



World Wide Holidays

**INTERCHANGE VACATION CLUB
(ARSN 096 286 369)**

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**INTERCHANGE VACATION CLUB
ARSN 096 286 369**

**RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

The Directors of the Responsible Entity, Club Leisure Group Limited ACN 095 069 024, submit this report for Interchange Vacation Club for the year ended 31 December 2008.

DIRECTORS

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

Robert Ridgway – Marketing

Company Director of several private companies.

Many years experience in timeshare interval sales in various countries, including Australia, New Zealand, Portugal, Spain and Greece. He has also operated an interval exchange business for several years including travel agency operations for interval members.

Patricia Christie – Operations

Company Director of several private companies, licensed security dealer. Proprietor of a timeshare resale service in Australia as well as experience in timeshare interval sales in various countries, including Australia, New Zealand, Portugal, Spain and Greece. She has also co-operated an interval exchange business for several years including travel agency operations for interval members.

Anthony Ridl – Financial Controller

Chartered Accountant – South Africa. Extensive experience in property development and hotel operations in South Africa including the operations of timeshare resorts and the development of flexi-point systems. Co-owner of the Club Leisure Group, which manages Clubs in South Africa, United Kingdom and Europe.

Stuart Lamont – Interval Management

Chartered Accountant – South Africa. Executive Director of the Timeshare Institute of South Africa. He has extensive experience in property development and hotel operations in South Africa including the operations of timeshare resorts and has had significant input into the timeshare code of practice, rules and regulations. Co-owner of the Club Leisure Group, which manages Clubs in South Africa, United Kingdom and Europe.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. There were six director's meetings held during the year. Each meeting was attended, either in person or by way of conference telephone call, by all Directors holding office at the date of the meeting. There were four Compliance Committee meetings during the year.

CLUB OPERATIONS

Interchange Vacation Club was registered as a managed investment scheme under Chapter 5C of the Corporations Law on 4 April 2001. The current Product Disclosure Statements were issued on 1st January 2008. At the end of the financial year, 4,309 members of the public, and one Developer had been registered as members and were issued points rights in the Club.

Fees paid to the Responsible Entity and its associates during the year were;

	2008	2007
Club Leisure Group Limited (“Responsible Entity”)	\$ 24,085	\$ 22,690
Club Leisure Management Pty Ltd (“Management Company”)	\$744,171	\$730,106
Flexi Holiday Club (South Africa) (“Affiliate”)	\$ 48,170	\$ 45,380

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**RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

CLUB OPERATIONS cont'd

During the year the Responsible Entity issued 740,207 points rights, 1,503,763 term points, 4,404,216 select points and 145,000 provisional points. At the end of the financial year the Developer has the right to sell 538,512 points rights and 3,497,599 provisional points in the Club. During the year 354 members withdrew from the Club. The Responsible Entity has forfeited 1,236,540 points from members under the Constitution of the Club. The number of points rights issued at the end of the financial year was 20,912,228 points, 5,505,580 term points, 6,615,370 select points and 929,000 provisional points. The total net book value of the Clubs assets at the end of the financial year was \$9,623,442. The basis for the valuation of the Club's assets is disclosed in note 1 to the financial statements.

OPERATING RESULT

The operating loss after income tax for the financial year amounted to \$78,390 (\$32,597 profit - 2007). Accounts receivable of \$139,710 at year end represents outstanding monies from 329 members.

The Responsible Entity as manager is entitled to be reimbursed fully for all expenses and liabilities, which it may incur in connection with performing its obligations under the Constitution. The Responsible Entity is paid a fee based on the number of members of the Club, however it has the discretion under the Constitution to waiver or defer payment of this remuneration. The Responsible Entity has appointed the management company as its agent to perform some of its duties as manager.

STATE OF AFFAIRS

In the opinion of the Directors, there are no significant events impacting upon the state of affairs of the Club that occurred during the financial year.

PRINCIPAL ACTIVITIES

The Club owns interests in managed investment schemes and due to this ownership, the Club is able to provide members of the Club the right to use this accommodation, and other affiliates accommodation based on the number of points issued to them.

AFTER BALANCE DATE EVENTS

The directors of the Responsible Entity, Club Leisure Group Ltd have entered into an agreement with the Classic Group in relation to the transfer of management and responsible entity rights in respect of the Club. This agreement is subject to due diligence procedures which will commence in April 2009.

DISTRIBUTIONS

No distributions are permitted by the Constitution of the Club, other than in the event of winding up. Accordingly no distribution has been made or recommended to members of the Club.

FUTURE DEVELOPMENTS

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

ENVIROMENTAL ISSUES

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

**INTERCHANGE VACATION CLUB
ARSN 096 286 369**

**RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

OFFICERS INDEMNITIES

Indemnification

So long as the officers of the Responsible Entity act in accordance with the Constitution and the law, they remain fully indemnified out of the assets of the Club against any losses incurred while acting on behalf of the Club. The auditor of the Club is in no way indemnified out of the assets of the Club.

Insurance premiums

The Responsible Entity is the holder of an Australian Financial Services Licence issued by Australian Securities and Investment Commission. A condition of the licence is that the Responsible Entity must maintain a professional indemnity and fraud insurance policy to cover claims up to an aggregate value of \$5,000,000. Accordingly, the Responsible Entity paid premiums in respect of the required insurance policy to cover its Directors or executive officers for liability and legal expenses. Such insurance contracts insure against certain liabilities (subject to specific exclusions) for persons who are or have been the Directors or executive officers of the Responsible Entity. No claims have been made and no claims are pending under the policy. Further details in respect of the policy have not been provided as the policy prohibits such disclosure.

Signed in accordance with a resolution of Directors of the Responsible Entity;
On behalf of the Directors



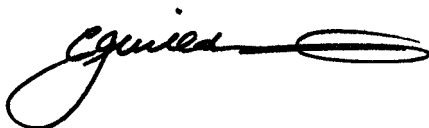
Robert Ridgway - **Director**
Gold Coast, 30 March 2009

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF CLUB LEISURE GROUP LTD THE
RESPONSIBLE ENTITY FOR INTERCHANGE VACATION CLUB**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2008 there have been:

- (a) no contraventions of the auditors independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Wilco Chartered Accountants



C J Wildermuth
Gold Coast, 30 March 2009

**INTERCHANGE VACATION CLUB
ARSN 096 286 369**

**DISCUSSION AND ANALYSIS
OF THE FINANCIAL STATEMENTS**

INFORMATION ON CLUB'S CONCISE FINANCIAL REPORT

The financial statements and disclosures in the concise financial report have been derived from the 2008 financial report of **Interchange Vacation Club** presented in Australian currency. The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on **Interchange Vacation Club** financial statements and the information contained in the concise financial report has been derived from the full 2008 financial report of the **Interchange Vacation Club**.

A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request.

INCOME STATEMENT

The operating loss after income tax for the financial year amounted to \$78,390 (\$32,597 profit-2007). This year saw a few of our resorts imposing an unexpected special levy, increasing our special levies. To assist with this a refurbishment fee was imposed on all members however there was still a shortfall in the funds required to recoup these levies.

BALANCE SHEET

The number of points rights issued to members at the end of the financial year was 20,912,228 points rights, 5,505,580 term points, 6,615,370 select points and 929,000 provisional points. The total net book value of the Clubs assets at the end of the financial period was \$9,623,442. During the year points held by un-financial members were reviewed and action taken to either sell or cancel these points. Any proceeds from the sale of these points were used to offset the respective members outstanding debts.

CASH FLOW STATEMENT

The operating cash movements indicate decreased members fees and decreased expenses of operating the Club. Operating revenues and expense were down due to economic conditions which will prompt an ongoing review of club expenditure. Cash flows from investing activities have helped to fund the above mentioned operating position. The cash flows relating to financing activities represents the collection of proceeds from the sale of points, which are transferred to the Developer.

**INTERCHANGE VACATION CLUB
ARSN 096 286 369**

**INCOME STATEMENT
FOR THE YEAR ENDED
31 DECEMBER 2008**

	Notes	2008 \$	2007 \$
REVENUE	2		
Foreign currency gains		2,231	4,626
Gain/loss on property settlements		110,281	74,161
Interest received		9,253	16,158
Other fees received		349	1,287
Rental income		-	1,543
Subscription fees		873,659	808,512
User charges		<u>3,356,609</u>	<u>3,541,594</u>
Total revenue		4,352,382	4,447,881
EXPENDITURE			
Administrative expenses		6,122	-
Affiliation fees		48,170	45,380
Bank charges		1,007	-
Doubtful debts		40,583	-
Levies paid		2,858,940	3,185,337
Management fees		763,694	730,106
Member fees & charges write off		599,398	271,049
Property fees		81,557	161,316
RMS interface fees		7,216	6,871
Responsible entity fee		<u>24,085</u>	<u>22,690</u>
Total expenses		4,430,772	4,422,749
Profit/(loss) before income tax expense		<u>(78,390)</u>	<u>25,132</u>
Income tax expense (benefit)		<u>-</u>	<u>(7,465)</u>
Profit/(loss) for the year		<u>(78,390)</u>	<u>32,597</u>

The accompanying notes form part of these financial statements.

**INTERCHANGE VACATION CLUB
ARSN 096 286 369**

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	2008	2007
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	266,686	374,868
Trade and other receivables	168,911	690,824
Other current assets	<u>1,004,834</u>	<u>461,383</u>
Total Current Assets	<u>1,440,431</u>	<u>1,527,075</u>
NON-CURRENT ASSETS		
Financial assets	<u>9,215,555</u>	<u>12,118,325</u>
Total Non-Current Assets	<u>9,215,555</u>	<u>12,118,325</u>
TOTAL ASSETS	<u>10,655,986</u>	<u>13,645,400</u>
CURRENT LIABILITIES		
Trade and other payables	<u>1,004,677</u>	<u>1,073,228</u>
Total Current Liabilities	<u>1,004,677</u>	<u>1,073,228</u>
NON-CURRENT LIABILITIES		
Deferred tax liability	<u>27,867</u>	<u>27,867</u>
Total Non-Current Liabilities	<u>27,867</u>	<u>27,867</u>
TOTAL LIABILITIES	<u>1,032,544</u>	<u>1,101,095</u>
NET ASSETS	<u>\$9,623,442</u>	<u>\$12,544,305</u>
MEMBERS EQUITY		
Reserves	588,450	528,153
Accumulated surplus (losses)	(71,016)	7,374
Members interests	<u>9,106,008</u>	<u>12,008,778</u>
TOTAL EQUITY	<u>\$9,623,442</u>	<u>\$12,544,305</u>

The accompanying notes form part of these financial statements.

**INTERCHANGE VACATION CLUB
ARSN 096 286 369**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007**

	\$	\$	\$	\$	\$
	Members Rights	Accumulated Surplus (Losses)	Asset Reserves	Financial Assets Reserve	Total
Balance at 01.01.2007	<u>11,988,450</u>	<u>(25,223)</u>	<u>130,733</u>	<u>309,769</u>	<u>12,403,729</u>
Members' interests	20,328	-	-	-	20,328
Profit for the period	-	32,597	-	-	32,597
Devaluation increment	-	-	-	(241,372)	(241,372)
Transfers to reserves	-	-	41,549	-	41,549
Asset movements	<u>-</u>	<u>-</u>	<u>287,474</u>	<u>-</u>	<u>287,474</u>
Balance at 31.12.2007	<u>12,008,778</u>	<u>7,374</u>	<u>459,756</u>	<u>68,397</u>	<u>12,544,305</u>
Members' interests	(255,726)	-	-	-	(255,726)
Profit for the period	-	(78,390)	-	-	(78,390)
Developer accommodation assets returned	(2,647,044)	-	-	-	(2,647,044)
Transfers to reserves	-	-	11,115	-	11,115
Asset movements	<u>-</u>	<u>-</u>	<u>49,182</u>	<u>-</u>	<u>49,182</u>
Balance at 31.12.2008	<u>9,106,008</u>	<u>(71,016)</u>	<u>520,053</u>	<u>68,397</u>	<u>9,623,442</u>

The accompanying notes form part of these financial statements

INTERCHANGE VACATION CLUB
ARSN 096 286 369

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from members	3,585,097	3,806,357
Interest received	9,253	16,158
Payments to suppliers	<u>(3,861,298)</u>	<u>(4,590,144)</u>
Net cash provided by / (used in) operating activities	<u>(266,948)</u>	<u>(767,629)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of assets	184,462	401,635
Developer purchase contributions	11,115	41,549
Asset acquisitions	<u>(25,000)</u>	<u>(40,000)</u>
Net cash provided by / (used in) investing activities	<u>170,577</u>	<u>403,184</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds received from members applications	356,882	460,477
Payment of applications monies to developer	<u>(368,693)</u>	<u>(447,290)</u>
Net cash provided by / (used in) financing activities	<u>(11,811)</u>	<u>13,187</u>
Net increase / (decrease) in cash held	(108,182)	(351,258)
Cash at beginning of year	<u>374,868</u>	<u>726,126</u>
Cash at end of year	<u>266,686</u>	<u>374,868</u>

The accompanying notes form part of these financial statements

INTERCHANGE VACATION CLUB
ARSN 096 286 369

NOTES TO THE CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report is an extract from the full financial report for the year ended 31 December 2008. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: *Concise Financial Reports* and the Corporations Act 2001.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of the Club. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Club as the full financial report.

The financial report of the Club complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

	2008	2007
2. REVENUE		
Foreign currency gains	2,231	4,626
Interest received	9,253	16,158
Other fees received	349	1,287
Rental income	-	1,543
Subscription fees	873,659	808,512
User charges	<u>3,356,609</u>	<u>3,541,594</u>
	4,242,101	4,373,720
Other Income		
Gain on property settlements	<u>110,281</u>	<u>74,161</u>
Total revenue	<u>4,352,382</u>	<u>4,447,881</u>

3. SEGMENT REPORTING

The Club is a registered managed investment scheme, which operates a points based timeshare scheme in Australia.

4. EVENTS SUBSEQUENT TO REPORTING DATE

The directors of the Responsible Entity, Club Leisure Group Ltd have entered into an agreement with Classic Group in relation to the transfer of management and responsible entity rights in respect of the Club. This agreement is subject to due diligence procedures which will commence in April 2009.

**INTERCHANGE VACATION CLUB
ARSN 096 286 369**

RESPONSIBLE ENTITY'S DECLARATION

The Directors of the Responsible Entity, **Club Leisure Group Limited** A.C.N. 095 069 024, declare that the concise financial report for the financial year ended 31 December 2008, as set out on pages 4 to 9:

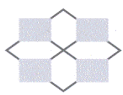
- (a) complies with the Accounting Standards AASB 1039: *Concise Financial Reports*; and
- (b) is an extract from the full financial report for the year ended 31 December 2008; and has been derived from and is consistent with the full financial report of **Interchange Vacation Club**.

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

For and on behalf of Club Leisure Group Limited



Robert Ridgway - **Director**
Gold Coast, 30 March 2009



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

Report on the Financial Report

The accompanying concise financial report of **Interchange Vacation Club**, which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes are derived from the audited financial report of **Interchange Vacation Club** for the year ended 31 December 2008, and the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

Directors' Responsibility for the Financial Report

The directors of the responsible entity are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: *Concise Financial Reports* (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of **Interchange Vacation Club** for the year ended 31 December 2008. Our audit report on the financial report for the year was signed on 30 March 2009 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039: *Concise Financial Reports*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the concise financial report including the discussion and analysis of Interchange Vacation Club for the year ended 31 December 2008 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

Wilco Chartered Accountants

C J Wildermuth

Gold Coast, 30 March 2009