

ANNUAL REPORT 2021-2022



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
39	Directors' declaration
40	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 last two years have 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 46 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).



WILLIAM (BILL) KILLINGER AM, BE FIEAust

Vice Chairman

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.



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 joined the Board as an Appointed Director on 23 February 2022. 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.



DAVID SIMPSON AAIB, JP

Immediate Past Chairman

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

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.



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 St John in New Zealand, now retired.

He is a Commander of the Order of St John and Priory Chapter Member. He is 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.



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

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.



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.

In recent years Merv has served as the Rotary District 9630 Probus Chairman and is currently the Probus District Chairman in his area and has been involved with the formation of several new Clubs in Queensland. Most of Merv's working life has been involved with refrigeration and air conditioning contracting and he retains an interest in computing and the information technology industry.



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 DIRECTORS



MARGARET DRAKE

Margaret is a Foundation Member of the Combined Probus Club of Rolleston in New Zealand and was the Immediate Past Chairman up until 19 August 2021.

She has received a Paul Harris Fellow award for her contribution to Rotary.

She has been actively involved in Inner Wheel and retired as a legal secretary/executive. She has also been Treasurer of her local Residents Association.



ADRIAAN (ARIE) GEERLOFS B.Comm

Arie was the Rotary Appointed Director up until 19 August 2021. He had a 37 year career in taxation in New Zealand and is a Past District Governor of Rotary District 9970.

He holds a degree in Commerce (Accountancy) and filled many roles on the boards of pre-schools, primary schools and is currently on the board of Hanmer Springs Forest Camp. He is a member of the Papanui Rotary Club in Christchurch and was awarded a Paul Harris Fellowship award in 2016.



BRUCE MORLEY B.COM, FCPA, FGIA, FCIS

Bruce is a member and Past President of the Probus Club of Mount Waverley Inc., Victoria and was the Representative Member for Victoria and Tasmania up until 23 February 2022.

He retired after a career in which he filled Executive Director and Executive Management roles in industry, predominantly in diversified manufacturing businesses. After retiring, he held non-executive Directorships in listed and unlisted Public Companies.

He has also held Board and Committee positions in sporting, health, tertiary education and community service organisations within the not-for-profit sector.



DOUGLAS NEWMAN CA, ACIS, AGIA

Doug is a member of the Probus Club of Sanctuary Cove Inc., in Queensland and was an Appointed Director up until 24 November 2021.

Prior to his retirement, Doug spent 35 years in the publishing, film and entertainment industries, holding various executive positions, including Group Controller and Company Secretary. His final position was Company Secretary and Alternate Director for Southern Star Group Limited.

CHAIRMAN'S REPORT



My report for the 2021-2022 year comes at a time of renewal and commitment to future growth. Following the operational upheaval to our organisation as well as the wider Probus Community during the past two plus years, there is a greater appreciation of how important our Clubs are to all of us.

As we have all experienced, the pandemic has changed the way we interact with each other in our communities. For many of us, a greater awareness of our well-being has emerged. Our primary aim has been to maintain our connections by increasing our publications and messages. Now that we are more actively re-engaging with our community, we are reminded of our sense of belonging.

Understandably, the pandemic has had a significant impact on our Clubs, members and of course, Probus South Pacific Limited (PSPL). Due to COVID-19, we have been restricted in the number of new formations with five new Clubs being formed in 2021-2022.

The implementation of our membership development strategy is proceeding as planned for the opening of new Clubs and active support to increase membership at existing Clubs. Of course, little of this progress would be possible without the commitment and resolve of not only our valued staff but also the extraordinary work undertaken by our Membership Representatives who include our RDPCs, PDCs, Ambassadors and Association representatives.

We are most mindful of the importance of supporting the growth of membership in existing Clubs, conscious of the fact that, like other community organisations, we have had a gradual decline in members over the years.

Prior to COVID-19, we were confident that our membership was stable and increasing, as the decline had slowed, and we had targeted to break even in membership in 2021. However, the effects of lockdowns, government restrictions and the precautions required to keep our members safe resulted in a further reduction in our membership and sadly, the closure of some Clubs.

Reflecting the fact that Probus was established more than four decades ago, Club closures were of course inevitable. The ageing of members and the pandemic has brought forward some of those closures. Fortunately, during the past year, many Clubs were able to return to normal levels of activity, although some Clubs are still experiencing challenges in attracting new members to fill vacancies.

Although a number of Clubs have reported a decline in membership, many others have advised that members who were reluctant to attend meetings in the previous two years are now returning. In addition, numerous Clubs are reporting an increase in interest and enquiries from potential members which is heartening.

As your representatives, your Board is confident that Probus membership will grow, and indeed flourish. The success of all our efforts is reflected in the imaginative and hard-working leadership teams in our Clubs. May I take this opportunity to thank each and every one of the thousands of volunteer Management Committee members who continued to lead their Clubs and Associations - your resilience is inspiring!

NEW OPPORTUNITIES

Indicative of renewed confidence in the business community, a Probus' Partnership Program has been introduced and is proving to be highly successful. We continue to identify and negotiate with companies to provide incentives and offer discounts to our members through our Member Benefits Program.

DIRECTORS

My three-year term as the Representative Member/Director for Queensland, has been renewed following nomination by my Club and a subsequent successful interview to continue in the role following our Annual General Meeting in August 2022.

I wish to extend my gratitude to David Simpson, previous Chairman and more recently, Past Chairman, who will retire at the AGM. David is both inspirational and wise, his knowledge and hands-on contribution to not only the workings of the Board, but also in his home State of South Australia are to be applauded. I wish David every success as he continues his Probus journey in his own Club and the Probus Community.

During the past twelve months we have welcomed four new Directors; John Hall, Michael Ransom, Merv Richens and David Ekert. All of these men are highly skilled and respected and are making an exceptional contribution to the advancement of our objective to build an even stronger and more resilient Probus.

During the year, the Board farewelled Bruce Morley as the Representative Member/Director for Victoria and Tasmania. We are all most grateful to Bruce for his expertise and oversight of the significant changes to our operations during the pandemic and later accepting the role of Treasurer, following the illness and later resignation of Treasurer Doug Newman. My thanks

also go to Doug for his skillful oversight of our financial management systems. On behalf of our Treasurers, I wish to acknowledge the significant contribution and professionalism of PSPL's Financial Controller, Stephanie Gonzalez.

The past year has been challenging to say the least, but as Chairman I have been wonderfully and loyally supported in my role, while admiring of 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 2020 and 2021 the Board responded to the challenges of the pandemic by the formation of a specific and specialist Board Committee that worked with Management to implement an appropriate strategy to ensure the Company's long-term viability.

The outcome of the implemented and closely managed financial strategy is outlined in the Treasurer's Report and Annual Financial Report. Sadly, one of the results of that strategy was a most regrettable reduction in the number of staff at PSPL.

Under the admirable management of our CEO Silvana Martignago, and her dedicated team, all of our services were maintained and, in fact, our Club and Membership Representative training programs were substantially increased. I am pleased to report that we have recently employed two new staff to support our 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.

PROBUS DAY

When I first conceived of an annual celebration aligned with the United Nations recognition of the role and relevance of older people, I hadn't envisaged the enthusiasm with which the *Probus Day* and month of celebrations would be embraced, not only by our Clubs and members, but also the wider community.

Despite the challenges, our first two Probus Days have been very successful. It was impressive how many Clubs and clusters of Clubs adopted the concept and made it their own. Our PSPL marketing and promotional team, headed by Monika Prasad, has continued to develop the concept and this year is offering a wonderful array of creative ideas and ways for Clubs to celebrate.

As our *Probus Day* 2022 theme suggests, Probus truly does provide our members with unlimited possibilities in retirement.

Throughout Australia and New Zealand *Probus Day* and its month-long celebrations will include morning teas, picnics, lunches and boat cruises. Lighting of numerous landmarks including bridges in our blue and gold colours are also being used in themed meetings and so

much more.

We are so pleased that our very own South Pacific *Probus Day* concept has been "borrowed" by Probus organisations and Clubs around the globe. Although the structures and numbers of Probus members vary across the globe, it is truly wonderful to share the common bond of fun, friendship and fellowship.

GOVERNMENT

Although Probus is non-political, during the past two years, as part of our *Probus Day* campaign, 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.

Politicians have recognised that throughout the pandemic our organisation has continued to provide meaningful social connection for our members to be informed and encouraged to stay mentally and physically active, but more importantly helping them to make new friends.

CLUB CONSTITUTIONAL REVIEW

The Board is committed to reviewing the Standard Probus Club Constitution (and associated incorporated models). We had planned to start this review last year, but it was delayed. Our 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 that reflect modern practices thereby assisting Clubs in their overall management. Consultation with Clubs will commence later this year.

ACKNOWLEDGEMENTS

As I said earlier, the past two 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.

FUTURE

Now more than ever, we appreciate and understand the value of social connections. Probus provides those important connections, and it is our collective responsibility as a Community to have as many retirees as possible benefit from the friendship that Probus has to offer. Probus' future is one of growth. We will be actively marketing 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.



Judith Maestracci AM
Chairman

TREASURER'S REPORT



During this year, Clubs emerged from the worst impacts of the pandemic, and we saw Clubs increasing their activities after coming out of the uncertainty of various levels of lockdown. Capitation fees were some \$262,000 higher this financial year, albeit with reduced Club and member numbers. This is largely due to the capitation fee discount provided in the 2020/21 financial year.

Taking into account the COVID-19 impacts on Clubs and their need for PSPL support, the results this year are reasonably comparable to those from 2020/21. Details of the financial results for the year, and the financial position at the end of the year, can be found in the financial statements included in this Report.

The table that follows summarises financial performance across the last two years.

SUMMARY OF FINANCIAL PERFORMANCE

Item	2021/22 \$	2020/21 \$
Operating Revenue	1,693,086	1,427,273
Operating Expenditure	(1,668,025)	(1,818,333)
Operating Surplus / (Deficit)	25,061	(391,060)
Other Income including COVID-19 Government Assistance and reversal of an unused Provision	119,871	423,260
Surplus before Income Tax	144,932	32,200
Income Tax Expense / (benefit)	26,963	(19,036)
Surplus for the year	117,969	51,236
Other Comprehensive Income – revaluation of Office Suite	487,422	-
Total Comprehensive Surplus for the year	605,391	51,236

Key points to note from this table:

- Operational Revenue and Expenditure have been separated from abnormal items to give a better indication of operational performance.
- Revenue from the Partnership Program and

advertising in digital publications was higher this year by \$41,822. The Company expects further increased contributions from these sources.

- Government assistance by way of JobSaver and Business Grant initiatives, as well as a wage subsidy, amounted to \$94,171.
- The Company's revised business model first mentioned in the 2020 Report was in operation for the full year, resulting in further savings in expenditure.
- As part of the Company's planned provision of enhanced services to Clubs and members, a provision of \$60,000 has been included in this year's accounts for the redevelopment of the PSPL website in order to provide better information and greater ease of access for potential members.
- The revaluation of the Company's office suite resulted in an increase in the carrying value of the asset in the Statement of Financial Position of \$487,422, which is also reflected in the Statement of Profit and Loss and Other Comprehensive income.

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

SUMMARY OF FINANCIAL POSITION

Item	2021/22 \$	2020/21 \$
Total Assets	3,685,750	2,751,893
Total Liabilities	(1,018,718)	(690,252)
Total Funds	2,667,032	2,061,641
Working Capital	648,408	425,941

Points to note:

- The Statement of Financial Position is stronger in every measure as compared to 2020/21.
- As mentioned above, the office suite was revalued by an independent valuer. The Board has accepted the revised valuation of \$2,300,000 (from \$1,800,000). The carrying value of the office suite, after depreciation, is \$2,287,222 (prior year \$1,692,904)
- Provisions for Employee Benefits (\$161,319) and the expenses related to the Constitutional Review (\$79,328) as well as the provision for the

redevelopment of the Company's website (\$60,000) are included in Liabilities.

- The Company's liquidity is very strong, with cash holdings of \$1,063,011. The Working Capital ratio of 2.00 further demonstrates this strong position.
- The Company's financial statements have been prepared on a "Going Concern" basis, reflecting the Company's sound financial position.

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

TREASURER

I took up this role at the completion of the February 2022 Board meeting. My predecessor, Bruce Morley, gave me a thorough handover, some sage advice and ongoing support as I moved into my role, and I thank him for his support. I also acknowledge, with thanks, the Chief Executive and her management team and my fellow Directors for their advice and encouragement.

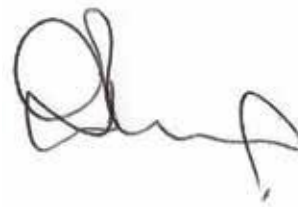
OUTLOOK

The impact of the pandemic on Clubs and membership persists, with overall membership numbers continuing to decline. While there is increased optimism in some regions, others are more adversely affected. The

financial impact of reduced membership will require close management of the Company's finances in the 2022-23 financial year to maintain the current strong position. In particular, the Board and management will need to continue efforts to increase revenue from current and emerging sources, and to closely manage costs.

The loss of travel insurance and printed magazine advertising revenue has required the Company to seek additional sources of income to enable services to Clubs and members to be maintained and enhanced. The ongoing development of our Partnership Program is encouraging, resulting in financial benefits both to the Company and Probus members. Similarly, electronic publications are also providing further advertising revenue opportunities.

The Company's financial and business models have changed considerably from the previous long-term arrangements. The opportunity is now before us to consolidate and build a new "business as usual" model in a financially responsible way adapting to emerging stakeholder requirements.



David Ekert
Treasurer

CHIEF EXECUTIVE OFFICER'S REPORT



PSPL's primary goal is to assist the many volunteers in leadership roles across Clubs and Associations in the delivery of Probus fun, friendship and fellowship. That assistance is provided through a wide range of membership, administration, insurance and support services.

Despite our Team being in strict lockdown for a significant part of the year, the level of service and support provided to our community was not affected. I am pleased to provide a summary of our key activities throughout the 2021-22 financial year.

COVID-19 RESPONSE

The 2021-22 year again presented considerable challenges for everyone across our Community, including the PSPL Team. Since March 2020, our goal has been to help Clubs navigate these challenges by providing them with a range of tools to help them stay engaged and connected with their members.

In addition to the detailed information provided to Clubs at the onset of the pandemic, our Team continued to provide additional support through the provision of our Risk Management Policy Guidelines as well as our regular publication, *Staying Connected*.

We also continued with our Club wellness checks throughout the year helping Clubs with member engagement, as required. Just as we all began to adjust to a new normal, another wave of COVID resulted in further lockdowns. Understandably, as Clubs returned to meetings and activities following the 2nd wave, there was an increase in enquiries relating to managing a safe return given the continual changes in restrictions set by the various governments.

MEMBERSHIP & ADMINISTRATION

As expected, our major focus this year was to support Clubs in the maintenance and growth of their membership. The different levels of restrictions throughout the various regions across Australia and New Zealand made this challenging for some Clubs, however, I commend Club leaders for how they have faced the myriad of challenges presented over the last two years.

As we are all well aware, membership is the collective responsibility of everyone in our Community. This "collective" approach has been in place for a number of years now and there is no question that COVID-19 would have had a far greater impact on our overall membership was it not for this approach.

However, the impact has not been insignificant. There

have been more Club closures than anticipated and certainly more members lost. We have, however, also seen many new members join our Community, as COVID has highlighted the importance of social connections, particularly among older members of society. Probus provides essential social connections and that is what is drawing new members to Probus Clubs every day.

The last two years have highlighted how important it is for Clubs to have a continual focus on membership retention, growth, and overall Club health, regardless of their level of membership. New members bring new ideas and more importantly, more members to serve on Management Committees, which is also a considerable challenge for many Clubs.

To support Clubs in both membership retention and growth, we have continued to provide a wide range of generic and personalised material which has been expanded to include double-sided flyers showcasing Club activities as well as personalised business cards. A sample of our promotional material was provided to all Clubs in preparation for the new Probus Year. It is extremely encouraging to see so many Clubs taking advantage of all the material on offer.

During the year, to further support local Club activity, we also distributed the Probus jingle to radio stations throughout Australia and New Zealand. A number of these stations welcomed the opportunity to showcase Probus as they, like many government representatives, highly value the contribution Probus makes to local communities.

A key activity each year is the provision of information to PSPL following Club Annual General Meetings. This year we successfully implemented the mechanism for Clubs to submit their annual return information online. This included Club and Management Committee information as well as Club member information held by PSPL. The online annual return system has been a resounding success with very positive feedback received. Further development is underway which will allow Clubs to submit changes to their member and Management Committee information throughout the year.

PUBLICATIONS & PARTNERSHIPS

During the year we continued to produce a range of publications for the information and interest of members and the wider community. This included *Active Retirees*, *Staying Connected* and Community News. Each of these publications is very well supported by members and advertisers and I take this opportunity to thank those advertisers that have continued to support Probus

through these publications.

This year too, the Probus Partnership Program was developed in order to consolidate the various advertising mechanisms available to our Partners as well as provide members with a further opportunity to take advantage of a range of exclusive offers. A number of Partners have already secured a position in the Program and negotiations continue with potential Partners in the various categories of Travel, Lifestyle, Finance and Health.

Probus Partners continue to participate in the Probus Member Benefits Scheme along with many other businesses offering exclusive discounts to Probusians.

TRAVEL INSURANCE

Probus Travel Insurance in Australia was launched in the latter part of the financial year, offering a range of plans to Probus members. Negotiations for the provision of travel insurance in New Zealand are continuing.

PROBUS DAY

The concept of a National *Probus Day* in Australia and New Zealand was the brainchild of our current Chairman, Judith Maestracci AM, and it has been an amazing success since the inaugural day in 2020.

While in both 2020 and 2021, Clubs were restricted in how they could celebrate - depending upon their location, they still came up with amazing ways in which to mark this very special day.

Probus benefits more than its members, it benefits families, friends and the local communities where Clubs conduct their meetings and activities.

We are so proud of how the wider community acknowledges the benefits of Probus through their support of *Probus Day* and look forward to even more exciting celebrations in the years ahead.

ACKNOWLEDGEMENTS

As Probus Clubs have adapted to the new normal, so has the PSPL Team, I commend them for their efforts during a time of enormous change for PSPL, our Community and of course their own families.

I also want to thank again, the many volunteer Management Committee members and Membership Representatives who support Clubs and members alike. I would also like to thank the Board for their unwavering support in another extremely challenging year for PSPL. Like Clubs and Associations, the PSPL Board is made up entirely of volunteers who are dedicated to improving the health and wellbeing of as many retirees as possible, through Probus.

On behalf of the PSPL Team, I look forward to supporting all members of the Probus Community in the coming year.



Silvana Martignago
Chief Executive Officer

ANNUAL FINANCIAL REPORT

CORPORATE INFORMATION

DIRECTORS

Judith Maestracci AM (Chairman)
William Killinger AM (Vice Chairman)
David Ekert (Treasurer)
David Simpson (Immediate Past Chairman)
Anthony Blaber
Graeme Brown
John Hall
Michael Ransom
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 2022 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	6
William Killinger AM	17 September 2020	-	7	6
David Ekert	23 February 2022	-	1	1
David Simpson	31 March 2017	-	7	7
Anthony Blaber	23 February 2017	-	7	7
Graeme Brown	17 September 2020	-	7	7
John Hall	19 August 2021	-	4	4
Michael Ransom	24 November 2021	-	2	2
Mervyn Richens OAM	24 November 2021	-	2	2
Peter Turner	11 June 2015	-	7	7
Margaret Drake	12 January 2016	19 August 2021	3	3
Adriaan Geerlofs	1 October 2019	19 August 2021	3	2
Bruce Morley	25 February 2019	23 February 2022	6	6
Douglas Newman	12 December 2019	24 November 2021	5	5

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 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 will continue to focus on the 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

During the financial year, the Company continued to be impacted by the pandemic. While this impact restricted the Company's ability to establish new Clubs, the Company was able to maintain its broad range of services and support to the Probus Community.

For the year ended 31 March 2022, the Company's net surplus before income tax expense and other comprehensive income was \$144,932 (2021 – \$32,200). This result includes government subsidies of \$94,171 from the COVID-19 JobSaver and Business Grant initiatives as well as a wage subsidy.

The Company's net surplus after income tax expense and before other comprehensive income for the year was \$117,969 (2021 – \$51,236).

During the year, the Company's Office Suite was revalued by an independent valuer resulting in an after tax contribution of \$487,422 to the Company's overall surplus. It is important to note that both the government subsidies and office suite revaluation are considered to be abnormal items which are not part of the Company's day to day operations.

The Company's revised business model, which has been in place for the full financial year, contributed to the overall reduction in expenditure. Notwithstanding this reduction, the Company has continued to support Clubs with membership retention and growth and was able to introduce the Partnership Program providing a range of benefits to members and of course, revenue to support the Company's services.

The Company also established a travel insurance program with a new insurer for Australian members. At the time of writing this report, the Company is in negotiation with a leading provider of travel insurance for New Zealand members.

While Club closures are expected, the ongoing impact of the pandemic has exacerbated some of these closures. While it is disappointing to see Clubs close, where possible, many of the members from those Clubs have been able to continue their Probus journey in neighbouring Clubs. On a positive note, there have also been new Clubs established throughout the year with some Clubs indicating an increase in membership.

In the Company's previous Annual Report, we foreshadowed a plan to conduct a review of the Standard Probus Club Constitution and the associated model for incorporated associations. This process is known as the Constitutional Review. Some preliminary work on this Review was undertaken during the financial year and will continue in the forthcoming year.

During the year, the Board determined that an upgrade to the Company's website was necessary to support the Company's range of services to the Probus Community. A provision for the estimated costs associated with this upgrade has been established in the 2022 financial year.

Despite the ongoing challenges of the pandemic on Clubs, members, business partners, staff and the broader community, the Company remains in a sound financial position. The Board is confident that it can continue to support our Clubs and members 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 the 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. A number of the Company's constituent documents were reviewed and amended during the year. These included the Board Charter as well as Charters for the Executive Committee and the Finance, Audit and Risk Committee. The Privacy Policies for Australia and New Zealand were also reviewed and updated to take into account legislative changes in New Zealand and to maintain consistency between the two policies as far as practicable. Work began on the Club Constitutional Review and is continuing post balance date.

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 the Company is wound up without sufficient assets to pay its debts. At 31 March 2022, the total amount that Members of the Company are liable to contribute if the Company wound up is \$800.00 (2021 - \$820.00).

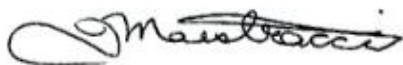
Accredited Probus Clubs that do not accept the invitation to become Members of the Company are not subject to the Members' guarantee. For the same reason, individual Probians have no liability either.

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
20 July 2022



David Ekert
Treasurer
20 July 2022



**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 2022 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, appearing to read "Ray Khalil", with a horizontal line underneath.

**Ray Khalil
Managing Partner**

**North Sydney
Dated this 20 July 2022**

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	2022 \$	2021 \$
Revenue and other income			
Capitation fees		1,441,417	1,179,004
Advertising revenue		235,570	193,748
Royalties and other income		9,931	7,142
Foreign currency translation gains / (losses)	2(i)	5,445	(8,882)
Interest received		723	929
Travel insurance income		-	52,832
Subsidies and sponsorships		-	2,500
Operating revenue	2(j)	1,693,086	1,427,273
Other income - Government assistance	2(l)	94,171	423,260
Other income - reversal of unused provision	2(f), 12(b)	25,700	-
Total revenue and other income		1,812,957	1,850,533
Expenditure			
Employee benefits expenses	2(e), 12(a)	696,427	823,591
Club support, administration and insurance	2(k)(i)	308,733	344,744
Membership growth, marketing and publications	2(k)(ii)	234,126	287,039
Computer services and support expenses		159,420	75,005
Depreciation and amortisation expenses	2(d), 2(m)	102,182	98,646
Legal and company secretarial services	2(k)(iii)	81,794	76,899
Office suite maintenance		41,377	40,422
Auditors' remuneration			
Audit and review of financial report		18,258	17,212
Taxation compliance services		10,160	12,450
Storage expenses		1,217	1,090
Finance costs	13	710	25,537
Bad and doubtful debts		-	8,404
Other expenses		13,621	7,294
Total expenditure		1,668,025	1,818,333
Surplus before income tax		144,932	32,200
Income tax expense / (benefit)	2(c), 3	26,963	(19,036)
Surplus for the year		117,969	51,236
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	7, 15	487,422	-
Other comprehensive income for the year		487,422	-
Total comprehensive surplus for the year		605,391	51,236

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

STATEMENT OF FINANCIAL POSITION

	Notes	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,063,011	692,122
Trade and other receivables	5	52,199	40,836
Tax asset	11	-	5,150
Deferred tax assets	15	109,891	91,805
Other assets	6	65,332	76,713
Total current assets		1,290,433	906,626
Non-current assets			
Office suite	7	2,287,222	1,692,904
Plant and equipment	8	19,060	22,036
Intangible assets	9	89,035	130,327
Total non-current assets		2,395,317	1,845,267
Total assets		3,685,750	2,751,893
Liabilities			
Current liabilities			
Trade and other payables	10	229,159	169,944
Tax liability	11	41,246	-
Provisions	12	288,726	237,136
Borrowings	13	-	20,165
Other liabilities	14	82,894	53,440
Total current liabilities		642,025	480,685
Non-current liabilities			
Provisions	12	11,921	7,269
Deferred tax liabilities	15	364,772	202,298
Total non-current liabilities		376,693	209,567
Total liabilities		1,018,718	690,252
Net assets		2,667,032	2,061,641
Funds			
Accumulated funds		1,592,943	1,474,974
Asset revaluation reserve		1,074,089	586,667
Total funds		2,667,032	2,061,641

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 2020	1,423,738	586,667	2,010,405
Surplus for the year	51,236	-	51,236
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	51,236	-	51,236
Balance at 31 March 2021	1,474,974	586,667	2,061,641
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

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

STATEMENT OF CASH FLOWS

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from Probus clubs, suppliers and others		1,962,698	1,747,340
Interest income		723	929
Payments to suppliers, employees and others		(1,562,075)	(1,400,558)
Interest paid		(710)	(25,537)
Income tax refund		1,347	29,733
Net cash provided by operating activities	18	401,983	351,907
Cash flows from investing activities			
Purchase of plant and equipment		(10,204)	(19,701)
Purchase of intangible assets		(725)	(353)
Net cash used in investing activities		(10,929)	(20,054)
Cash flows from financing activities			
(Repayment of) / proceeds from bank variable loan		(20,165)	60
Repayment of travel insurance funding facility		-	(982,752)
Net cash used in financing activities		(20,165)	(982,692)
Net increase / (decrease) in cash and cash equivalents		370,889	(650,839)
Cash and cash equivalents at beginning of financial year		692,122	1,342,961
Cash and cash equivalents at end of financial year	2(h), 4	1,063,011	692,122

NOTES TO THE FINANCIAL STATEMENTS

1) Corporate information

The financial statements for Probus South Pacific Limited (the Company) for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Directors on 19 July 2022.

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

During the financial year, there were further disruptions to the Company's operations as a direct result of the pandemic. Nevertheless, the Directors and Management have prepared the Company's financial statements on a going concern basis. They will continue to review and monitor the operations of the Company in order to adapt to changes to the environment as required. This includes the regular revision and monitoring of the Company's business model, financial performance and liquidity.

As at balance date, the Company's working capital is \$648,408 (2021- \$425,941).

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% (2021 – 26.0%).

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.

Notes to the financial statements (continued)

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 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 assets' 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.

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, including 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.

Notes to the financial statements (continued)**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.

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 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 have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the 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, bank overdraft and variable bank loan. All financial liabilities are non-derivative financial liabilities. These are 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 and 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.
-

Notes to the financial statements (continued)

Revenue is received from Probus Clubs for the provision of 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.

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.

Any other revenue and income are recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

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

k) Expenses

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

i. Club support, administration and insurance

This includes costs associated with the provision of the National Insurance Programs, production and distribution of the Probus Club Handbook, telephone expenses, Directors' expenses and bank charges. Insurance premiums paid in advance are included in other assets and are recognised as an expense in the period in which the insurance cover is provided.

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 Probus publications such as *Active Retirees* magazine, E-newsletter and *Staying Connected*.

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) Government grant and subsidies

To assist and support companies in managing the impacts of COVID-19, grants and subsidies were available upon meeting certain conditions.

During the financial year, the Company received the COVID-19 Business Grant and JobSaver payments. The Company also received financial incentives through the Australian Apprenticeships Incentives Program and Boosting Apprenticeship Commencements wage subsidy. Government Grants and subsidies are disclosed in the statement of profit & 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 2022 and 31 March 2021 financial years, the Company has 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 are disclosed as operating cash flows.

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.

Notes to the financial statements (continued)**3) Income tax expense / (benefit)**

The major components of tax expense and the reconciliation of the expected tax expense / (benefit) based on the domestic effective tax rate at 25.0% (2021 – 26.0%) and the reported tax expense / (benefit) in profit or loss are as follows:

	2022	2021
	\$	\$
Surplus before income tax expense	144,932	32,200
Domestic tax rate	25.0%	26.0%
Prima facie tax expense	36,233	8,372
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
DTA adjustment	-	(7,982)
Overprovision prior year	-	4,040
Non-deductible expenses	8,788	7,045
Allowable deductions	(181)	(91)
Non-taxable income	(17,877)	(26,000)
Adjustment to DTA/DTL for future change in tax rate 26.0% to 25.0%	-	(4,420)
Income tax expense / (benefit)	26,963	(19,036)

Notes 2(c) and 15 provides information on deferred tax assets and liabilities.

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

	2022	2021
	\$	\$
4) Cash and cash equivalents		
Cash on hand	500	500
Cash at bank - Australia	880,869	490,463
Cash at bank - New Zealand	181,642	201,159
	1,063,011	692,122
5) Trade and other receivables		
Trade receivables	35,389	6,980
Other receivables	16,810	33,856
	52,199	40,836
6) Other assets		
Prepayments – expenses	65,332	76,713

As the replacement of the air conditioning system was completed during the previous financial year, the Company did not incur any costs during the current financial year (2021 - \$19,318). The replacement was undertaken by the Strata Manager of the building in which the Company owns an office suite. The Company's portion of the total cost to replace the air conditioning system was \$105,000.

	Notes	2022 \$	2021 \$
7) Office suite			
Independent valuation			
As at 1 April		1,800,000	1,695,000
Revaluation increment		649,896	-
Transferred from prepayment account		-	105,000
Other movements	2d(i)	(149,896)	-
As at 31 March		2,300,000	1,800,000
Accumulated depreciation			
As at 1 April		(107,096)	(55,640)
Depreciation for the year		(55,578)	(51,456)
Other movements	2d(i)	149,896	-
As at 31 March		(12,778)	(107,096)
Net carrying amount as at 31 March		2,287,222	1,692,904

During the 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 have determined that the fair value of the office suite is to remain as per the independent valuation at \$2,300,000 (2021 - \$1,800,000).

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 \$846,506 (2021 - \$874,645).

	2022 \$	2021 \$
8) Plant and equipment		
Cost value		
As at 1 April	53,472	61,689
Additions	10,204	383
Disposal of assets	(9,799)	(8,600)
As at 31 March	53,877	53,472
Accumulated depreciation		
As at 1 April	(31,436)	(26,207)
Depreciation for the year	(11,786)	(12,383)
Disposal of assets	8,405	7,154
As at 31 March	(34,817)	(31,436)
Net carrying amount as at 31 March	19,060	22,036

Notes to the financial statements (continued)

	Notes	2022 \$	2021 \$
9) Intangible assets			
Trademarks			
Cost value			
As at 1 April		245,740	245,387
Additions		725	353
Disposal of assets		(26,764)	-
As at 31 March		219,701	245,740
Accumulated amortisation			
As at 1 April		(142,727)	(118,163)
Amortisation for the year		(24,575)	(24,564)
Disposal of assets		19,565	-
As at 31 March		(147,737)	(142,727)
Net carrying amount as at 31 March		71,964	103,013
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		(44,386)	(34,143)
Amortisation for the year		(10,243)	(10,243)
As at 31 March		(54,629)	(44,386)
Net carrying amount as at 31 March		17,071	27,314
Net carrying amount as at 31 March		89,035	130,327
10) Trade and other payables			
Sundry creditors		199,159	139,944
Money Cover Insurance Fund		30,000	30,000
		229,159	169,944
11) Tax liability / (asset)			
Income tax expense payable	3	45,049	-
Company tax paid in advance		(3,803)	(5,150)
	2(c)	41,246	(5,150)
12) Employee benefits expenses and Provisions			
a. Employee benefits expenses			
Wages and salaries		638,011	759,419
Superannuation		58,416	64,172
		696,427	823,591

	2022 \$	2021 \$
b. Provisions		
i. Current		
Provision for employees' annual leave	80,218	60,792
Provision for employees' long service leave	69,180	62,644
Provision for Constitution review expenses	79,328	83,000
Provision for travel insurance service fee refunds	-	30,700
Provision for website development expenses	60,000	-
	288,726	237,136
ii. Non-current		
Provision for employees' long service leave	11,921	7,269

Analysis of provisions	Employees annual leave \$	Employees long service leave \$	Other \$
Balance as at 1 April 2021	60,792	69,913	113,700
Increase in provisions in the period	53,256	11,188	60,000
Unused amounts reversed	-	-	(25,700)
Amounts paid	(33,830)	-	(8,672)
	80,218	81,101	139,328

During the previous financial year, the Company determined that a review of the current Standard Constitution for Probus Clubs (and associated incorporated model constitutions) was necessary in order to assist Club Management. Work commenced during the financial year resulting in an amount of \$3,672 being paid from the provision. Further work will include consultation with all accredited Probus Clubs which will continue throughout 2022 – 2023 financial year.

During the financial year, the Company established a provision for the estimated cost to redevelop the Company's website. The current website is more than 10 years old and needs to be revitalised to provide the functionality and interactivity expected by Probus Clubs and their members and prospective members.

During the financial year, the provision for travel insurance service fees refunds was reversed as the Company was no longer required to refund any service fees with respect to the Probus Travel Insurance policy that ceased on 30 November 2020. This provision was offset against a clearing account valued at \$5,000 established for the purpose of issuing refunds during the cooling off period.

	2022 \$	2021 \$
13) Borrowings		
Current liabilities		
Bank overdraft	-	-
Bank variable loan	-	20,165
	-	20,165

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

Notes to the financial statements (continued)

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 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 interest paid for the bank overdraft and bank variable loan.

	2022 \$	2021 \$
14) Other liabilities		
Deferred income	82,894	53,440

As at the reporting date, all income received for services to be provided by the Company for the financial year ending 31 March 2023 is deferred and is recognised in that financial year. This includes capitation fees received in advance.

15) 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 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)
	(162,474)
Movement through other comprehensive income	487,422

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.

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

Deferred tax assets / (liabilities)	1 April 2020	Adjustment for changes in income tax rate	Recognised in profit or loss	31 March 2021
	\$	\$	\$	\$
Non-current assets				
Office suite	(210,390)	8,092	-	(202,298)
Non-current liabilities				
Provisions for employee entitlements	8,293	(73)	(6,403)	1,817
Current liabilities				
Provisions and employee entitlements	41,653	(2,490)	23,078	62,241
Audit fees	4,004	(180)	675	4,499
Other	26,911	(930)	(2,733)	23,248
	80,861	(3,673)	14,617	91,805
	(129,529)	4,419	14,617	(110,493)

16) 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.

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; and
- 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.

Notes to the financial statements (continued)**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, bank overdraft and bank variable loan. The Company monitors interest rates for cash and term deposits to maximise interest income. The Company monitors the interest rates on the bank overdraft and the bank variable loan 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.

	2022 \$	2021 \$
<i>Financial liability and financial asset maturity analysis – within 12 months</i>		
Financial liabilities due for payment		
Bank overdraft	-	-
Trade and other payables	229,159	169,944
Tax liability	41,246	-
Total contractual outflows	270,405	169,944
Total expected outflows	270,405	169,944
Financial assets - cash flows realisable		
Cash and cash equivalents	1,063,011	692,122
Trade and other receivables	52,199	40,836
Tax asset	-	5,150
Total anticipated inflows	1,115,210	738,108
Net inflow on financial instruments	844,805	568,164
<i>Financial liability and financial asset maturity analysis – after 12 months</i>		
Financial liabilities due for payment		
Bank variable loan	-	20,165
Total contractual outflows	-	20,165
Total expected outflows	-	20,165
Net outflow on financial instruments	-	20,165

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.

17) 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 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	1,063,011	-	-	-	-
Trade and other receivables	5	52,199	-	-	-	-
		1,115,210	-	-	-	-

Financial liabilities measured at fair value – 31 March 2022

		Borrowings \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Bank overdraft	13	-	-	-	-	-
Bank variable loan	13	-	-	-	-	-
		-	-	-	-	-

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	10	229,159	-	-	-	-
Tax liability	11	41,246	-	-	-	-
		270,405	-	-	-	-

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

			Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Office suite	7	-	-	2,287,222	-	2,287,222

Financial assets measured at fair value – 31 March 2021

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	692,122	-	-	-	-
Trade and other receivables	5	40,836	-	-	-	-
Tax asset	11	5,150	-	-	-	-
		738,108	-	-	-	-

Financial liabilities measured at fair value – 31 March 2021

		Borrowings	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Bank variable loan	13	20,165	-	-	-	-
		20,165	-	-	-	-

Financial liabilities not measured at fair value – 31 March 2021 (see note A)

		Creditors and other liabilities	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Trade and other payables	10	169,944	-	-	-	-
		169,944	-	-	-	-

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.

Non-financial instruments fair value measurement – 31 March 2021

			Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$
Office suite	7	-	-	1,692,904	-	1,692,904

	2022 \$	2021 \$
18) Cash flow information		
Reconciliation of cash flows from operating activities with surplus after income tax		
Surplus after income tax	117,969	51,236
Non-cash flows in surplus:		
- Depreciation and amortisation	102,182	98,646
- Loss on disposal of plant and equipment	8,593	1,446
Changes in assets and liabilities:		
- (Increase) / decrease in trade and other receivables	(11,363)	180,429
- Decrease in prepayments	11,381	1,130,719
- Increase / (decrease) in trade and other payables	59,215	(1,082,480)
- Increase / (decrease) in other liabilities	29,454	(87,687)
- Increase in tax payable	45,049	-
- Decrease in tax asset	1,347	29,733
- Increase in provisions	56,242	48,901
- (Decrease) in deferred tax assets / liabilities	(18,086)	(19,036)
Net cash provided by operating activities	401,983	351,907

19) Related parties and related party transactions

No Director has entered into a contract with the Company since the end of the previous financial year and there were no other contracts involving Directors 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 \$3,103 (2021 - \$4,896) were incurred by the Directors in fulfilling their role.

As a result of the COVID-19 pandemic these expenses have been significantly reduced as Directors met by technological means wherever possible.

Remuneration paid to the Directors during the year was \$Nil (2021 - \$Nil).

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

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

	2022	2021
	\$	\$
Short-term employee benefits	418,931	471,900
Post-employment benefits	35,698	37,806
Long-term employee benefits	81,101	84,602
Termination benefits	-	28,000
	535,730	622,308

20) Contingent liabilities

There are no known contingent liabilities in relation to the 31 March 2022 or 31 March 2021 financial years.

21) Events after the reporting period

At the date of this report, there are no other matters or circumstances which have arisen since 31 March 2022 which have significantly affected or may significantly affect:

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

In future financial years following 31 March 2022.

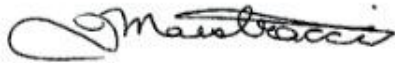
Directors' declaration

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

20 July 2022



David Ekert
Treasurer

20 July 2022



**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 2022, the statement of profit and loss and other comprehensive income, the statement of changes in equity 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 2022 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

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



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 2022, 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".

Ray Khalil
Managing Partner

North Sydney
Dated this 20 July 2022

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, Ean 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



Perth House, Ground level
Suite 1, 85 George Street, Parramatta
NSW 2150 Australia

PO Box 1294 Parramatta NSW 2124 Australia

Australia: 1300 630 488 or +61 2 9689 0200
New Zealand: 0800 1477 6287
Email: admin@probussouthpacific.org
Web: www.probussouthpacific.org

COPYRIGHT 2022