residential property owned by the company as part of her remuneration

Notes to the Financial Statements
For the Year Ended 31 December 2021

20 Related Parties

(a). Related Parties
package.

21 Cash Flow Information

(a). Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	$	$
Profit for the year	**157,902**	327,809
Non-cash flows in profit:		
- depreciation	**86,024**	88,317
- net (gain)/loss on disposal of property, plant and equipment	**4,560**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**1,920**	(1,920)
- (increase)/decrease in prepayments	**(14,935)**	(1,037)
- increase/(decrease) in trade and other payables	**15,766**	9,549
- increase/(decrease) in levies received in advance	**(17,054)**	(45,145)
- increase/(decrease) in employee entitlements	**(1,001)**	(10,817)
Cashflows from operations	**233,182**	366,756

22 Events after the end of the Reporting Period

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

23 Statutory Information

The registered office and principal place of business of the company is:

Korora Bay Village Limited
James Small Drive
Korora NSW 2450

Korora Bay Village Limited

72 001 779 200

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 5 to 28, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards; and

   (b) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .... Director ....

S Argue G Edgell

Dated 27th April 2022

HQB
ACCOUNTANTS
AUDITORS | ADVISORS

Tel: (02) 6652 2333

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(PO Box 919)
Coffs Harbour NSW 2450

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KORORA BAY VILLAGE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Korora Bay Village Limited ('the Company'), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

a) giving a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows 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. 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. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Company in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibility for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

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 entity'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 entity's internal control.

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.

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 conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

HQB Accountants Auditors Advisors

James Davis – Partner in HQB Accountants Auditors Advisors

13-15 Park Avenue
Coffs Harbour
Dated:
27.4.2022