MARRIOTT VACATION CLUB DESTINATIONS, AUSTRALIA

ARSN 610 612 676

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

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RESPONSIBLE ENTITY'S REPORT

The directors of Club Holidays Australia Limited (ACN 607 151 655) ("the Responsible Entity") submit herewith the financial report of the Marriott Vacation Club Destinations Australia ("the Club") for the year ended 31 December 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of directors of the Responsible Entity in office at any time during or since the end of the financial year are:

Jessica Lim Kin Ping
Robert John Martini
Michael James Dunne
Martin James Tolan

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

Principal Activities

The Club is a registered Managed Investment Scheme domiciled in Australia. The Club's principal activities during the year were timeshare operations.

Operating Results

The results of the operations of the Club are disclosed in the Statement of Profit or Loss and Other Comprehensive Income. The loss after income tax and total comprehensive income attributable to members was \$85,814 (2023 income: \$29,665).

The value of scheme assets at the balance date is \$25,914,361 (2023: \$26,387,256). Scheme assets are held at cost in accordance with the accounting policies in Note 1 to the financial statements.

Membership

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

	2024		2023	
Points per Membership	**Memberships Sold**	**Total Points Sold**	**Memberships Sold**	**Total Points Sold**
Less than 4,000	2,218	3,362,750	2,116	3,192,000
4,000 – 6,999	214	895,750	215	899,250
7,000 – 9,999	15	107,000	15	107,000
10,000 – 14,999	2	20,000	2	20,000
15,000+	-	-	-	-
	2,449	**4,385,500**	**2,348**	**4,218,250**

In addition, there were 313,250 (2023: 480,550) unissued points at 31 December 2024.

Property

The Club has not acquired additional properties during the financial year ended 31 December 2024.

Significant Changes in State of Affairs

Environmental Regulation

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

After Balance Date Events

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club and the results of those operations or the state of affairs of the Club in subsequent financial years.

Future Developments

The Club will continue in its role in the timeshare operations going forward. There are no significant future developments currently planned as at the date of this report.

Information on Directors

Director: Jessica Lim Kin Ping

Experience:

Ms. Jessica joined as Chief Financial Executive on 01 June 2022 and Director on 23 August 2023 and is responsible for all Finance and Accounting activities in Marriott Vacation Club's Asia Pacific, Europe and Middle East Region. Jessica comes with extensive financial experience and has held various senior finance roles in U.S. and European global companies. Prior to this role, Jessica was from a travel management company and led teams across the Asia Pacific region.

Jessica is a Certified Public Accountant and Chartered Accountant. She has a Master of Business Administration and a Master's in Applied Finance from University of Adelaide in Australia as well as a Bachelor's Degree of Business with Distinction.

Director: Martin James Tolan

Experience:

Mr. Martin joined as Regional Vice President Marketing and Sales for the Asia-Pacific region in June 2019. He was promoted to Regional Vice President Marketing and Sales Asia-Pacific, Europe and Middle East in March 2021 and is responsible for all the marketing and sales in the region. He was appointed as Director on 07 April 2021. Martin has over 35 years of experience in the vacation ownership space in the U.S., Caribbean, Europe and Asia.

Prior to this role, Mr. Martin had led Anantara Vacation Club (AVC) and built AVC into one of Asia's largest timeshare sales operation, expanding into several Asian markets including China, Indonesia, Malaysia, Thailand, Hong Kong and Singapore. He was also responsible for establishing the strategic direction for growth in the region, developing successful leadership teams and driving performance.

Director: Michael James Dunne

Experience:

Mr. Dunne has been the Responsible Manager for MVCI Australia Pty Ltd, a registered Credit License holder under the National Consumer Credit Providers Act, since March 2016 and is responsible for the management of the lending operation.

He has over 30 years' experience in the Banking and Finance industries holding senior management positions in Retail, Commercial and Business Banking divisions and was responsible for the successful startup and subsequent targeted growth of 2 credit providers between 2001 and 2016.

Mr. Dunne holds a Commercial Agents license authorised under the Property Agents and Motor Vehicle Dealers Act 2000.

Information on Directors (Continued)

Director: Robert John Martini

Experience:

Mr. Martini is a Director of Club Holidays Australia Limited and also a Responsible Manager 'Key Person' on the Reponsible Entity's Australian Financial Services License.

Mr. Martini has been involved in the Vacation Ownership Industry since 1979 having held senior managment, director and other executive positions with several of the largest industry participants in the Asia-Pacfic Region including Marriott, Accor, Minor Hotels and Resorts and Trendwest-Wyndham. Additionally he has held directorships on various industry associations in the region.

Directors and Auditors Indemnification

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

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

Proceedings on Behalf of the Club

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

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* .

The lead auditor’s independence declaration is set out on page 6 and forms part of the Responsible Entity's report for the year ended 31 December 2024. Crowe continues in office in accordance with Section 327 of the *Corporations Act 2001.*

Interests of the Responsible Entity

	2024		2023	
	Memberships	**Points**	**Memberships**	**Points**
Number of interests held in the scheme by the Responsible Entity	–	–	–	–
Number of interests in the scheme issued during the year	101	167,250	169	287,750
Number of interests in the scheme withdrawn by the Responsible Entity	–	–	–	–

Responsible Entity Remuneration

No remuneration was paid to the Responsible Entity during the year.

On behalf of the Board of Directors, signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.306(3) of the *Corporations Act 2001* .

Jessica Lim Kin Ping
Director
26 March 2025

Crowe Brisbane
ABN 79 981 227 862

Level 16 120 Edward Street
Brisbane QLD 4000
Australia

Main +61 (07) 3233 3555
Fax +61 (07) 3233 3567

www.crowe.com.au

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Club Holidays Australia as the Responsible Entity for Marriott Vacation Club Destinations, Australia

As lead engagement partner I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Brisbane

Crowe Brisbane

Harsh Shah
Senior Partner

26 March 2025
Brisbane

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	NOTE	2024 $	2023 $
Revenue from continuing operations:			
Maintenance fees		**4,844,876**	3,377,072
Licensing income		**372,710**	372,710
Interest income		**22,086**	16,116
Total revenue	2	**5,239,672**	3,765,898
Expenditure:			
Management fee		**509,125**	475,081
Maintenance expenses		**4,175,263**	2,951,189
Other expenses		**543,018**	324,775
Total expenditure		**5,227,406**	3,751,045
Operating profit		**12,266**	14,853
Net foreign exchange (loss) / gain		**(98,080)**	14,812
(Loss) / Profit before Income Tax		**(85,814)**	29,665
Income Tax Expense	3	**-**	-
(Loss) / Profit after Income Tax for the year attributable to members		**(85,814)**	29,665
Other comprehensive income for the year, net of tax		**-**	-
TOTAL COMPREHENSIVE (LOSS) / PROFIT ATTRIBUTABLE TO MEMBERS		**(85,814)**	29,665

The accompanying accounting policies and explanatory notes form an intergral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	NOTE	2024 $	2023 $
CURRENT ASSETS			
Cash and cash equivalents		**2,675,261**	3,215,816
Trade and other receivables	4	**4,383,796**	3,905,247
Prepayment	5	**413,876**	412,382
TOTAL CURRENT ASSETS		**7,472,933**	7,533,445
NON-CURRENT ASSETS			
Property, plant and equipment	6	**6,929,098**	6,929,098
Prepayment	5	**11,512,330**	11,924,713
TOTAL NON-CURRENT ASSETS		**18,441,428**	18,853,811
TOTAL ASSETS		**25,914,361**	26,387,256
CURRENT LIABILITIES			
Trade and other payables	7	**1,266,564**	999,971
Contract liabilities	8	**4,652,348**	5,661,589
TOTAL CURRENT LIABILITIES		**5,918,912**	6,661,560
NON-CURRENT LIABILITIES			
Trade and other payables	7	**1,635,045**	1,347,915
Contract liabilities	8	**11,844,929**	11,776,492
TOTAL NON-CURRENT LIABILITIES		**13,479,974**	13,124,407
TOTAL LIABILITIES		**19,398,886**	19,785,967
TOTAL NET ASSETS		**6,515,475**	6,601,289
EQUITY MOVEMENT			
Member equity - Club units on issue	9	**6,929,098**	6,929,098
Accumulated losses		**(413,623)**	(327,809)
TOTAL EQUITY		**6,515,475**	6,601,289

The accompanying accounting policies and explanatory notes form an intergral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Member Equity	Accumulated losses	Total
	$	$	$
Balance at 1 January 2023	6,929,098	(357,474)	6,571,624
Profit for the year	-	29,665	29,665
Total other comprehensive income	-	-	-
Balance at 31 December 2023	**6,929,098**	**(327,809)**	**6,601,289**
(Loss) for the year	**-**	**(85,814)**	**(85,814)**
Total other comprehensive income	**-**	**-**	**-**
Balance at 31 December 2024	**6,929,098**	**(413,623)**	**6,515,475**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Club operations		**4,154,037**	4,209,393
Payments to related parties		**(4,554,232)**	(3,048,113)
Payments to suppliers and employees		**(206,395)**	(905,795)
Interest received		**66,035**	53,409
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	11	**(540,555)**	308,894
Net (decrease)/increase in Cash and Cash Equivalents held		**(540,555)**	308,894
Cash and Cash Equivalents at the beginning of the year		**3,215,816**	2,906,922
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**2,675,261**	3,215,816

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 1- MATERIAL ACCOUNTING POLICIES

Reporting Entity
Marriott Vacation Club Destinations, Australia is a registered Managed Investment Scheme established and domiciled in Australia. The financial report covers Marriott Vacation Club Destinations, Australia ('the Club') as an individual entity. The Club commenced on 17 February 2016 and is a for-profit entity.

The principal activity of the Club in the course of the financial year is the management of activities of Club members who have purchased Club points.

(a) Basis of Preparation

The financial statements of Marriott Vacation Club Destination are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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

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

(b) Going Concern

The directors have prepared cash flow projections that support the ability of the Club to continue as a going concern and the directors believe the going concern basis of accounting is therefore appropriate, and the financial statements have therefore been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

In the event these do not provide sufficient cash flows, the Club has the ability to draw on and utilise capex reserve funds on operational requirements in order to continue as a going concern.

(c) New or amended Accounting Standards and Interpretations adopted

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 1- MATERIAL ACCOUNTING POLICIES (Continued)

(d) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment of non-financial assets

The entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

(e) Foreign Currency Transactions and Balances

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

Transactions and Balances
Foreign currency transactions are translated into functional currency using the exchange rate in effect at the date of the transaction. Foreign currency monetary items are translated into functional currency at the exchange rate existing at the year-end date. Exchange differences arising from foreign currency transactions and the translation of monetary items into functional currency are recognised in profit or loss in the year in which they arise.

(f) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Club recognises revenue at an amount that reflects the consideration to which the Club is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Club identifies the contract with a customer, the performance obligations in the contract, determines the transaction price which takes into account estimates of variable consideration and time value of money; allocates the transaction price to the performance obligations on the basis of the relative stand alone selling price of each distinct good or service to be delivered and recognises revenue when or as each performance obligation is satisfied in a matter that depicts the transfer to the customer of the goods or services provided.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 1- MATERIAL ACCOUNTING POLICIES (Continued)

(f) Revenue (Continued)

Maintenance Fees

Maintenance fees are invoiced in advance and recognised as revenue in the year which they are earned.

License Income

License income is recognised on a straight line basis over the life of the license period which ends on 4 December 2053.

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

(g) Income Tax Policy

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Club operates.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Club's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Club has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Under the mutuality principle, the Club has been identified as an other taxable company as it does not operate for the purposes of profit or gain to their individual members but whose constituent documents do not prohibit distributions to their members.

This principle provides that where a number of persons contribute to a common fund created and controlled by them for a common purpose, any surplus arising from the use of that fund for the common purpose is not income. Furthermore, this principle does not extend to include income that is derived from sources outside the Club.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 1- MATERIAL ACCOUNTING POLICIES (Continued)

(g) Income Tax Policy (Continued)

The following characteristics allowed the Club to access mutuality principle:

- the Club is carried on for the benefit of its members collectively, not individually
- the members of the Club share a common purpose in which they all participate or are entitled to do so
- the main purpose for which the Club was established, and is operated, is the common purpose of the members
- there is a common fund that gives effect to the common purpose and all the members contribute to it
- all the contributions to the common fund are applied for the collective benefit of all the members, in line with the common purpose
- different classes of memberships exist with varying subscription rates, rights and entitlements to facilities
- the members have ownership and control of the common fund
- the contributors to the common fund must be entitled to participate in any surplus of the common fund

(h) Current and non-current classification

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

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

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

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

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 1- MATERIAL ACCOUNTING POLICIES (Continued)

(j) Trade and Other Receivables

Classification of financial assets and financial liabilities

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

Loans and receivables are classified as amortised cost.

Financial assets

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

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(k) Prepayments and Contract Liabilities

Effective 30 November 2017, the Club made a prepayment of IDR 140,325,745,300 to the Responsible Entity (Club Holidays Australia), to fund the acquisition of the 18 Units in Bali Nusa Dua Phase 1. The Developer was also issued 2,750,500 sales points as part of this transaction.

The units are available in the form of a sub-licence agreement which provides the members of the Club access to the units. The sub-licence agreement will expire at the end of the Term of the lease which is 4 December 2053. As the cost are paid in advance, it has been recognised as an asset in Prepayments and amortised equally over the life period of the sub-leases. See note 5.

The points issued to the Developer are called "Variable Club Points", that have different rights to the normal "Fixed Club Points". The Variable Club Points and their corresponding rights will expire at the termination of the sub-licence agreement. These 2,750,500 points are therefore not deemed "Equity" in nature with no residual rights over the Club's properties and have been recognised by the Club as a contract liability. See note 8.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 1- MATERIAL ACCOUNTING POLICIES (Continued)

(l) Goods and Services Tax

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 taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

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

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

(m) Property, Plant, and Equipment

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 life to the Club commencing from the time the asset is held ready for use.

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

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 disposal are determined by comparing proceeds with the carrying amount of the asset. These gains and losses are included in profit or loss, however, gains or losses on disposal do not generally arise due to the developer relatioship outlined above.

(n) Trade and Other Payables

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 1- MATERIAL ACCOUNTING POLICIES (Continued)

(o) Units Issued by the Club

Club Points Issued in the Club

Club Points include Fixed and Variable Club Points. In accordance with the Constitution of the Club, Club Points represent the unit of measure or value established for the Club and referable to each Club Property, which forms part of the assets of the Club. In accordance with the Constitution of the Club, Fixed Club Points entitle a member to an accommodation or timeshare entitlement in the Club Properties as well as a right to share in the net assets of the Club Properties on winding up of the Club.

Variable Club Points comprise a type of Club Points that shall expire on the expiry date notified by the Developer to the holder of such Club Points in respect of such Club Points, which may be earlier. At termination, Members who hold variable club points are not entitled to a share of proceeds of realisation of Club Property.

Contribution of Assets and the Issue of Club Points

In accordance with the Constitution of the Club, the Developer has acquired various properties which it has then contributed to the Club (referred to as Club Property). Once the Club has obtained the majority of the risks and benefits of ownership pursuant to the Club Properties contributed, Club Points are created equivalent to the cost of the Club properties contributed.

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

(p) Member Funds

The Club classifies members' funds relating to permanent units as equity. Fixed points holders have beneficial interest in the club property and can participate in any distribution of club property upon a winding up of the Club.

(q) Comparatives

Comparative information from prior year has been presented in the financial statements.

NOTE 2 - REVENUE

	2024 $	2023 $
Revenue		
Maintenance fees	**4,844,876**	3,377,072
Licensing income	**372,710**	372,710
Interest income	**22,086**	16,116
	5,239,672	3,765,898
Disaggregation of revenue		
Timing of revenue recognition		
- Over time	5,239,672	3,765,898

Revenue is only generated in Australia.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 3 - INCOME TAX EXPENSE

	2024	2023
The prima facie tax payable on (Loss) / Profit before Income Tax is reconciled to the Income Tax expense as follows:	$	$
(Loss) / Profit before income tax	**(85,814)**	29,665
Prima facie tax payable on (loss) / profit before Income Tax at 30% (2023: 30%)	25,744	8,900
Effects of:		
Amount included/(excluded) under the principle of mutuality	**(23,573)**	(10,815)
Income tax expense/(credit)	**2,171**	(1,916)
Deferred tax assets not recognised previously	**473**	-
Deferred tax assets not taken up	**2,644**	1,916
Income tax expense attributable to (loss)/profit for the year	**-**	-

The tax rate used is the income tax rate applicable to Australian resident companies under the Income Tax Assessment Act in force in Australia at reporting date.

Deferred tax assets not brought to account, the benefits of which will not be realised if the conditions for deductibility of tax losses set out in Note 1 occur based on corporate tax rate of 30% for Australian companies.

	2024	2023
Tax Losses	**85,814**	(29,665)
Potential tax benefit	**25,744**	(8,900)
Temporary differences		
Other	**-**	-
Total deferred tax assets not brought to account	**25,744**	(8,900)

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 4 - TRADE AND OTHER RECEIVABLES

	$	$
Member fees	**4,326,975**	3,874,706
Related party receivables	**-**	774
Other receivables	**56,821**	29,767
	4,383,796	3,905,247

Amounts due from related parties are non-trade, unsecured, interest-free, repayable on demand and are to be settled in cash.

The carrying amount of trade receivables is considered a reasonable approximation of fair value due to short term nature of the balances.

Amounts due from related parties at 31 December are denominated in Australian Dollars.

The Club's exposure to foreign currency risk due to its foreign currency denominated balances due to/from related parties is disclosed in Note 14.

NOTE 5 - PREPAYMENT

	$	$
Current		
Sublicense fee	**412,382**	412,382
Others	**1,494**	-
	413,876	412,382
Non-Current		
Sublicense fee	**11,512,330**	11,924,713
Total prepayment	**11,926,206**	12,337,095

See note 1 (k).

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	$	$
Club property and improvements, at cost*	**6,929,098**	6,929,098

**Marriott Resorts and Spa, Surfers Paradise - QLD*

In 2016, the Developer contributed $6,929,098 in capital, in the form of Club properties contributed at cost. Cost includes all costs incidental to acquisition such as stamp duty and legal fees.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 7 - TRADE AND OTHER PAYABLES

	$	$
Current		
Related party payables	**1,241,337**	973,070
Accrued expenses	**25,227**	26,901
	1,266,564	999,971
Non-current		
Related party payables	**1,635,045**	1,347,915
Total trade and other payables	**2,901,609**	2,347,886

Current portion amounts due to related parties are non-trade, unsecured, interest-free, repayable on demand and are to be settled in cash.

As stated in the sub-license agreement, the Club has an unconditional legal right to defer payment for at least 12 months from balance sheet date, thus the amount payable is classified as non-current.

Amounts due to related parties are denominated in the following currencies at 31 December:

	AUD Equivalent	AUD Equivalent
Indonesia Rupiah	**1,911,925**	1,411,416
Australian Dollar	**951,118**	884,554
United States Dollar	**13,231**	25,015
Singapore Dollar	**108**	-
Net payable to related parties	**2,876,382**	2,320,985

The Club's exposure to foreign currency risk due to its foreign currency denominated balances due to related parties is disclosed in Note 14.

NOTE 8 – CONTRACT LIABILITIES

	$	$
Current		
Licensing income	**372,710**	372,710
Maintenance fee	**3,777,823**	3,408,194
Repair and upgrading expenditure	**501,815**	1,880,685
	4,652,348	5,661,589
Non-Current		
Licensing income	**10,404,823**	10,777,534
Repair and upgrading expenditure	**1,440,106**	998,958
	11,844,929	11,776,492
Total contract liabilities	**16,497,277**	17,438,081

See note 1 (k).

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 8 – CONTRACT LIABILITIES (Continued)

The Club has set aside funds on a monthly basis, in a separate bank account, for use in upgrade and repair work forecast for the resort rooms due to wear and tear. Based on reserve study, it is forecast that the Club will incur a foreseeable liability of $318,815 (2024: $1,463,688) for repair and upgrading of Surfers Paradise units in 2025. The foreseeable liability for repair and upgrading of Bali units is $182,999 in 2025 (2024: $416,997).

The amount of $3,893,293 recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended 31 December 2024 (2023: $3,408,141).

NOTE 9 - MEMBERS EQUITY - CLUB UNITS ON ISSUE

	2023 Number of Variable Points	**2023 Number of Fixed Points**	**2023 $**
Balance at the beginning and end of the prior year	2,750,500	1,948,250	6,929,098
	2024 Number of Variable Points	**2024 Number of Fixed Points**	**2024 $**
Balance at the beginning and end of the year	**2,750,500**	**1,948,250**	**6,929,098**

In the year 2017, the Club had generated 2,750,500 variable club points for the use of Bali units exclusively. These variable club points expire at the Expiry Date (and as extended by the Responsible Entity from time to time). At termination, members who hold variable club points are not entitled to a share of proceeds of realisation of Club Property.

In the year 2024, there were no additional points generated.

The Developer is responsible for those unissued points as if they were points issued to the Developer for sale to future members.

NOTE 10 – REMUNERATION OF AUDITORS

During the financial year, the following fees were paid or payable for services provided by the auditor of the Club:

	2024	**2023**
Audit services	**$**	**$**
Audit and review of financial statements	**36,200**	34,000

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 11 – CASH FLOW INFORMATION

	2024	2023
Reconciliation of net cash from operating activities to operating (loss) / profit after income tax	$	$
(Loss) / Profit before income tax	**(85,814)**	29,665
Adjustment for changes in assets and liabilities:		
Decrease / (Increase) in:		
Trade and other receivables	**(478,549)**	(647,426)
Prepayments	**410,889**	412,382
Increase / (Decrease) in:		
Trade and other payables	**553,723**	82,899
Contract Liabilities	**(940,804)**	431,374
Net cash (used in)/from operating activities	**(540,555)**	308,894

NOTE 12 – KEY MANAGEMENT PERSONNEL

(a) Directors' Names

The directors of the Responsible Entity who have held office during the financial year do not have membership in the Club.

(b) Directors' Remuneration and Retirement Benefits

There is no remuneration provided with respect to services provided to the Club received or due and receivable from the Club and any related body corporate.

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 13 - RELATED PARTY TRANSACTIONS

Transaction with Related Entities

(i) The Responsible Entity is Club Holidays Australia Limited. With the appointment of the Club Manager, there are no fees paid to the Responsible Entity by the Club during the year. As at 31 December 2024, there are no balances outstanding with the Responsible Entity.

(ii) The Developer is Club Resorts No.1 Australia Pty Ltd. As at year ended 31 December 2024, the Club has billed $600,904 (2023: $836,246) to the Developer for costs related to dedicated units. As at 31 December 2024, the amount payable to the Developer was $4,382 (2023: receivable from the Developer was $774.

(iii) The Club Manager is MVCI Australia Pty Ltd. During the year, the Club Manager provided management services to the Club and received management fees amounting to $509,125 (2023: $561,229). The Club Manager has billed $2,573,849 (2023: $1,365,504) to the Club for shared costs relating to the 17 Surfer's Paradise units dedicated. The Club Manager also billed $133,301 (2023: $155,081) to the Club for regional shared costs. As at 31 December 2024, the amount payable to the Club Manager is $190,644 (2023: $242,379).

(iv) Asia Pacific Bali Hong Kong Holding Ltd has sub-licensed to the Club rights to use of 18 Nusa Dua Gardens units, in year 2017. As part of the Club's shared cost to the Nusa Dua units, an amount of $1,351,947 (2023: $434,581) was charged. As at 31 December 2024, the amount payable is $1,911,926 (2023: $1,411,417).

(v) Marriott Ownership Resorts Inc. (MORI), registered in United States of America, is the headquarter of Marriott Vacation Club International. In 2024, MORI has billed the Club $670,800 (2023: $674,810) for exchange dues that was billed to our club members as part of the annual maintenance fees. As at 31 December 2024, the amount payable is $769,430 (2023: $667,189).

All amounts advanced to or payable to related parties are unsecured, non-interest bearing and will be settled in cash or intercompany loan.

NOTE 14 - FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Club's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

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

Risk management policies are reviewed by the Board of Directors of the Responsible Entity on a regular basis. These include the credit risk policies and future cash flow requirements. The main purpose of non-derivative financial instruments is to manage cashflow for operations. The Club does not have any derivative instruments at 31 December 2024 (2023: None).

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 14 - FINANCIAL INSTRUMENTS (Continued)

The most significant financial risks to which the Club is exposed to are credit risk, liquidity risk and market risk.

	2024	2023
	$	$
Financial assets - held at amortised cost		
- Trade and Other Receivables	**4,383,796**	3,905,247
Cash and cash equivalents	**2,675,261**	3,215,816
Total financial assets	**7,059,057**	7,121,063
Financial liabilities - held at amortised cost		
- Trade and Other Payables	**(2,901,609)**	(2,347,886)
Total financial liabilities	**(2,901,609)**	(2,347,886)

i. Liquidity Risk

Liquidity risk refers to the risk that the Club is unable to meet its short-term debt obligations. This usually occurs as a result of a firm's inability to convert its current assets into cash without incurring capital losses.

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

Amounts due to related parties are interest-free and are to be settled in cash except for sub-license fees as outlined in Note 8. The Club is not exposed to any significant liquidity risk.

The Club's trade and other payables at the reporting date have contractual maturities as summarised below:

	$	$
Within 6 months	**25,227**	26,901
6 to 12 months	**1,241,337**	973,070
1 to 5 years	**-**	-
Later than 5 years	**1,635,045**	1,347,915
	2,901,609	2,347,886

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 14 - FINANCIAL INSTRUMENTS (Continued)

ii. Credit Risk

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

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

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

	2024	**2023**
	$	**$**
Not past due (current)	**4,271,331**	3,805,974
Past due 0-30 days (30 day ageing)	**-**	-
Past due 31-60 days (60 day ageing)	**-**	-
Past due more than 60 days (+90 day ageing)	**112,465**	99,273
	4,383,796	3,905,247

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

For receivables that relate to maintenance fees that have not been paid by members, these members are unable to utilise their club points until such fees are paid. In the event that the member does not pay, and the membership is foreclosed, collection of the maintenance fees still owing will be recovered via the sale of the membership.

iii. Capital risk management

The directors of the Responsible Entity manage the capital to ensure that the Club is able to continue as a going concern while maximising the return to stakeholders, through the optimisation of debt and equity balances.

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

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

Capital risk management policies remain unchanged from the prior year.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 14 - FINANCIAL INSTRUMENTS (Continued)

iv. Foreign currency risk - Market risk

The Club has transactional currency exposures arising from sales and purchases that are denominated in currencies other than the functional currency of the Club which is the Australian Dollar ("AUD"). The foreign currency in which these transactions are denominated is mainly Indonesia Rupiah ("IDR").

Sensitivity analysis for currency risk:

If the relevant foreign currencies change against AUD by 5% (2023: 5%) with all other variables, including tax rate, being held constant, the effect on profit or loss from the net financial assets/liabilities will be as follows:

	2024	**2023**
IDR/AUD	**$**	**$**
- strengthened	**66,917**	49,400
- weakened	**(66,917)**	(49,400)

NOTE 15 – CONTINGENT LIABILITIES

There are no contingent liabilities at the date of this report.

NOTE 16 - EVENTS SUBSEQUENT TO BALANCE DATE

No material events occurred after balance sheet date up to the date of this report requiring disclosure.

NOTE 17 - COMPANY DETAILS

The Club is a registered Managed Investment Scheme and was registered by the Australian Securities and Investments Commission on 17 February 2016. The registered office and principal place of business is at 319 George Street Sydney NSW 2000.

MARRIOTT VACATION CLUB DESTINATIONS, AUSTRALIA
ARSN 610 612 676

DIRECTORS' DECLARATION

The directors of the Responsible Entity declare that:

(a) The financial report and notes set out on pages 7 to 26 are in accordance with the *Corporations Act 2001* and:

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

ii. give a true and fair view of the financial position of the Club as at 31 December 2024 and its performance, for the year ended on that date; and

(b) in the Directors' opinion:

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

On behalf of the Board of Directors, signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.303 (5) of the *Corporations Act 2001* .

Jessica Lim Kin Ping
Director
26 March 2025

Crowe Brisbane
ABN 79 981 227 862
Level 2, Corporate Centre One
2 Corporate Court
Bundall QLD 4217
Australia
Main +61 (07) 5644 6100
Fax +61 (07) 5644 6199
www.crowe.com.au

Independent Auditor's Report

To the Members of Marriott Vacation Club Destinations, Australia

Opinion

We have audited the financial report of Marriott Vacation Club Destinations, ("the Club"), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

(a) Giving a true and fair view of the Club's financial position as at 31 December 2024 and of its financial performance for the year then ended.

(b) Complying with Australian Accounting Standards

(c) and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Other Information

The directors of Club Holidays Australia (the "Responsible Entity") are responsible for the other information. The other information comprises the information contained in the Club's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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 the audit.

Crowe Brisbane

Crowe Brisbane

Harsh Shah
Senior Partner

26 March 2025
Brisbane