

ANNUAL REPORT 2022-2023



PROBUS SOUTH PACIFIC LIMITED

FUN, FRIENDSHIP AND FELLOWSHIP



TABLE OF CONTENTS

Page No.

2	About Probus
2	About Probus South Pacific Limited
3	Board of Directors
6	Chairman's Report
8	Treasurer's Report
10	Chief Executive Officer's Report
	ANNUAL FINANCIAL REPORT
12	Corporate information
13	Directors' Report
16	Auditor's independence declaration
17	Statement of profit or loss and other comprehensive income
18	Statement of financial position
19	Statement of changes in funds
20	Statement of cash flows
21	Notes to the financial statements
38	Directors' declaration
39	Independent auditor's report

ABOUT PROBUS

Probus is a not-for-profit and non-political network of Clubs across Australia and New Zealand. Probus is also Rotary's most successful community service activity for retirees.

Probus is the social club of choice for active members of the community who are no longer working full-time. It provides members with a wide range of opportunities to connect socially, stay mentally and physically active but more importantly, Probus provides members with the opportunity to make new friends.

The benefits of social connections, particularly in the mature generation, are well documented. These include an improvement in mental health and wellbeing, reducing the risk of anxiety, depression and of course, loneliness.

The pandemic has highlighted how critical these social connections are to our quality of life, and Probus is proud to provide the opportunity for those connections to thousands of retirees and semi-retirees across Australia and New Zealand.

A BRIEF HISTORY

The first Probus Clubs in the South Pacific region were the Probus Club of Kapiti Coast in New Zealand in 1974 and the Probus Club of Hunters Hill in Australia in 1976. Due to the rapid expansion of Probus in both Australia and New Zealand, it was recognised that a central administration centre was needed to support Probus Clubs in the South Pacific region.

By 1981 there were 44 Clubs in Australia and New Zealand and this saw the formation of the "Probus Information Committee". This was the foundation that led to the later PROBUS umbrella organisations initially "Probus Centre - South Pacific Inc" and today "Probus South Pacific Limited".

In 2011, Probus Centre – South Pacific Inc became Probus South Pacific Limited (PSPL). This was a change in the corporate structure from an incorporated association to a company limited by guarantee. A company limited by guarantee is the appropriate structure for "not-for-profit organisations" which operate beyond State and Territory boundaries.

PSPL is governed by a constitution that outlines the objectives and role of PSPL including its membership and Board structure.

ABOUT PROBUS SOUTH PACIFIC LIMITED

PSPL's role is to serve the members of our Probus community, a community that shares the Probus values that have been developed over 47 years. It is these values and our motto of Friendship, Fellowship and Fun that are at the core of Probus.

Under the direction of the PSPL Board, the PSPL Team is responsible for ensuring the efficient and effective delivery of a wide range of services including administration, insurance, member benefits and support to Probus Clubs and Probus Club members in the South Pacific region.

Each of the members of the PSPL Board acts in a voluntary capacity dedicated to ensuring that Probus is the social club of choice for retirees.

OUR VISION

To promote the growth, development and support for the Probus Community in the South Pacific region, as the most recognised and accessible organisation for retirees, fostering friendship, fellowship and fun!

BOARD OF DIRECTORS

CURRENT DIRECTORS



JUDITH MAESTRACCI AM

Chairman

Judith is a Foundation Member and Past President of the Probus Club of Indooroopilly Inc., Queensland, and is the Representative Member for Queensland. She is also a Foundation Member and former Secretary of the Probus Club of Paddington Inc., and has served two terms as a member of the Management Committee of the Probus Association of Queensland.

Judith has owned and operated her own businesses, held senior corporate management roles and served as Chairman and non-executive Director in numerous listed and unlisted companies, government entities, commissions and not-for-profit organisations.

She was recognised for her contribution to community, sport and tourism industry in 1996 appointed as a Member of the Order of Australia (AM).



MICHAEL RANSOM B. Agr. Sc, Dig Agr., MAICD

Vice - Chairman

Michael is a Foundation Member and Past President of the Mitcham Nunawading Probus Club, and is the Representative Member for Victoria and Tasmania.

He retired after a career in conservation and primary industries agencies for the Victorian Government. He has been on the Board of a number of sporting and education organisations. Michael is a member of the Australian Institute of Company Directors.



DAVID EKERT BA (Accounting), MBA, CPA

Treasurer

David is a Foundation Member and Past President of the Cornubia Probus Club in Southeast Queensland and has held all Executive positions in his Club. He is a past Rotarian, a Paul Harris Fellow and has been granted Honorary Membership of his former Rotary Club. David currently serves as a Director of a listed financial services company and has held Committee and Board positions with a number of community organisations.

David is a qualified accountant and has held executive financial and general management roles in Government and industry, as well as program and project management of major business change initiatives.



ANTHONY BLABER BSc, CStJ

Anthony is a Foundation Member of the Combined Probus Club of West Melton in New Zealand and is the Representative Member for New Zealand.

Early in his professional career, he was a Chartered Engineer in the United Kingdom and New Zealand and later a member of the senior management team of Hato Hone St John in New Zealand, now retired.

He is a Commander of the Order of St John and also a Trustee and Executive Officer of the New Zealand Paramedic Education and Research Charitable Trust.



GRAEME BROWN FCPA, FCHSM

Graeme is a Foundation Member of the Combined Probus Club of Leeming, formed in 2008, and was the Foundation President for two years. He was also President of the Probus Association of Western Australia and is currently the Probus District Chair of Rotary District 9465. Graeme is the Representative Member for Western Australia.

His working life was in the health management field of both acute and aged care.



JOHN HALL B. Agr. Sc, M.Agr. St, M Envir. St.

John is a member of the Campbelltown Combined Probus Club and a Foundation Member of the St Peters Probus Club in South Australia. He is currently the Probus District Chairman for the East and South Metro Adelaide District. John is the Representative Member for South Australia and Northern Territory.

John operates his own consulting practice in agriculture and environmental management and has 50 years of experience working in rural development projects and with farmers and land managers in Australia, Nepal, Bhutan, Pakistan, China and New Zealand.



WILLIAM (BILL) KILLINGER AM, BE FIEAust

Bill is a member and Past President of Warrawee Probus Club Inc. He is a retired civil engineer and has served as Chairman and Director of public and private companies in the mining and construction industries in Australia and North America. Bill is the Representative Member for New South Wales and the Australian Capital Territory.

In 2009, he was appointed a Member of the Order of Australia (AM) for service to the community and to his profession both in Australia and internationally.



MERVYN (MERV) RICHENS OAM

Merv is a member of the Probus Club of Springwood, Queensland and is an Appointed Director. He has served the community as an active Rotarian since 1964 and is a Past District Governor, Paul Harris Fellow and Rotary Foundation Benefactor. He has served on a number of Rotary International committees and is still an active member of the Rotary Club of Loganholme. Most of Merv's working life has been involved with refrigeration and air conditioning contracting, and he has served on the boards of a number of state and national industry related organisations.

Merv is the Probus District Chairman for District 9620. Working in combination with local Rotary Clubs and the Probus Association of Qld, Merv has been involved with the formation of a number of new Clubs in Queensland.

**PETER TURNER** MBA, LLB, BA, FGIA

Peter is a Past President of the Men's Probus Club of Toorak Inc., Victoria and is an Appointed Director.

He has many years of business experience in the private sector in both Australia and overseas.

He held senior positions in the Royal Philips Electronics Group, Foster's Group Limited and the Australian Corporate Lawyers Association (now the Association of Corporate Counsel Australia), of which he was also the Chief Executive Officer.

FORMER DIRECTOR**DAVID SIMPSON** AAIB, JP

David is a Past President of the Combined Probus Club of West Lakes and is currently a member of West Lakes Shore Probus Club.

David had a 40-year career in the banking industry and retired as SA Manager Private Banking for a major bank. He then worked for ten years as Practice Manager for an accounting firm. He has had extensive experience as chairman or president for various community organisations.

David also served as the Rotary District Probus Chairman for District 9500 from 2015 to 2018. David was previously the Representative Member for South Australia and Northern Territory up until 19 August 2021 and was the Immediate Past Chairman up until 24 August 2022.

CHAIRMAN'S REPORT



My report for the 2022-2023 year addresses one of the most challenging periods in the history of our organisation, but which has resulted in a strengthened commitment to the growth of Probus in Australia and New Zealand. The recovery from the operational upheaval imposed by the pandemic has been steady and measured.

Prior to COVID-19, we were confident that our membership was stable and increasing, as the decline in membership had slowed, and we had targeted to break even in 2022. However, the effects of the pandemic continued throughout the year, for both the Probus Community and Probus South Pacific Limited (PSPL). While many new retirees continued to join our community daily, the ageing of members coupled with concerns over COVID-19 resulted in a further reduction in overall membership and sadly, the closure of a number of Clubs.

PSPL continued to provide its wide range of membership, insurance, administration and support services throughout the year with less staff than prior to COVID-19. This understandably curtailed our ability to form new Clubs as well as to progress key initiatives such as the Club constitutional review and the redevelopment of our website.

Ten new Probus Clubs were formed during the year. In New South Wales they were: Bilgola Plateau Probus, Camden Combined Probus, Gilead Probus and The Oaks Probus Clubs. In Queensland they were: Arana Hills District Probus and Victoria Point Probus Clubs. In South Australia, the Adelaide CBD Probus Club. In Victoria: Wandin Probus and Alfredton Lucas Probus Clubs, and in Tasmania: Devonport City Probus.

Our membership development strategy continued to be supported by Membership Representatives who included our RDPCs, PDCs, Ambassadors and Associations' committees and representatives as well as an active working group of Directors. All are volunteers who have taken on the commitment to grow Probus in both existing Clubs and by the formation of new Clubs, which is the key to achieving growth.

While many Clubs were able to return to normal levels of activity during the year, some were still experiencing challenges in attracting new members to fill vacancies. Fortunately, many of the newly formed Clubs were at or near capacity in a relatively short period of time, reflecting the valued role that Probus plays in the community.

We have continued to actively engage with our communities. Our strategy to preserve and reinforce our relationship with our networks continues to be a primary aim, maintaining our connections by increasing our publications and messages and conducting relevant communications at Club, regional and national levels.

For many of us, the past 12 months have meant a greater awareness of our well-being, and a sense of resilience has emerged. We are regularly reminded of the loyalty and tenacity of our Management Committees and of members contributing to their Club's future success.

NEW OPPORTUNITIES

In early 2023 we announced a partnership between Probus and Black Dog Ride (BDR), which has as its goal, to touch the lives of tens of thousands of Australians with a message of hope and resilience.

The alliance aims to communicate a simple and effective way for people to make new friends, increase their community connection and their social cohesion. This is widely recognised as the path to reducing loneliness. A multi-faceted promotional and advertising campaign was launched in June with the intent of initiating a national conversation and promoting the ideals of Probus. While BDR does not operate in New Zealand, similar messaging will be used there to highlight the value of social connections, particularly in the mature generation.

Our Probus' Partnership Program has proved to be most successful. We continued to identify and negotiate with companies which provided incentives and offered discounts to our members through our Member Benefits Program.

During the year, the PSPL Board identified new challenges and opportunities and responded by the formation of specific and specialist Board Committees that worked with Management to instigate appropriate strategies to ensure the Company's long-term viability.

DIRECTORS

At PSPL's Annual General Meeting in August 2022, we farewelled Immediate Past Chairman David Simpson, who had loyally served the Probus Community as the Representative Member/Director for South Australia/Northern Territory for over 5 years.

During the year we called for nominations from Probus Club members to serve on the PSPL Board to succeed a number of Directors who are retiring. Nominations were sought to fill vacancies for the positions of

Representative Member/Director for New Zealand, Representative Member/Director for New South Wales/Australian Capital Territory and Representative Member/Director for Western Australia.

We also sought nominations from Probus Club members for participation in the Nominating Selection Committees to assess the Board nominees. As a result, in August 2023, the Board will welcome David Malone for New South Wales/ACT, Peter Olney for Western Australia and, returning to the Board, Past PSPL Chairman, Margaret Drake, for New Zealand. We thank all applicants and the members of the Nominating Selection Committees for their commitment and participation.

Thank you too to a number of retiring Directors, who made exceptional contributions to the advancement of our objectives. Graeme Brown, Bill Killinger and Tony Blaber, thank you for your dedication, and commitment to the Probus Community.

PROBUS DAY

Our first three Probus Days were very successful and have since evolved into celebrations carried on throughout the month of October. Probus Day 2022 was very impressive with many Clubs and clusters of Clubs adopting the concept and making it their own. Throughout the year, our PSPL marketing and promotional team, headed by Monika Prasad, continued to develop this initiative and this year, will once again offer a wonderful array of creative ideas and ways for Clubs to celebrate.

Throughout Australia and New Zealand, Probus Day and its month-long celebrations, which include morning teas, picnics, lunches and boat cruises and the lighting of numerous landmarks, including bridges, in our signature blue and gold colours, symbolises the role that Probus plays in the wider community.

In fact, our very own South Pacific Probus Day concept has been “borrowed” by Probus organisations and Clubs across the globe. Through the structures and networks of Probus members worldwide, it is truly wonderful to share the common bond of fun and friendship and now, our Probus Month too!

GOVERNMENT

Although Probus is non-political, as part of our Probus Day and Black Dog Ride campaigns, we have engaged with local, state, territory, federal and national government representatives. Again, this year, we are seeking their active support to inform their constituents via their various communication channels that Probus provides retirees and semi-retirees with the opportunity to connect socially, encouraging them to maintain an active role in their communities.

Many politicians recognise and acknowledge that our Clubs continue to provide meaningful social connection for our members, and a means to be informed and encouraged to stay mentally and physically active, and, more importantly, to help them make new friends.

CLUB CONSTITUTIONAL REVIEW

While the review of the Standard Probus Club Constitution (and associated incorporated models) has not advanced as far as initially expected, work continued throughout

the year, and we expect to be able to release proposed changes to the Articles of Accreditation for consultation with Clubs in the coming months.

Our primary objective with this review is to provide clear, concise Constitutions which are compliant with the legislation of each State and Territory in Australia and New Zealand and that reflect modern practices, thereby assisting Clubs in their overall management.

FUTURE

Probus' future is one of progression. We continue to actively promote the benefits of Probus membership, and I look forward to working with all Probians as we seek to attract more people to our Probus family.

As Chairman, I have been wonderfully and loyally supported in my role, while admiring the quality and knowledge of our PSPL Directors. They have a wide range of skills in law, finance, business, government, training and administration. Members can be assured that our organisation is well served by this outstanding voluntary team.

I have greatly enjoyed serving the Probus Community as Chairman and have received a lot of satisfaction and fulfillment. I look forward to continuing my contribution in the future.

ACKNOWLEDGEMENTS

As stated earlier, the past three and a half years have been challenging for all of us and for our Probus Community. On behalf of my fellow Directors, I wish to thank and recognise our tenacious PSPL Team for their dedication.

Under the admirable management of our CEO, Silvana Martignago, and her dedicated team, all of our services were maintained last year, and, in fact, our Club and Membership Representative training programs were substantially increased. I am pleased to report that although our staff levels have not yet returned to pre-pandemic levels, we have recently employed two new staff members to support our future growth efforts.

May I thank each and every one of our team for their dedication during difficult times and welcome our new team members. They are all, of course, part of the Probus family.



Judith Maestracci AM
Chairman

TREASURER'S REPORT



As noted in the Review of Operations, the ongoing impact of the pandemic has seen overall Probus membership decrease with the direct financial impact of this reflected in a reduction in total Capitation Fees received. To support Clubs in their re-growth following the pandemic, the Board decided not to increase Capitation Fees per member from the previous year. At the same time, costs of delivering services increased and the level of Government Assistance fell, leading to an overall decrease in the Surplus before Income Tax.

Details of the financial results for the year, and the financial position at the end of the year, can be found in the formal financial statements. The table that follows summarises financial performance across the two years.

SUMMARY OF FINANCIAL PERFORMANCE

Item	2021/22 \$	2020/21 \$
Operating Revenue	1,776,326	1,693,086
Operating Expenditure	1,745,554	1,668,025
Operating Surplus / (Deficit)	30,772	25,061
Other Income		
- Government Assistance	34,269	119,871
- Reversal of Unused Provision		
Surplus/(Deficit) before Income Tax	65,041	144,932
Income Tax Expense / (benefit)	22,870	26,963
Surplus for the year	42,171	117,969
Other Comprehensive Income – revaluation of Office Suite	-	487,422
Total Comprehensive Surplus for the year	42,171	605,391

Key points to note from this table:

- The decrease in Capitation Fees (\$89,038) was offset by increases in Publication and Partner income and other income items (\$172,278) leading to an increase in Operating Revenue.

- Operating Revenue and Expenditure have been separated from abnormal items to give a better indication of operational performance. The resulting Operating Surplus is closely comparable with the previous year, with an identical Cost to Income Ratio across the two years.
- Expenses have been carefully managed to levels consistent with the need to provide additional support to Clubs to aid in their future membership growth, through direct liaison with Clubs and members, through training and marketing support, and through supplementing full-time staff members with casual staff when needed.
- The Company has developed the capacity for Clubs to provide their annual returns online. The take-up of this facility is encouraging and is expected to deliver further efficiencies for the Company and Clubs.
- The grant received from Black Dog Ride, described in the Review of Operations, has not been included in income for this financial year as the activities to be funded by the grant will occur in the 2023/24 financial year. The grant is currently included in "Other Liabilities" in the Statement of Financial Position.

The Company's financial position at year-end remained strong. Notable items in the Statement of Financial Position are summarised in this table.

SUMMARY OF FINANCIAL POSITION

Item	2021/22 \$	2020/21 \$
Total Assets	3,827,505	3,685,750
Total Liabilities	1,118,302	1,018,718
Total Funds	2,709,203	2,667,032
Working Capital	711,182	648,408
Working Capital Ratio	1.97	2.00

Points to note:

- The Balance Sheet is stronger in the key measures of Net Assets and Working Capital compared to the position in 2022.
- Provisions for Employee Benefits (\$168,948) and expenses related to the Club constitutional review (\$72,128) and redevelopment of the Company's

website (\$60,000) are included in Liabilities.

- The Company's liquidity is strong, with cash holdings of \$1,131,318. The Working Capital ratio of 1.97 reinforces this strong position.
- The Company's financial statements have been prepared on a "Going Concern" basis.

AUDIT

The financial records of the Company and the statutory financial statements have been audited by Cabel Partners and the unqualified audit report is provided as part of the Annual Report.

The PSPL staff who have prepared these statements have done so in difficult circumstances with uncertainty around the effects of the pandemic and its impact on Clubs and the pressures of managing this workload with reduced staff numbers. PSPL management and staff members should be commended, with gratitude, for their efforts.

OUTLOOK

The focus of the Company and across the Probus network will continue to be on growth in Clubs and their membership and to arrest the current decline in member numbers. To this end, the grant funds received from Black Dog Ride will be supplemented from within the Company's resources to provide an extensive publicity campaign with the expectation that the invitation to "Discover Probus" will resonate in the community.



David Ekert

Treasurer

CHIEF EXECUTIVE OFFICER'S REPORT



As the Probus service and support centre, PSPL's key objective is to help Clubs and Associations across Australia and New Zealand deliver fun and friendship for their members. This is achieved through the provision of a wide range of membership, administration, insurance, member benefit and support services.

This year has been particularly challenging for PSPL. Although it has been more than three years since the pandemic was officially declared, like most businesses, we continued to feel its impact.

Our initial response was a restructure of our operations, which was necessary to ensure that we could continue to provide the range of services that both Clubs and members expected from us, at a cost-effective level.

While some of our workload was lost through the suspension of travel, this was replaced with additional services to help Clubs and members adapt to a COVID world. A loss of revenue in a number of key areas meant that work that was previously outsourced had to be absorbed by PSPL staff, which increased the workload on the smaller sized team.

As we emerged from the worst stages of the pandemic, it became clear that further staff were needed. While we were successful in recruiting some new members to our team during the year, it took us longer due to the pressure on the labour market which meant that for a substantial portion of the year, not all of the available roles were filled.

Despite this pressure on resources, the team was able to effectively deliver a wide range of services and I am pleased to provide an outline of our key activities over the past year.

MEMBERSHIP & ADMINISTRATION

Membership growth is normally achieved by helping Clubs achieve their membership goals as well as by the formation of new Clubs.

Our assistance to existing Clubs included the launch of new promotional material with a call to action for potential members to **DISCOVER PROBUS**, which was very well received. We also launched our new **Guide on Attracting New Members and Effective Club Leadership**, which provided Clubs with practical steps to achieve those objectives.

Understandably, our ability to form new Clubs was impacted by the reduced level of resources at PSPL, with 10 Clubs formed during the year. The location of

these Clubs is provided in the Chairman's report.

To create further awareness of Probus, we entered into a collaboration with Black Dog Ride to actively encourage older Australians to learn more about the benefits of joining a Probus Club. While the promotion will occur in the forthcoming year, much of the preparation work for the alliance occurred during the 22-23 year. This included the development of a radio commercial and other materials necessary to deliver a marketing campaign using radio, print and digital publications. While Black Dog Ride is based in Australia, the campaign will provide benefits to both Australia and New Zealand through the use of similar collateral.

A key component of our membership strategy is working with our many Membership Representatives who include RDPCs, PDCs, Ambassadors and Associations. Their support throughout the year has been invaluable and I take this opportunity to thank all of those volunteers for their commitment to Probus.

Another key activity this year was the delivery of a number of face-to-face Probus information sessions in various areas including New Zealand, Tasmania and Victoria. Virtual sessions were also held throughout the year for many Clubs and Membership Representatives. Associations in Western Australia and Queensland also delivered training and workshops with material and support provided by our team.

This year also saw the establishment of a 50th Anniversary Planning Committee for the celebration of 50 years of Probus in New Zealand. This Committee is made up of New Zealand Probus Club members, PDCs, Rotarians and PSPL staff.

As well, in April 2022, we provided Clubs with the ability to submit their annual returns online. While the development of this facility occurred in the previous year, our administration team spent a significant amount of time at the beginning of this year helping Management Committee members learn to use the new facility. The new option saves time for Management Committee members in the provision of information to PSPL and delivers efficiency in the processing of the information by PSPL staff.

During the year, a separate online facility was developed to allow Clubs to submit changes to member and Management Committee information throughout the year. We expect to make this available to Clubs by September this year.

As indicated in the Chairman's report, work continued on the review of the Standard Probus Club Constitution and associated incorporated models however it was not progressed as initially anticipated due to resourcing issues.

Our objective with the review is to provide Clubs with more flexibility to manage their own affairs by way of Standing Resolutions, which we expect will assist with succession planning and overall Club management.

PUBLICATIONS & PARTNERSHIPS

During the year, we provided our Community with a range of publications that included the Active Retirees magazines in Australia and New Zealand, Active Retirees E-Newsletters, Community News and Staying Connected. These publications are not only an important communication tool for our Probus Community, they are also an excellent marketing resource that showcases Probus to the wider community.

I would like to thank those advertisers and Partners who continued to support Probus through our publications and member benefits programs.

Throughout the year, we continued to negotiate with a New Zealand based insurer for the provision of travel insurance to our New Zealand members. Although this negotiation took much longer than anticipated, it is pleasing to note that at the time of writing this report, a travel insurance option for New Zealand members is now in place.

PROBUS DAY

As indicated in the Chairman's report, Probus Day has become a resounding success since its introduction in 2020. The concept was to provide Clubs with an

opportunity to celebrate their common bond of Probus fun and friendship. Probus Day is one of several additional services that we introduced after the pandemic to assist with the marketing of Probus generally. In addition to the co-ordinating of landmarks in Probus colours, we published media releases, communicated with government and provided a range of collateral to help Clubs mark the day.

Probus Day has now evolved into a month-long celebration that highlights just how amazing Probus is to both its members and to the Community.

ACKNOWLEDGEMENTS

As we close the door on yet another challenging year for the Probus Community and the PSPL Team, I would like to thank all Management Committee members and Membership Representatives for their dedication to Probus.

I would also like to thank the PSPL Board for its support and of course the PSPL Team at Parramatta, all of whom continue to show their commitment to Probus on a daily basis.

The Team looks forward to supporting you all again in the coming year.



Silvana Martignago
Chief Executive Officer

ANNUAL FINANCIAL REPORT

CORPORATE INFORMATION

DIRECTORS

Judith Maestracci AM (Chairman)
Michael Ransom (Vice Chairman)
David Ekert (Treasurer)
Anthony Blaber
Graeme Brown
John Hall
William Killinger AM
Mervyn Richens OAM
Peter Turner

COMPANY SECRETARY

Tony de Govrik

CHIEF EXECUTIVE OFFICER

Silvana Martignago

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Perth House
Ground Floor, Suite 1
85 George St
Parramatta NSW 2150

AUDITORS

CABEL Partners

TAX AND ACCOUNTING ADVISORS

William Buck

LAWYERS

Carroll & O'Dea

PATENT AND TRADEMARK ATTORNEYS

Wallington-Dummer
AJ Park

DIRECTORS' REPORT

The Directors present their report together with the financial statements, to the Members of Probus South Pacific Limited (the Company) for the financial year ended 31 March 2023 and the Independent Auditor's Report thereon.

DIRECTORS

The names of each person who has been a Director of the Company during or since the end of the financial year, including the number of Board meetings held during the year and the number of Board meetings attended by each Director, are as follows:

	Date appointed	Date of cessation	Board	
			A	B
Judith Maestracci AM	22 August 2019	-	7	7
Michael Ransom	24 November 2021	-	7	7
David Ekert	23 February 2022	-	7	7
Anthony Blaber	23 February 2017	-	7	7
Graeme Brown	17 September 2020	-	7	6
John Hall	19 August 2021	-	7	7
William Killinger AM	17 September 2020	-	7	7
Mervyn Richens OAM	24 November 2021	-	7	6
Peter Turner	11 June 2015	-	7	4
David Simpson	31 March 2017	24 August 2022	4	4

Where:

- **Column A** – is the number of Board meetings held during the time the Director held office during the year
- **Column B** – is the number of Board meetings the Director attended

PRINCIPAL ACTIVITIES

The Company's primary role is to act as a service and support centre for Probus and Probus Clubs in the South Pacific region. Under the direction of the Probus South Pacific Limited (PSPL) Board, the Chief Executive Officer is responsible for ensuring the efficient and effective delivery of a wide range of services and benefits including insurance, administration and support to Probus Clubs, Probus Associations, and Probus Club members in the South Pacific.

In furtherance of its primary role, the Company's principal activities are to:

- Promote the advancement of intellectual and cultural interests among persons who are retired or semi-retired in the community;
- Foster and facilitate friendship, fellowship and fun among Probians;
- Form, or promote the formation of, Probus Clubs either alone or in conjunction with Rotary Clubs (as sponsors) as a community service;
- Encourage Probus Clubs in the advancement of their objectives;
- Manage the affairs of Probus in the South Pacific; and
- Be responsible for determining policy matters relating to Probus within the South Pacific in accordance with the Company's constitution.

Currently these services are provided to accredited Probus Clubs and Probus Associations in Australia and New Zealand.

There have been no significant changes in the nature of these activities during the year.

SHORT AND LONG TERM OBJECTIVES AND STRATEGY

The Company's short and long-term objectives are to promote and implement the Company's vision, which is to promote the growth, development and support for the Probus Community in the South Pacific region. The Company focuses on the retention and growth of Probus Club membership, fostering the true spirit of Probus – friendship, fellowship and fun; thus encouraging active retirees.

REVIEW OF OPERATIONS AND FINANCIAL OUTCOMES

As foreshadowed in previous reports, the Company has continued to feel the ongoing impact of the pandemic with a decline in Probus Club membership, pressure on human resources given the challenges in the labour market and increases in costs associated with the delivery of services. Nevertheless, the Company has continued to maintain its sound financial position.

For the year ended 31 March 2023, the Company's net surplus before income tax expense and other comprehensive income was \$65,041 (2022 – \$144,932). This result included wage subsidies of \$34,269 from a government program.

The Company's net surplus after income tax expense and before other comprehensive income for the year was \$42,171 (2022 – \$117,969).

To support Clubs with their recovery, the Company did not increase the level of capitation fees payable for the 22-23 financial year. This resulted in a reduction in Capitation Fee revenue which was offset by increases in Publication and Partner income.

Overall, revenue for the year was \$1,810,595 compared to \$1,812,957 in the previous year. Expenditure for the year was \$1,745,554 compared to \$1,668,025 the previous year.

New club formations were limited with only 10 new Clubs formed during the year. Positively, a number of these Clubs have already met or exceeded their membership targets. On the other hand, there were also some Club closures, which were inevitable given the demographic.

To support the membership growth strategy, a range of new promotional materials have been produced and distributed for the use in the formation of new Clubs. The Company has also proactively assisted existing clubs undertaking initiatives to increase their membership.

The Company has continued to grow the range of member benefits available to Probus Club members through both the Partner Program and the Member Benefits Scheme. Unfortunately, the revival of travel insurance for our New Zealand members has taken longer than expected to negotiate, but this remains a very high priority for the Board.

The Company has invested in the development of an annual return module allowing Clubs to submit their annual returns online thereby creating efficiency for both Club Management Committee members and staff.

This innovation was implemented in April 2022 for the 2022-23 annual returns with positive feedback received from Clubs that took up the option.

During the year, work also continued on the Club constitutional review with the Company's Board approving proposed changes to the Articles of Accreditation for submission to and consultation with Probus Clubs in accordance with the Company's constitution. The objective of the constitutional review is to provide Probus Clubs with more flexibility to manage their internal affairs.

In addition to ongoing service and support provided to the Probus Community, the Company has continued to be proactive in the area of membership growth and retention. A promotional campaign inviting retirees to DISCOVER PROBUS was launched with increased marketing activity centred around the importance of social connections.

The Company has also entered into a collaboration with Black Dog Ride to actively encourage older Australians to learn more about the benefits of joining a Probus Club. The collaboration includes a grant of \$50,000 to Probus for the promotion of these benefits through a range of mediums. Promotion will occur in the 2023-24 year, and includes a campaign using radio, print and digital publications in both Australia and New Zealand. While Black Dog Ride is based in Australia, the campaign will provide benefits to both countries through the use of similar collateral.

Despite the ongoing challenges, the Board is confident that the Company can continue to support Probus Clubs, Probus Associations and Club members both efficiently and effectively.

PERFORMANCE MEASURES

Directors and Management of the Company measure and monitor its performance through the use of indices and reporting procedures. Particular attention is given to feedback received from the Probus Community; their ideas and suggestions are evaluated and adopted where considered appropriate.

CORPORATE GOVERNANCE

The Board and Management of PSPL have adopted - and observe - the same high levels of good corporate governance that are expected of all Australian public companies. The Company has Charters in place which govern the Board and a number of Board Committees and these are reviewed annually and updated as required. As earlier mentioned, further work has been undertaken in relation to the Club constitutional review in preparation for consultation with Probus Clubs in accordance with the Company's constitution.

MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001*, and is a company limited by guarantee. Only Members of the Company are subject to the Members' guarantee. Its constitution provides that each Member may be liable to contribute an amount not exceeding \$10.00 towards meeting any outstanding obligations of the Company in the unlikely event that it is wound up without sufficient assets to pay its debts. At 31 March 2023, the total amount that Members of the Company are liable to contribute if the Company wound up is \$790.00 (2022 - \$800.00).

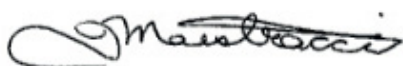
Accredited Probus Clubs that do not accept the invitation to become Members of the Company are not subject to the Members' guarantee. For the same reason, individual Probians have no liability either.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* appears on page 16 of this report and forms part of the Directors' report.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors:



Judith Maestracci AM
Chairman
19 July 2023



David Ekert
Treasurer
19 July 2023



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of **PROBUS SOUTH PACIFIC LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2023 there has 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.

**CABEL Partners
Chartered Accountants**

A handwritten signature in black ink that reads "Ray Khalil" with a stylized flourish at the end.

**Ray Khalil
Managing Partner**

**North Sydney
Dated this 19 July 2023**

Providing certainty

1 James Place, North Sydney NSW 2060
T. +61 (2) 8071 0300 www.cabel.com.au

ABN 16 602 260 757 Liability limited by a scheme approved under Professional Standards Legislation

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2023 \$	2022 \$
Revenue and other income			
Capitation fees		1,352,379	1,441,417
Publication and partner income		387,199	235,570
Royalties and other income		27,044	9,931
Foreign currency translation gains	2(i)	2,779	5,445
Interest income		6,925	723
Operating revenue	2(j)	1,776,326	1,693,086
Other income - Government assistance	2(l)	34,269	94,171
Other income - reversal of unused provision	2(f),13(b)	-	25,700
Total revenue and other income		1,810,595	1,812,957
Expenditure			
Employee benefits expenses	2(e),13(a)	759,480	696,427
Club support, administration and insurance	2(k)(i)	278,871	308,733
Membership growth, marketing and publications	2(k)(ii)	339,619	234,126
Computer services and support expenses		92,422	159,420
Depreciation and amortisation expenses	2(d),2(m)	117,433	102,182
Legal and company secretarial services	2(k)(iii)	87,504	81,794
Office suite maintenance		28,161	41,377
Auditors' remuneration			
Audit and review of financial report		18,189	18,258
Taxation compliance services		9,950	10,160
Storage expenses		1,848	1,217
Finance costs	14	-	710
Other expenses		12,077	13,621
Total expenditure		1,745,554	1,668,025
Surplus before income tax		65,041	144,932
Income tax expense	2(c),3	22,870	26,963
Surplus for the year		42,171	117,969
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of office suite, net of income tax	8, 16	-	487,422
Other comprehensive income for the year		-	487,422
Total comprehensive surplus for the year		42,171	605,391

This statement should be read in conjunction with the notes to the financial statements

STATEMENT OF FINANCIAL POSITION

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,131,318	997,011
Trade and other receivables	5	72,170	52,199
Term deposit	6	66,000	66,000
Tax asset	12	-	-
Deferred tax assets	16	119,614	109,891
Other assets	7	58,706	65,332
Total current assets		1,447,808	1,290,433
Non-current assets			
Office suite	8	2,210,555	2,287,222
Plant and equipment	9	28,792	19,060
Intangible assets	10	140,350	89,035
Total non-current assets		2,379,697	2,395,317
Total assets		3,827,505	3,685,750
Liabilities			
Current liabilities			
Trade and other payables	11	268,804	229,159
Tax liability	12	17,176	41,246
Provisions	13	284,172	288,726
Borrowings	14	-	-
Other liabilities	15	166,474	82,894
Total current liabilities		736,626	642,025
Non-current liabilities			
Provisions	13	16,904	11,921
Deferred tax liabilities	16	364,772	364,772
Total non-current liabilities		381,676	376,693
Total liabilities		1,118,302	1,018,718
Net assets		2,709,203	2,667,032
Funds			
Accumulated funds		1,635,114	1,592,943
Asset revaluation reserve		1,074,089	1,074,089
Total funds		2,709,203	2,667,032

This statement should be read in conjunction with the notes to the financial statements

STATEMENT OF CHANGES IN FUNDS

	Accumulated funds \$	Asset revaluation reserve \$	Total funds \$
Balance at 1 April 2021	1,474,974	586,667	2,061,641
Surplus for the year	117,969	-	117,969
Other comprehensive income for the year	-	487,422	487,422
Total comprehensive income for the year	117,969	487,422	605,391
Balance at 31 March 2022	1,592,943	1,074,089	2,667,032
Balance at 1 April 2022	1,592,943	1,074,089	2,667,032
Surplus for the year	42,171	-	42,171
Total comprehensive income for the year	42,171	-	42,171
Balance at 31 March 2023	1,635,114	1,074,089	2,709,203

This statement should be read in conjunction with the notes to the financial statements

STATEMENT OF CASH FLOWS

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from Probus clubs, suppliers and others		2,005,076	1,962,698
Interest income		6,925	723
Payments to suppliers, employees and others		(1,716,558)	(1,562,075)
Interest paid		-	(710)
Income tax (paid) / refund		(56,664)	1,347
Net cash provided by operating activities	19	238,779	401,983
Cash flows from investing activities			
Purchase of plant and equipment		(20,458)	(10,204)
Purchase of intangible assets		(84,014)	(725)
Net cash used in investing activities		(104,472)	(10,929)
Cash flows from financing activities			
Repayment of bank variable loan		-	(20,165)
Net cash used in financing activities		-	(20,165)
Net increase in cash and cash equivalents		134,307	370,889
Cash and cash equivalents at beginning of financial year		997,011	626,122
Cash and cash equivalents at end of financial year	2(h), 4	1,131,318	997,011

NOTES TO THE FINANCIAL STATEMENTS

1) Corporate information

The financial statements for Probus South Pacific Limited (the Company) for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Directors on 18 July 2023.

The Company is an individual entity, incorporated and domiciled in Australia. The Company is a company limited by guarantee.

The principal activities of the Company are described in the Directors' report.

2) Summary of accounting policies

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. The material accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

b) Going concern

Despite the further decline in overall Probus Club membership, the Directors have continued to present the Company's financial statements on a going concern basis confirming its sound financial position. As at balance date, the Company's working capital was \$711,182 (2022 - \$648,408).

c) Income tax

Income tax expense for the year comprises current tax expense (income) and deferred tax expense (income). It is recognised in the statement of profit or loss and other comprehensive income for the financial year.

i. Current tax

Current tax comprises the expected tax payable on the taxable income or loss for the financial year and any adjustment to tax payable in respect to previous financial years.

As the Company meets the definition of a "base rate entity" it is subject to a tax rate of 25.0% (2022 – 25.0%).

ii. Deferred tax

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be applied.

Deferred tax assets are reviewed by Management at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at reporting date.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss and other comprehensive income. Where the changes in deferred tax assets or liabilities relate to the

Notes to the financial statements (continued)

revaluation of the office suite, the related deferred tax or liability will be recognised in other comprehensive income.

d) Plant and equipment and office suite

Plant and equipment are measured on a cost basis and are therefore carried at cost less accumulated depreciation.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in net surplus before income tax expense in the year of disposal.

The carrying amount of the plant and equipment is reviewed annually by Management to ensure it is not more than the recoverable amount from those assets. The recoverable amount is assessed based on the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount and impairment losses are recognised in the statement of profit or loss and other comprehensive income or as a revaluation decrease if the impairment losses relate to a revalued asset.

The office suite is carried at fair value (see Note 2(d)(i)) at date of revaluation less accumulated depreciation.

i. Revaluation of office suite

Following initial recognition at cost, the office suite will be carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent depreciation on the office suite.

Fair value is determined by reference to a market-based appraisal, which is the amount for which the asset could be exchanged in an arm's length transaction as at the valuation date. Fair values are confirmed by independent valuations which will be obtained on a regular cycle to ensure that the carrying amounts do not differ materially from the asset's fair value at statement of financial position date.

The office suite is treated as a separate asset class. When the carrying amount of this asset class is increased because of a revaluation, the increase is credited to the asset revaluation reserve, except where it reverses a decrement previously recognised in the statement of profit or loss and other comprehensive income, in which case it is credited to this statement.

When the carrying amount of the office suite is decreased as a result of a revaluation, the decrease is recognised in the statement of profit or loss and other comprehensive income, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

ii. Depreciation

Depreciation on plant and equipment and office suite is calculated on a straight-line basis over their estimated useful lives to the Company commencing from the time the asset is held ready for use.

The estimated useful life of the office furniture and equipment is 5 years. The estimated remaining useful life of the office suite is 30 years as at the date of revaluation in 2022.

Notes to the financial statements (continued)

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

Class of Fixed Asset	Depreciation Fixed Rate
Office suite	3.33% - straight-line
Office furniture and equipment	20.00% - straight-line

The assets' residual values and useful lives are reviewed by Management, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated funds.

e) Employee benefits expenses**i. Short-term employee benefits**

Short-term employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render related service, include wages, salaries, annual and personal leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

At reporting date, any liabilities for wages and salaries, including non-monetary benefits are recognised as part of trade and other payables in the statement of financial position.

The liability for annual leave is recognised in the provision for employee entitlements as a current liability.

ii. Other long-term employee benefits

The Company presents employee benefit obligations as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

Provision for long service leave is a non-current liability if it is not expected to be settled within 12 months after the end of the reporting period and is measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in the statement of profit or loss and other comprehensive income in the periods in which the changes occur.

iii. Retirement benefit obligation

The Company contributes to superannuation plans. Contributions are recognised in the statement of profit or loss and other comprehensive income when they are paid or payable.

iv. Termination benefits

The Company will recognise a liability and expense for termination benefits when the Company can no longer withdraw the offer of those benefits.

f) Provisions

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

Notes to the financial statements (continued)

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g) 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).

i. Financial assets

All recognised financial assets are at their amortised cost.

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

Discounting is omitted as the effect of discounting is immaterial.

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 that 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.

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

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of financial assets 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.

Trade receivables

Impairment of trade receivables has 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 receivable 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.

As trade receivables are recognised and measured at amortised cost, discounting is omitted as the effect of discounting is immaterial.

ii. Financial liabilities

For the purpose of subsequent measurement, financial liabilities include trade creditors and other payables and bank overdraft. All financial liabilities are non-derivative financial liabilities. These are

Notes to the financial statements (continued)

recognised initially at fair value and subsequently measured at amortised cost. Discounting is omitted as the effect of discounting is immaterial.

h) 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. These deposits earn interest at market rates.

Cash and cash equivalents also include bank overdrafts. Bank overdrafts, if utilised, are shown within borrowings in current liabilities on the statement of financial position.

i) Functional and presentation currency

The financial statements are presented in Australian dollars (AUD), which is also the functional currency of the Company.

i. Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the 'spot' exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of profit or loss and other comprehensive income.

ii. Foreign operations

In the Company's financial statements, all assets, liabilities and transactions of the Company with a functional currency other than the AUD are translated into AUD at the spot rate as at that date. Any profit or loss calculated is referred to as a translation profit/loss as appropriate.

This applies to capitation fees paid by Probus Clubs in New Zealand.

j) 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 these goods and services. Revenue is recognised by applying a five-step model as follows:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is received from Probus Clubs for the provision of membership, administration and support services including the provision of the Probus National Insurance Programs. Consideration received for those services is initially deferred, included in other liabilities and is recognised as the service is performed.

Publications and Partner income includes advertising income from the Company's publications and income associated with the Company's arrangements with Partners through the Partnership Program and Member Benefits Scheme.

Revenue arising from the sale of other goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, duties and taxes paid.

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Notes to the financial statements (continued)**k) Expenses**

Expenses are recognised upon utilisation of the service or at the date of their incurrence.

i. Club support, administration and insurance

This covers a range of support services including costs associated with the provision of the National Insurance Programs and general office expenses such as postage, printing and stationery.

ii. Membership growth, marketing and publications

This includes the costs for membership growth including Probus Club formation costs, promoting and marketing Probus, such as brand awareness, members' benefits and public relations. Also included are the costs associated with the production and distribution of PSPL publications.

iii. Legal and company secretarial services

This includes expenses for general counsel and company secretarial services. This also includes costs associated with the protection of intellectual property.

l) Wage subsidies

During the financial year, the Company received wage subsidies through the Australian Apprenticeships Incentives Program and Boosting Apprenticeship Commencements scheme. These subsidies are disclosed in the statement of profit or loss and other comprehensive income.

m) Intangible assets**i. Trademarks & administration software**

The Company has registered trademarks in Australia and New Zealand. The trademarks are capitalised based on the costs incurred to register the trademarks.

The costs associated with development of the administration software have been capitalised as it will deliver future economic benefits and these benefits can be measured reliably.

ii. Subsequent measurement and amortisation

Trademarks and administration software are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over the estimated useful life. The useful life applied to trademarks is 10 years and to administration software is 7 years. Amortisation has been included within depreciation and amortisation expenses.

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

Class of Intangible asset	Amortisation Fixed Rate
Trademarks	10.00% - straight line
Administration software	14.30% - straight line

Subsequent expenditure on registered intangible assets is expensed as incurred.

The amortisation method and useful life are reviewed by Management at each reporting date.

n) Leases

For the 31 March 2023 and 31 March 2022 financial years, the Company had no leases to disclose.

o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which is disclosed as operating cash flows.

Notes to the financial statements (continued)**p) Comparative figures**

Where required by Accounting Standards or for the presentation of financial statements, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The Directors and Management of the Company will review annually, and if appropriate, amend the presentation of the financial statements or reclassify items in the financial statements to ensure the Company continues to comply with its reporting obligations.

q) Critical accounting estimates and assumptions

Directors and Management of the Company evaluate estimates and judgments incorporated in financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events that may impact the financial position of the Company and are based on current trends and economic data, obtained both externally and within the Company.

r) Trade creditors and accruals

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid at year end. These amounts are unsecured and are usually paid within 30 days of recognition.

s) Geographical information

The Company operates in Australia and New Zealand. The Company provides insurance, administration and support services from Australia.

t) Adoption of new and revised accounting standards

The Australian Accounting Standards Board (AASB) has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has determined to adopt the new standards, if applicable, when they become mandatory.

3) Income tax expense

The major components of tax expense, the reconciliation of the expected tax expense based on the domestic effective tax rate at 25.0% (2022 – 25.0%) and the reported tax expense in profit or loss are as follows:

	2023	2022
	\$	\$
Surplus before income tax expense	65,041	144,932
Domestic tax rate	25.0%	25.0%
Prima facie tax expense	16,260	36,233
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
Non-deductible expenses	6,610	8,788
Allowable deductions	-	(181)
Non-taxable income	-	(17,877)
Income tax expense	22,870	26,963

Notes 2(c) and 16 provides information on deferred tax assets and liabilities.

Notes to the financial statements (continued)

The statement of changes in funds provides information on deferred income recognised directly in the asset revaluation reserve in other comprehensive income.

	2023 \$	2022 \$
4) Cash and cash equivalents		
Cash on hand	500	500
Cash at bank - Australia	968,905	814,869
Cash at bank - New Zealand	161,913	181,642
	1,131,318	997,011
5) Trade and other receivables		
Trade receivables	65,009	35,389
Other receivables	7,161	16,810
	72,170	52,199
6) Term deposit	66,000	66,000

The Company has a 12 month fixed term deposit with a financial institution at the interest rate applicable at the time of investment. The Company can withdraw the monies prior to maturity subject to an early withdrawal fee.

Interest income from this term deposit is disclosed in the the statement of profit or loss and other comprehensive income.

	Notes	2023 \$	2022 \$
7) Other assets			
Prepayments – expenses		58,706	65,332
8) Office suite			
Independent valuation			
As at 1 April		2,300,000	1,800,000
Revaluation increment		-	649,896
Other movements	2d(i)	-	(149,896)
As at 31 March		2,300,000	2,300,000
Accumulated depreciation			
As at 1 April		(12,778)	(107,096)
Depreciation for the year		(76,667)	(55,578)
Other movements	2d(i)	-	149,896
As at 31 March		(89,445)	(12,778)
Net carrying amount as at 31 March		2,210,555	2,287,222

During the 2022 financial year, the partial ground floor suite within a strata building held by the Company was revalued by an independent and accredited Real Estate Valuer & Consultant. The Directors determined that the fair value of the office suite was to remain as per the independent valuation at \$2,300,000 (2022 - \$2,300,000).

If the cost model had been used, rather than the revalued amount, the carrying amount of the office suite less accumulated depreciation as at balance date would have been \$818,366 (2022 - \$846,506).

Notes to the financial statements (continued)

	2023 \$	2022 \$
9) Plant and equipment		
Cost value		
As at 1 April	53,877	53,472
Additions	20,458	10,204
Disposal of assets	(9,340)	(9,799)
As at 31 March	64,995	53,877
Accumulated depreciation		
As at 1 April	(34,817)	(31,436)
Depreciation for the year	(8,067)	(11,786)
Disposal of assets	6,681	8,405
As at 31 March	(36,203)	(34,817)
Net carrying amount as at 31 March	28,792	19,060
10) Intangible assets		
Trademarks		
Cost value		
As at 1 April	219,701	245,740
Additions	84,014	725
Disposal of assets	-	(26,764)
As at 31 March	303,715	219,701
Accumulated amortisation		
As at 1 April	(147,737)	(142,727)
Amortisation for the year	(22,456)	(24,575)
Disposal of assets	-	19,565
As at 31 March	(170,193)	(147,737)
Net carrying amount as at 31 March	133,522	71,964
Administration software		
Cost value		
As at 1 April	71,700	71,700
As at 31 March	71,700	71,700
Accumulated amortisation		
As at 1 April	(54,629)	(44,386)
Amortisation for the year	(10,243)	(10,243)
As at 31 March	(64,872)	(54,629)
Net carrying amount as at 31 March	6,828	17,071
Net carrying amount as at 31 March	140,350	89,035

Notes to the financial statements (continued)

	Notes	2023 \$	2022 \$
11) Trade and other payables			
Sundry creditors		238,804	199,159
Money Cover Insurance Fund		30,000	30,000
		268,804	229,159
12) Tax liability / (asset)			
Income tax expense payable	3	17,176	45,049
Company tax paid in advance		-	(3,803)
	2(c)	17,176	41,246
13) Employee benefits expenses and Provisions			
a. Employee benefits expenses			
Wages and salaries		693,671	638,011
Superannuation		65,809	58,416
		759,480	696,427
b. Provisions			
i. Current			
Provision for employees' annual leave		77,805	80,218
Provision for employees' long service leave		74,239	69,180
Provision for Constitution review expenses		72,128	79,328
Provision for website development expenses		60,000	60,000
		284,172	288,726
ii. Non-current			
Provision for employees' long service leave		16,904	11,921
Analysis of provisions			
	Employees annual leave	Employees long service leave	Other
	\$	\$	\$
Balance as at 1 April 2022	80,218	81,101	139,328
Increase in provisions in the period	51,417	10,042	-
Amounts paid	(53,830)	-	(7,200)
	77,805	91,143	132,128

The provision disclosed as Other in the above Analysis of provisions includes the estimated costs for the review of the Standard Constitution for Probus Clubs (and associated incorporated models) and the estimated cost to redevelop the Company's website. During the financial year, the Company paid \$7,200 (2022 - \$3,672) from the provision for costs incurred in the review of the Standard Constitution for Probus Clubs (and associated incorporated models).

Notes to the financial statements (continued)

	2023 \$	2022 \$
14) Borrowings		
Bank overdraft	-	-

The Company had a bank variable loan with a financial institution that matured on 12 December 2021.

Upon maturity of the bank variable loan, the Company converted the loan to a bank overdraft with the financial institution. The bank overdraft of \$150,000 is secured by a property mortgage over the Company's office suite. Interest is charged at a variable rate in accordance with the terms and conditions of the bank overdraft agreement. As at 31 March 2023 and 31 March 2022, the Company had not utilised the bank overdraft.

The finance costs disclosed in the statement of profit or loss and other comprehensive income includes costs associated with the Company's bank overdraft and bank variable loan.

15) Other liabilities

Deferred income	166,474	82,894
-----------------	---------	--------

As at the reporting date, all income received for services to be provided by the Company for the financial year ending 31 March 2024 is deferred and is recognised in that financial year. This includes capitation fees received in advance.

During the year, the Company entered into a collaboration with Black Dog Ride to actively encourage older Australians to learn more about the benefits of joining a Probus Club. The collaboration included a grant of \$50,000 for the promotion of these benefits through a range of mediums. This grant is included in deferred income and the income will be recognised in the financial year in which the promotions are undertaken.

16) Deferred tax assets and liabilities

Deferred taxes arising from differences and unused tax losses can be summarised as follows:

Deferred tax assets / (liabilities)	1 April 2022 \$	Recognised in other comprehensive income & other adjustments \$	Recognised in profit or loss \$	31 March 2023 \$
Non-current assets				
Office suite	(364,772)	-	-	(364,772)
Non-current liabilities				
Provisions for employee entitlements	2,980	-	1,246	4,226
Current liabilities				
Provisions and employee entitlements	75,673	-	(331)	75,342
Audit fees	4,499	-	-	4,499
Other	26,739	-	8,808	35,547
	109,891	-	9,723	119,614
	(254,881)	-	9,723	(245,158)

Notes to the financial statements (continued)

All deferred tax assets (including tax losses) have been recognised in the statement of financial position.

Deferred tax assets / (liabilities)	1 April 2021	Recognised in other comprehensive income & other adjustments	Recognised in profit or loss	31 March 2022
	\$	\$	\$	\$
Non-current assets				
Office suite	(202,298)	(162,474)	-	(364,772)
Non-current liabilities				
Provisions for employee entitlements	1,817	-	1,163	2,980
Current liabilities				
Provisions and employee entitlements	62,241	-	13,432	75,673
Audit fees	4,499	-	-	4,499
Other	23,248	(1,800)	5,291	26,739
	91,805	(1,800)	19,886	109,891
	(110,493)	(164,274)	19,886	(254,881)

The following is a reconciliation of the amount disclosed in the above column titled "Recognised in other comprehensive income"

Office Suite	\$
Revaluation increment	649,896
Deferred tax liability at 25.0%	(162,474)
	<u>(162,474)</u>
Movement through other comprehensive income	<u>487,422</u>

The amounts recognised in other comprehensive income relate to the revaluation of the office suite. Refer to the statement of changes in funds for the income tax relating to this component of other comprehensive income.

17) Financial instruments**Financial risk management – objectives and policies**

The Company's principal financial instruments are cash, term deposits and a bank overdraft. The main purpose for these financial instruments is to provide benefits and services to Probus Clubs and Probus Club members.

The Company has other financial instruments, such as trade debtors and creditors, which arise from its activities.

The Company manages the risks by ongoing identification and monitoring through an Executive Risk Management Committee. The Company's activities expose it to a variety of financial risks: market risk, credit risk, interest rate risk and liquidity risk. All financial assets and liabilities are carried at the amounts that approximate fair values.

a. Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency.

Notes to the financial statements (continued)**b. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to discharge its obligation. The Company is exposed to the following credit risk:

- amounts receivable in respect to capitation and subscription fees from Probus Clubs;
- advertising fees from customers advertising in the Company's publication; and
- counterparty risk in respect of funds deposited with several financial institutions.

The Company does not have any significant concentrations of credit risk. The Company has processes in place to ensure that sales of products and services are made to customers subject to appropriate credit histories and contractual agreements, which include payment terms. Any amounts not received by the payment date are followed up in accordance with the Company's credit management policy. There are no significant financial assets that are impaired.

The Company's funds are held at call across several bank accounts. The establishment of all accounts or investments require the approval of the PSPL Board. The current maximum exposure at reporting date is equal to the fair value of the financial instruments disclosed on the statement of financial position.

c. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Company is exposed to interest rate fluctuations on its cash, term deposits and bank overdraft. The Company monitors interest rates for cash and term deposits to maximise interest income. The Company monitors the interest rates on the bank overdraft to minimise interest expense.

d. Liquidity risk

Liquidity risk is the risk that the Company will not be able to discharge its financial liabilities as they fall due.

The Company manages liquidity risk by monitoring forecast cash flows and maintaining sufficient cash and cash equivalents to meet normal operating activities.

The Company's exposure to financial liabilities was a variable business loan that matured on 12 December 2021. Management reviews its liquidity requirements every month and if the Company has a short-term liquidity requirement to meet the Company's operating activities it will utilise the bank overdraft.

Trade and other payables are typically settled within 30 days.

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such the amounts may not reconcile to the statement of financial position.

	2023 \$	2022 \$
<i>Financial liability and financial asset maturity analysis – within 12 months</i>		
Financial liabilities due for payment		
Borrowings	-	-
Trade and other payables	268,804	229,159
Tax liability	17,176	41,246
Total contractual outflows	285,980	270,405
Total expected outflows	285,980	270,405

Notes to the financial statements (continued)

	2023 \$	2022 \$
Financial assets – cash flows realisable		
Cash and cash equivalents	1,131,318	997,011
Trade and other receivables	72,170	52,199
Term deposit	66,000	66,000
Tax asset	-	-
Total anticipated inflows	1,269,488	1,115,210
Net inflow on financial instruments	983,508	844,805

Fair values

Fair value estimation – the fair values of financial assets and financial liabilities are as per carrying amounts as presented in the statement of financial position. Fair value is an amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

18) Fair value measurement

When financial assets and financial liabilities are measured at fair value in the statement of financial position, they are grouped into three levels of a fair value hierarchy. The levels are defined based on the observability of significant inputs to the measurement as follows

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The following table shows the carrying amount of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

Financial assets measured at fair value - 31 March 2023

As at end of the financial year, the Company does not hold any financial assets that are required to be measured at fair value.

Financial assets not measured at fair value (see note A)

	Notes	Loans and receivables \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Cash and cash equivalents	4	1,131,318	-	-	-	-
Trade and other receivables	5	72,170	-	-	-	-
Term deposit	6	66,000	-	-	-	-
		1,269,488	-	-	-	-

Financial liabilities measured at fair value – 31 March 2023

		Borrowings \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Borrowings	14	-	-	-	-	-
		-	-	-	-	-

Notes to the financial statements (continued)

Financial liabilities not measured at fair value - 31 March 2023 (see note A)

		Creditors and other liabilities	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Trade and other payables	11	268,804	-	-	-	-
Tax liability	12	17,176	-	-	-	-
		285,980	-	-	-	-

Non-financial instruments fair value measurement – 31 March 2023

			Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Office suite	8	-	-	2,210,555	-	2,210,555

Financial assets measured at fair value – 31 March 2022

As at end of the financial year, the Company does not hold any financial assets that are required to be measured at fair value.

Financial assets not measured at fair value (see note A)

	Notes	Loans and receivables	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Cash and cash equivalents	4	997,011	-	-	-	-
Trade and other receivables	5	52,199	-	-	-	-
Term deposit	6	66,000	-	-	-	-
		1,115,210	-	-	-	-

Financial liabilities measured at fair value – 31 March 2022

		Borrowings	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Borrowings	14	-	-	-	-	-
		-	-	-	-	-

Financial liabilities not measured at fair value – 31 March 2022 (see note A)

		Creditors and other liabilities	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Trade and other payables	11	229,159	-	-	-	-
Tax liability	12	41,246	-	-	-	-
		270,405	-	-	-	-

Note A – The Company does not include fair value information for financial assets and financial liabilities such as short-term trade debtors and payables because their carrying amounts are a reasonable approximation of fair value.

Notes to the financial statements (continued)**Non-financial instruments fair value measurement – 31 March 2022**

			Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Office suite	8	-	-	2,287,222	-	2,287,222

19) Cash flow information**Reconciliation of cash flows from operating activities with surplus after income tax**

	2023	2022
	\$	\$
Surplus after income tax	42,171	117,969
Non-cash flows in surplus:		
- Depreciation and amortisation	117,433	102,182
- Loss on disposal of plant and equipment	2,659	8,593
Changes in assets and liabilities:		
- (Increase) in trade and other receivables	(19,971)	(11,363)
- Decrease in prepayments	6,626	11,381
- Increase in trade and other payables	39,645	59,215
- Increase in other liabilities	83,580	29,454
- (Decrease) / increase in tax payable	(27,873)	45,049
- Decrease in tax asset	3,803	1,347
- Increase in provisions	429	56,242
- (Decrease) in deferred tax assets / liabilities	(9,723)	(18,086)
Net cash provided by operating activities	238,779	401,983

20) Related parties and related party transactions

The Company has a contract with a related party of a key member of Management for the purpose of providing accounting and administrative services. The contract is based on normal commercial terms and conditions. Amount paid to 31 March 2023 was \$28,353 (2022 - \$33,256).

Apart from the details disclosed in this note, no Director or other related party has entered into a contract with the Company since the end of the previous financial year and there were no other contracts involving Directors or other related parties existing at year end.

Directors' compensation

In accordance with the Company's Constitution, the Directors are entitled to be reimbursed for travel and other associated expenses incurred in attending Directors' meetings and other meetings in connection with the Company's business. During the year, travel and other expenses totalling \$10,599 (2022 - \$3,103) were incurred by the Directors in fulfilling their role.

Remuneration paid to the Directors during the year was \$Nil (2022 - \$Nil).

Notes to the financial statements (continued)**Key management personnel compensation**

The compensation paid, payable or provided to key management personnel is as follows:

	2023	2022
	\$	\$
Short-term employee benefits	431,206	418,931
Post-employment benefits	38,443	35,698
Long-term employee benefits	89,281	81,101
	558,930	535,730

21) Contingent liabilities

There are no known contingent liabilities in relation to the 31 March 2023 or 31 March 2022 financial years.

22) Events after the reporting period

At the date of this report, there are no other matters or circumstances which have arisen since 31 March 2023 which have significantly affected or may significantly affect:

- (i) The operations of the Company;
- (ii) The results of those operations; or
- (iii) The state of affairs of the Company;

in future financial years following 31 March 2023.

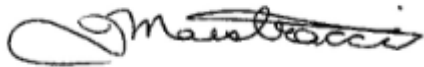
Directors' declaration

The Directors declare that in their opinion the attached financial statements and notes thereto:

- a) Comply with Australian accounting standards;
- b) Give a true and fair view of the financial position and performance of the Company;
- c) Are in accordance with the *Corporations Act 2001* and the Corporations Regulations 2001; and
- d) There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Judith Maestracci AM

Chairman

19 July 2023



David Ekert

Treasurer

19 July 2023



PROBUS SOUTH PACIFIC LIMITED
ABN 38 726 423 979
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PROBUS SOUTH PACIFIC LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of **Probus South Pacific Limited** (the company), which comprises the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, the statement of changes in funds and the 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 of **Probus South Pacific Limited** has been prepared in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 March 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards, and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of **Probus South Pacific Limited**, 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.

Providing certainty

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 March 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the company 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 company 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 Company'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 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit. We also provide an optional Good Practice Report, which the company has opted for. This report makes recommendations on matters which do not satisfy the definition of significant findings, but is intended to add value to the operations. There were no significant findings or deficiencies to report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

CABEL Partners
Chartered Accountants

A handwritten signature in black ink that reads "Ray Khalil". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Ray Khalil
Managing Partner

North Sydney
Dated this 19 July 2023

ALUMNI

Board of Directors 2011-2012

Ken Brand (Chair), Jean Burford (Immediate Past Chair), Margaret Robinson (Vice Chair), Gary Blackler (Treasurer), Geoff McLennan OAM, Anne Ducray, Veronica Semmler, David Allen, Murray Jensen MNZM, Don Wylie, Bill Lake

Board of Directors 2012-2013

Margaret Robinson (Chair), Ken Brand (Immediate Past Chair), Gary Blackler (Vice Chair), Veronica Semmler (Treasurer), David Allen, Peter Carroll, Murray Jensen MNZM, William Lake, John Lewis, Don Wylie

Board of Directors 2013-2014

Gary Blackler (Chair), Margaret Robinson (Immediate Past Chair), Peter Carroll (Vice Chair), Douglas Geekie (Treasurer), Robert B Cameron OAM, Roger Goldstone, Murray Jensen MNZM, Ian Scott, Veronica Semmler, Gary Williams

Board of Directors 2014-2015

Peter Carroll (Chair), Gary Blackler (Immediate Past Chair), Douglas Geekie (Vice Chair), Robert B Cameron OAM (Treasurer), Roger Goldstone, Jennie Herring, Murray Jensen MNZM, Trevor Lowes, Winston Marsh, Eric Penfold, Margaret Robinson, Ian Scott, Veronica Semmler

Board of Directors 2015 - 2016

Douglas Geekie (Chair), Peter Carroll (Immediate Past Chair), Robert B Cameron OAM (Vice Chair), Robert Renshaw (Treasurer), Margaret Drake, Peter Garnett MBE, Roger Goldstone, Murray Jensen MNZM, Phillip Marley, Winston Marsh, Eric Penfold, Margaret Robinson, Eean Thorne OAM, Peter Turner, Craig Winter

Board of Directors 2016 - 2017

Douglas Geekie (Chair), Peter Carroll (Immediate Past Chair), John Carson (Vice Chair), Philip Booth (Treasurer), Anthony Blaber, Bernie Bott, Margaret Drake, Phillip Marley, Winston Marsh, Eric Penfold, Robert Renshaw, David Simpson, Peter Turner, Craig Winter

Board of Directors 2017 - 2018

Douglas Geekie (Chair), Margaret Drake (Vice Chair), Philip Booth (Treasurer), Anthony Blaber, John Carson, Nicholas Ledingham, Phillip Marley, Ian Murray, Robert Renshaw, David Simpson, Peter Turner, Craig Winter

Board of Directors 2018 - 2019

Douglas Geekie (Chair), Margaret Drake (Vice Chair), Philip Booth (Treasurer), Anthony Blaber, Nicholas Ledingham, Bruce Morley, Ian Murray, David Simpson, Peter Turner, Craig Winter

Board of Directors 2019 - 2020

Margaret Drake (Chair), Douglas Geekie (Immediate Past Chair), David Simpson (Vice Chair), Douglas Newman (Treasurer), Anthony Blaber, Adriaan Geerlofs, Nicholas Ledingham, Judith Maestracci AM, Bruce Morley, Ian Murray, Peter Turner

Board of Directors 2020-2021

David Simpson (Chair), Margaret Drake (Immediate Past Chair), Judith Maestracci AM (Vice Chair), Douglas Newman (Treasurer), Anthony Blaber, Graeme Brown, Adriaan Geerlofs, William Killinger AM, Bruce Morley, Peter Turner

Board of Directors 2021-2022

Judith Maestracci AM (Chair), William Killinger (Vice Chair), David Ekert (Treasurer), David Simpson (Immediate Past Chair), Anthony Blaber, Graeme Brown, John Hall, Michael Ransom, Merv Richens, Peter Turner



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