



Financial Statements

For the Year Ended 30 September 2018

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Contents

For the Year Ended 30 September 2018

	Page
Financial Statements	
Chairman's Report	1
Directors' Report	5
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	9
Statement of Profit or Loss and Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	25
Independent Audit Report	26
Disclaimer	28
10 year results	29



CHAIRMAN'S REPORT

ATTUNGA SKI LODGE LIMITED TRADING AS ATTUNGA SKI LODGE

FINANCIAL YEAR ENDED 30TH SEPTEMBER, 2018

It is my pleasure to report to you on the company's activities during the Financial Year ended 30th September, 2018.

It is pleasing to report that the lodge has had another good year financially to follow up on the previous years, many thanks must continue to go to Elsa and Errol who have done an excellent job in managing the lodge.

During the year, the Board has commenced work to develop a 10 year plan for the Lodge that will deal with the repairs and upgrades that are needed. Preliminary discussions are well underway with our architects and we are looking forward to presenting the Board's recommendations to members as part of the process to approve the work and the necessary funding for it.

2018 most likely due to the drought proved to be a bumper season for snow. Possibly hard to understand but dryer systems meant more snow and less rain.

Please continue to provide welcome feedback.

We look forward to future success.

The Board would like to take this opportunity to wish all members well for the 2019 year and festive season.

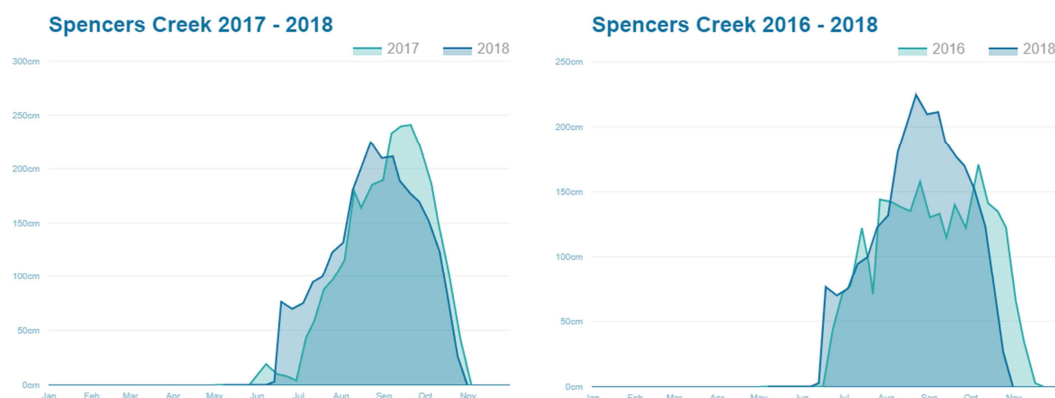
Yours sincerely,

PETER MULLENS
Chairman

Acting Treasurer's Comments

Net profit for 2017/18 was down 22.3% to \$38.7K after another excellent ski season.

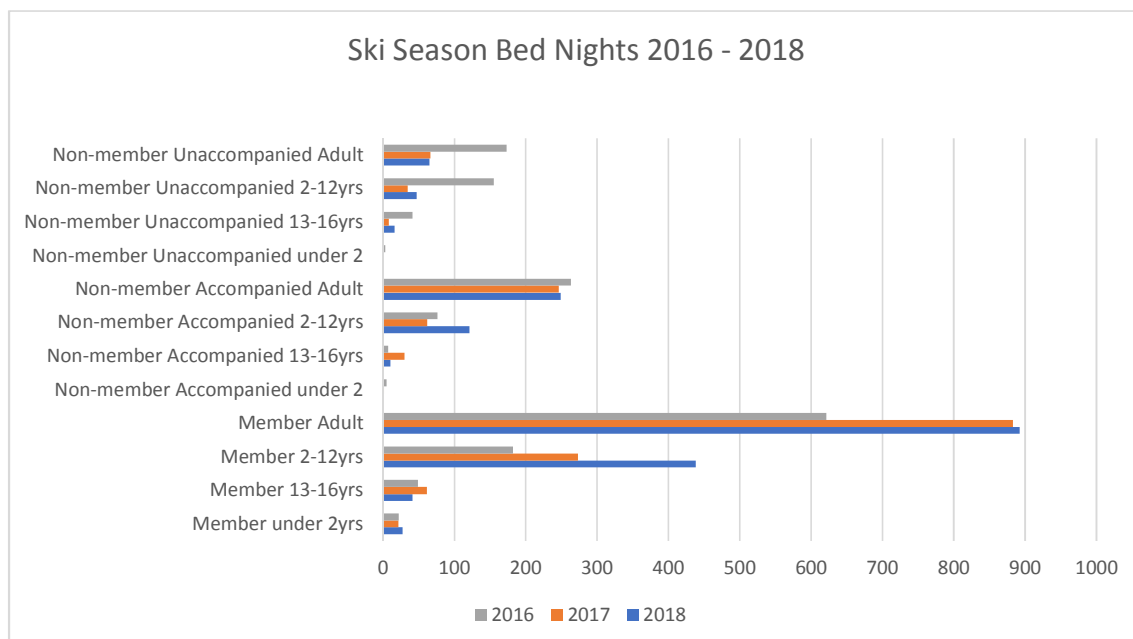
Snow Depth Comparisons at Spencers Creek 2016-2018



Occupancy of the lodge during the 2018 ski season improved by 13% to 1,906 bed nights compared to 1,685 in 2017.

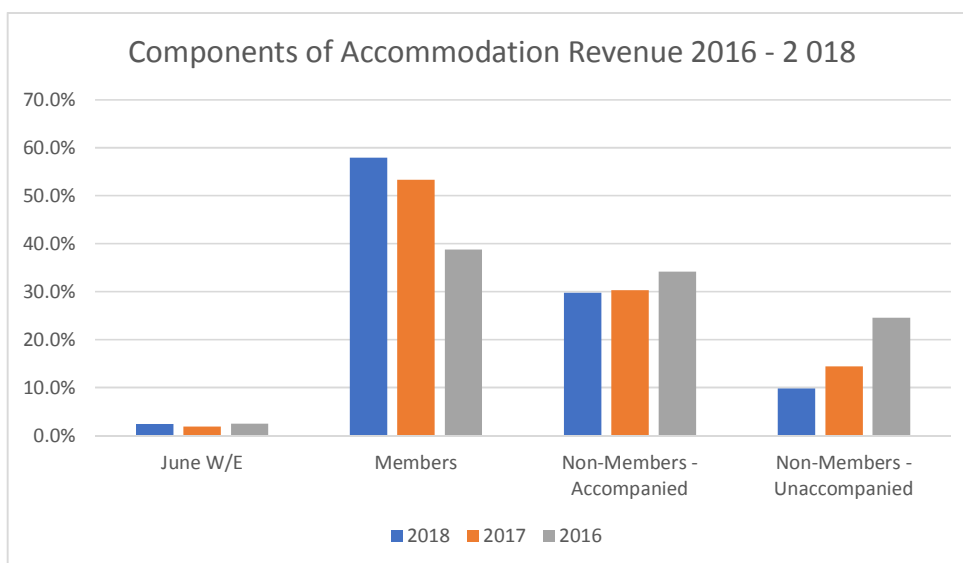
Total member bed nights followed the trend at +12.9% in during the 2018 season but the mix showed only a 1% increase in adult members against a 60% increase in members aged 2-12 years.

Ski Season Bed Nights 2016 - 2018

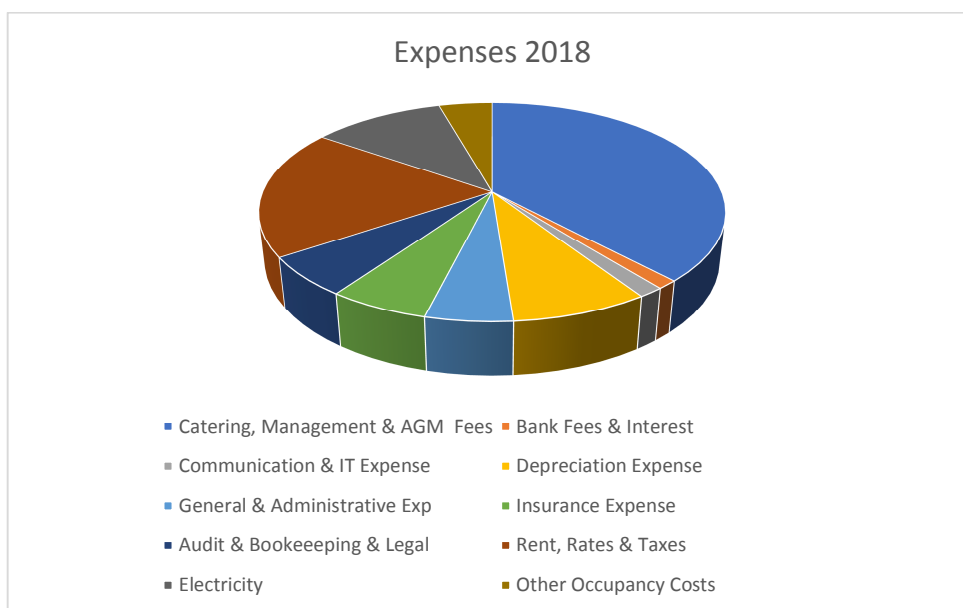


Accommodation revenue was steady at \$208K when compared to the previous year with members contributing around 60% of total accommodation revenue and continuing to grow to \$121K (\$110K in 2016/17 & \$83K in 2015/16). Unaccompanied non-member revenues fell again to \$20K (\$30K in 2016/17 & \$53K in 2015/16).

Whilst there was a 13% increase in 2018 ski season member bed nights the increase in revenue from members was muted with an increase of only 1.3% from higher tariff rate adults (\$115 per night in peak season) compared with a 23% jump from members aged 2-12 years at \$55 per night.

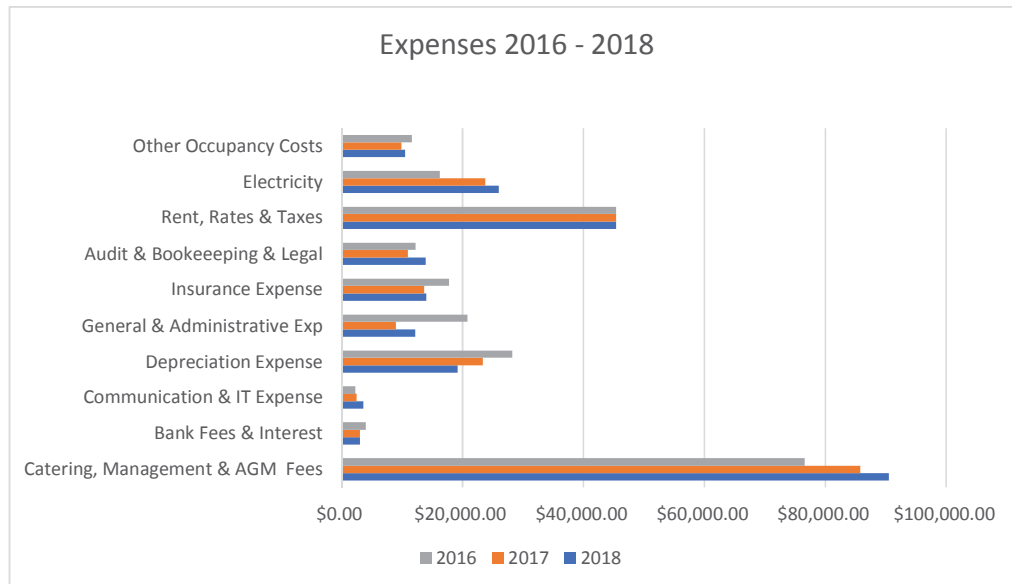


Total operating expenses were up by 5.3% or \$12K to \$242K in 2017/18.



Comments on factors contributing to operating cost increases:

- Catering costs, which comprise around 37% of total operating costs were up by 9% against a 1% increase in accommodation revenue.
- Repairs and maintenance were up by 189% to \$4.7K from an abnormally low level in 2017 and compared with \$13K in 2016.
- Bookkeeping was up to \$8.2K from \$5.3K in 2017 following the appointment of a bookkeeper in April 2018.
- Electricity costs were up again by 9% to \$26K comprising 10.8% of total operating costs compared to 10.4% in 2017.
- Website cost were adversely impacted by the second hack of the Attunga website in 2 years and the costs of remediation, a move to a new host and preparations to move the site to full width format.




Derek Goodyer
Acting Treasurer

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Directors' Report For the Year Ended 30 September 2018

The directors present their report on Attunga Ski Lodge Limited for the financial year ended 30 September 2018.

1. General information

Information on directors

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

Peter J Mullens

Experience	30 years 7 months
Direct or indirect interest in shares	7,000 shares
Special responsibilities	Chairman of the Board

Derek C Goodyer

Experience	23 years 11 months
Direct or indirect interest in shares	7,000 shares

Stephen M Levett

Experience	31 years 4 months
Direct or indirect interest in shares	7,000 shares

David P Wolski

Experience	27 years 10 months
Direct or indirect interest in shares	7,000 shares

Hedda Moll

Experience	Resigned 28 February 2018
Direct or indirect interest in shares	9 years 1 month
	7,000 shares

Iain W Morris

Experience	5 years 7 months
Direct or indirect interest in shares	7,000 shares

John R Talbot

Experience	5 years 7 months
Direct or indirect interest in shares	7,000 shares

Peter J Debney

Experience	3 years 9 months
Direct or indirect interest in shares	7,000 shares

Directors' Report

For the Year Ended 30 September 2018

1. General information

Information on directors

Craig Calder

Experience 2 years 5 months

Direct or indirect interest in shares 7,000 shares

Russell Debney

Alternate Director for Peter Debney. Appointed 28 February 2018

Experience 7 months

Direct or indirect interest in shares 7,000 shares

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

Principal activities

The principal activity of Attunga Ski Lodge Limited during the financial year was the operation of a ski lodge at Thredbo in the Kosciuszko National Park for the benefit of shareholders.

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

2. Operating results and review of operations for the year

Operating results

The profit of the Company after providing for income tax amounted to \$ 38,707 (2017: \$ 49,793).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show a stable accommodation revenue for the year. Expenses increased by approximately 5% thus resulting in an overall decrease in profit before tax. Cash on hand at balance date is just above \$457K and net assets totalled \$637K with total liabilities just under \$43K.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters or circumstances arising after the end of the year

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

Directors' Report

For the Year Ended 30 September 2018

3. Other items

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Company secretary

Peter Debney held the position of Company secretary at the end of the financial year:

Peter Debney has been appointed company secretary from 28 November 2016. Peter is also a director on the board.

Meetings of directors

During the financial year, 2 meetings of directors was held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Peter J Mullens	2	1
Derek C Goodyer	2	2
Stephen M Levett	2	2
David P Wolski	2	2
Hedda Moll	1	1
Iain W Morris	2	2
John R Talbot	2	1
Peter J Debney	2	-
Craig Calder	2	1
Russell Debney	1	1

Indemnification and insurance of officers and auditors

The company has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$1,564 (2017: \$1,554).

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Directors' Report

For the Year Ended 30 September 2018

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 September 2018 has been received and can be found on page 9 of the financial report.

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

Director:



Peter J Mullens

Director:



Derek C Goodyer

Dated this 15th day of January 2019



Watson Erskine Pty Ltd
Chartered Accountants

ABN 44 125 509 015

Level 4, 55 Clarence Street, Sydney NSW 2000
GPO Box 2003, Sydney NSW 2001

T +61 (02) 9248 9600
F +61 (02) 9248 9666
E mail@watsonerskine.com.au
W www.watsonerskine.com.au

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Attunga Ski Lodge Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Watson Erskine Pty Ltd

Watson Erskine Pty Ltd

Authorised Audit Company

B P Wise

B P Wise
Director

Dated *15* day of *January* 2019

Sydney NSW

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2018

		2018	2017
	Note	\$	\$
Revenue	4	280,244	279,076
Depreciation and amortisation expense		(19,177)	(23,356)
Electricity, gas and water		(26,919)	(24,852)
Insurance		(14,043)	(13,655)
Management Fees & Catering		(90,085)	(85,259)
Lease rentals on operating lease		(46,586)	(45,827)
Supplies		(7,803)	(6,612)
Repairs and Maintenance		(4,763)	(1,647)
Other expenses		(32,161)	(28,075)
Profit before income tax		38,707	49,793
Income tax expense	5	-	-
Profit from continuing operations		38,707	49,793
Profit for the year		38,707	49,793
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		38,707	49,793

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Statement of Financial Position

As At 30 September 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	457,384	374,524
Trade and other receivables	7	150	5,235
Other assets		11,760	-
TOTAL CURRENT ASSETS		469,294	379,759
NON-CURRENT ASSETS			
Other financial assets	8	9,602	9,602
Property, plant and equipment	9	200,876	220,052
TOTAL NON-CURRENT ASSETS		210,478	229,654
TOTAL ASSETS		679,772	609,413
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	42,611	10,960
TOTAL CURRENT LIABILITIES		42,611	10,960
TOTAL LIABILITIES		42,611	10,960
NET ASSETS		637,161	598,453
EQUITY			
Issued capital	11	1,354,191	1,354,191
Retained earnings		(717,030)	(755,738)
TOTAL EQUITY		637,161	598,453

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Statement of Changes in Equity

For the Year Ended 30 September 2018

2018

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2017	1,354,191	(755,737)	598,454
Profit for the year	-	38,707	38,707
Balance at 30 September 2018	1,354,191	(717,030)	637,161

2017

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2016	1,354,191	(805,531)	548,660
Profit for the year	-	49,793	49,793
Balance at 30 September 2017	1,354,191	(755,738)	598,453

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Statement of Cash Flows For the Year Ended 30 September 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	305,554	300,469
Payments to suppliers and employees	(229,763)	(223,831)
Interest received	7,069	6,556
Net cash provided by operating activities	82,860	83,194
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(425)
Net cash used in investing activities	-	(425)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used in financing activities	-	-
Net increase/(decrease) in cash and cash equivalents held	82,860	82,769
Cash and cash equivalents at beginning of year	374,524	291,755
Cash and cash equivalents at end of financial year	457,384	374,524

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2018

The financial report covers Attunga Ski Lodge Limited as an individual entity. Attunga Ski Lodge Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Attunga Ski Lodge Limited is Australian dollars.

The financial report was authorised for issue by the board of Directors on the day the Directors' Declaration was signed.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

2 Summary of Significant Accounting Policies

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Interest revenue

Interest is recognised using the effective interest method.

Notes to the Financial Statements

For the Year Ended 30 September 2018

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

(e) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Plant and Equipment	3 - 30%
Furniture, Fixtures and Fittings	3 - 30%
Leasehold improvements	1 - 4%
Assets below SBE threshold & immediate write-off	100%

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

Notes to the Financial Statements

For the Year Ended 30 September 2018

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

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

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- financial assets at fair value through profit or loss.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future

Notes to the Financial Statements

For the Year Ended 30 September 2018

2 Summary of Significant Accounting Policies

(f) Financial instruments

- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(g) Impairment of non-financial assets

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

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

Notes to the Financial Statements

For the Year Ended 30 September 2018

2 Summary of Significant Accounting Policies

(g) Impairment of non-financial assets

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

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

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

(h) Cash and cash equivalents

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

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. No impairment provision has been included for member subscription outstanding.

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2018

4 Revenue and Other Income

Revenue from continuing operations

	2018	2017
	\$	\$
Revenue		
- Accommodation income	207,834	207,047
- Member subscriptions	63,523	63,200
- Interest income	7,069	6,556
- Other revenue	1,818	2,273
Total Revenue	280,244	279,076

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2018	2017
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2017: 27.5%)	10,645	13,693
Add:		
Tax effect of:		
- non-deductible depreciation and amortisation	1,647	2,658
	12,292	16,351
Less:		
Tax effect of:		
Recoupment of prior year tax losses not previously brought to account	12,292	16,351
Income tax expense	-	-

6 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	457,384	374,524

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2018

7 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Contributions receivable from shareholders	150	5,235

8 Other financial assets

	2018	2017
	\$	\$
NON-CURRENT		
Financial assets at fair value through profit or loss	9,602	9,602

9 Property, plant and equipment

PLANT AND EQUIPMENT		
Plant and equipment		
At cost	134,987	134,987
Accumulated depreciation	(130,004)	(125,955)
Total plant and equipment	4,983	9,032
Furniture, fixtures and fittings		
At cost	187,343	187,343
Accumulated depreciation	(187,343)	(185,481)
Total furniture, fixtures and fittings	-	1,862
Computer software		
At cost	839	839
Accumulated depreciation	(839)	(839)
Total computer software	-	-
Leasehold Improvements		
At cost	1,407,514	1,407,514
Accumulated amortisation	(1,211,621)	(1,198,356)
Total leasehold improvements	195,893	209,158
Property, plant and equipment immediately written off		
At cost	12,285	12,285
Accumulated depreciation	(12,285)	(12,285)
Total Property, plant and equipment immediately written off	-	-
Total plant and equipment	200,876	220,052

Notes to the Financial Statements

For the Year Ended 30 September 2018

9 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Plant and Equipment	Furniture, Fixtures and Fittings	Improvements	Total
	\$	\$	\$	\$
Year ended 30 September 2018				
Balance at the beginning of year	9,032	1,862	209,158	220,052
Depreciation expense	(4,049)	(1,862)	(13,265)	(19,176)
Balance at the end of the year	4,983	-	195,893	200,876

10 Trade and Other Payables

	Note	2018 \$	2017 \$
Current			
Trade payables		45,275	7,873
GST payable		(815)	3,087
Related party payables		(1,849)	-
		42,611	10,960

11 Issued Capital

	2018 \$	2017 \$
735,000 (2017: 735,000) Ordinary shares	1,354,191	1,354,191

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2018

12 Capital and Leasing Commitments

	2018	2017
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	47,629	46,664
- between one year and five years	195,277	191,324
- later than five years	1,659,858	1,674,083
	<u>1,902,764</u>	<u>1,912,071</u>

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

On 9 July 2008, the company renewed its operating lease with Kosciuszko Thredbo Pty Ltd for a further term of 50 years less 1 day, effective 29 June 2007. The lease will terminate on 27 June 2057. The annual rent of \$36,000 set in 2007 is subject to a CPI adjustment.

13 Tax assets and liabilities

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 2(a) occur:

	2018	2017
	\$	\$
- tax losses:		
- operating losses	209,726	254,423

14 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor of the company, Watson Erskine Pty Ltd, for:		
- auditing the financial statements	5,760	5,592
- other services	5,941	5,354
Total	<u>11,701</u>	<u>10,946</u>

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2018 (30 September 2017: None).

Notes to the Financial Statements

For the Year Ended 30 September 2018

16 Related Parties

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

No director received remuneration for their service during the financial year.

During the year, the directors have been charged for the usage of the ski lodge at the same scheduled fees as applicable to all shareholders. Except for the above, no other related party transactions have been entered by the company with the directors.

17 Cash Flow Information

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

	2018	2017
	\$	\$
Profit for the year	38,707	49,793
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	19,176	23,356
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	5,085	2,215
- (increase)/decrease in prepayments	(11,760)	-
- increase/(decrease) in trade and other payables	35,553	7,946
- increase/(decrease) in GST payable	(3,901)	(116)
Cashflows from operations	82,860	83,194

18 Events Occurring After the Reporting Date

The financial report was authorised for issue by the board of directors on the day the Directors' Declaration was signed.

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

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2018

19 Company Details

The registered office of the company is:

Attunga Ski Lodge Limited
Level 4
55 Clarence Street
SYDNEY NSW 2000

The principal place of business is:

4 Jack Adams Path
Thredbo Village NSW 2625

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 September 2018 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director
Peter J Mullens

Director
Derek C Goodyer

Dated this 15th day of January 2019



Watson Erskine Pty Ltd

Chartered Accountants

ABN 44 125 509 015

Level 4, 55 Clarence Street, Sydney NSW 2000
GPO Box 2003, Sydney NSW 2001

T +61 (02) 9248 9600
F +61 (02) 9248 9666
E mail@watsonerskine.com.au
W www.watsonerskine.com.au

Independent Audit Report to the members of Attunga Ski Lodge Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Attunga Ski Lodge Limited (the Company), which comprises the statement of financial position as at 30 September 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 September 2018 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 the Company, 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.

Responsibilities of 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 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 the financial report.



Independent Audit Report to the members of Attunga Ski Lodge Limited

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.

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

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.

Watson Erskine Pty Ltd

Watson Erskine Pty Ltd
Authorised Audit Company

B P Wise
B P Wise
Director

Sydney NSW

Dated this *15* day of *JANUARY* 2019



Watson Erskine Pty Ltd

Chartered Accountants

ABN 44 125 509 015

Level 4, 55 Clarence Street, Sydney NSW 2000
GPO Box 2003, Sydney NSW 2001

T +61 (02) 9248 9600
F +61 (02) 9248 9666
E mail@watsonerskine.com.au
W www.watsonerskine.com.au

Attunga Ski Lodge Limited

ABN: 42 003 043 016

For the Year Ended 30 September 2018

Disclaimer

The additional financial data presented on pages 29 - 30 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 September 2018. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Attunga Ski Lodge Limited) in respect of such data, including any errors or omissions therein however caused.

Watson Erskine Pty Ltd

Watson Erskine Pty Ltd

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Brian Wise
Director

Sydney NSW

Dated this 15 day of January 2019

Attunga Ski Lodge Limited

Years ended 30 June to 2009, then 30 September thereafter	2009	2010*	2011	2012	2013	2014	2015	2016	2017	2018
Accommodation revenue	153,540	287,906	134,937	180,427	200,273	169,686	192,258	213,833	207,047	207,834
Interest received	5,656	2,856	2,367	2,669	4,429	3,800	4,307	3,414	6,556	7,069
Club subscriptions	60,223	31,500	31,500	94,500	73,500	63,990	63,000	63,000	63,200	63,523
Other income	1,477	455	1,500	1,500	2,500	1,500	1,500	1,000	2,273	1,818
Loss on Disposal of Non-current Assets				27,298	3,437					
Fair value gains/losses on financial assets					-3,398					
Operating revenue	220,896	322,717	170,304	306,394	280,741	238,976	261,065	281,247	279,076	280,244
Accounting Fees		12,440	2,984	2,076	2,249	1,903	2,249	1,211	5,354	8,181
Advertising	66									
Auditors remuneration	10,660		12,789	8,956	9,060	9,420	9,514	11,030	5,592	5,760
Bank charges and transaction taxes	1,977	1,543	1,180	2,399	3,030	3,908	3,826	4,004	3,034	3,003
Bookkeeping Fees	3,302									
Catering & lodge manager fees	89,921	136,185	62,698	54,868	67,415	57,311	60,660	76,072	85,259	90,085
Cleaning, laundry services and linen hire	4,467	9,123								
Consultancy fees					1,127	0	227	0		
Contingent rental on finance leases	4,364	2,321	1,002							
Depreciation - Building	51,684	68,199	53,202	35,717	16,462	18,274	19,235	28,247	23,356	19,177
Depreciation - Furniture and fittings										
Electricity, gas & water	22,574	32,933	28,967	25,683	35,193	31,588	26,358	17,556	24,852	26,919
Filing fees	1,065	2,055	1,096	1,356	1,086	1,113	1,454	1,236	1,884	1,279
Freight & cartage	1,028	91								
Gas	2,877	3,366	1,586	1,765	192	1,203	806			
Insurances	13,260	15,665	13,649	24,205	14,266	14,664	15,382	17,754	13,655	14,043
Laundry			5,101	12,068	8,859	6,911	6,410	7,316	7,879	8,436
Members Subscriptions Written Off			3,300	530						
Operating expenses			-438	480	4,109	12,044	10,251	8,485	6,612	7,803
Printing, postage, stationary	93	319	83	85	95	97	109	308	112	120
Rent paid on sub lease	37,602	58,239	30,108	41,077	41,869	43,042	44,118	44,821	45,827	46,586
Repairs and maintenance	12,505	21,763	27,741	9,402	6,226	9,757	0	12,993	1,647	4,763
Subscriptions	390	325	845	227				766	984	1,019
Sundry expenses	1,141	1,048	263	1		1,534	0	3,145	757	784
Telephone, telex and facsimile	2,555	2,729	2,090	2,954	4,701	3,470	2,815	2,276	2,479	3,580
Total expenses	261,531	368,344	248,246	223,849	215,939	216,239	203,414	237,220	229,283	241,537
Operating Profit/Loss	-40,635	-45,627	-77,942	82,545	64,802	22,737	57,651	44,027	49,793	38,707
Amortisation of intangible assets										
Depreciation	51,684	68,199	53,202	35,717	16,462	18,274	19,235	28,247	23,356	19,177
Profit before amortisation and depreciation	11,049	22,572	-24,740	118,262	81,264	41,011	76,886	72,274	73,149	57,884
Repairs and maintenance	12,505	21,763	27,741	9,402	6,226	9,757	0	12,993	1,647	4,763
Profit before amortisation, depn & repairs	23,554	44,335	3,001	127,664	87,490	50,768	76,886	85,267	74,796	62,647

* 15 months to September 2010

Attunga Ski Lodge Limited

Balance Sheet	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cash Assets	99,149	12,099	85,365	144,391	201,793	159,687	231,308	291,755	374,524	457,384
Receivables	33,413	52,918	33,961	49,168	35,241	8,862	8,293	7,450	5,235	150
Other	19,000	9,951	10,087							11,760
Total Current Assets	151,562	74,968	129,413	193,559	237,034	168,549	239,601	299,205	379,759	469,294
Other Financial Assets	13,000	13,000	13,000	13,000	9,602	9,602	9,602	9,602	9,602	9,602
Property Plant and Equipment	297,151	249,191	197,682	161,967	199,009	279,477	260,242	242,983	220,052	200,876
Intangible Assets										
Total Non-Current Assets	310,151	262,191	210,682	174,967	208,611	289,079	269,844	252,585	229,654	210,478
Total Assets	461,713	337,159	340,095	368,526	445,645	457,628	509,445	551,790	609,413	679,772
Payables	18,355	1,101	62,900	9,083	21,400	10,646	4,812	3,130	10,960	42,611
Other	82,323									
Total Current Liabilities	100,678	1,101	62,900	9,083	21,400	10,646	4,812	3,130	10,960	42,611
Total Liabilities	100,678	1,101	62,900	9,083	21,400	10,646	4,812	3,130	10,960	42,611
Net Assets	361,035	336,058	277,195	359,443	424,245	446,982	504,633	548,660	598,453	637,161
Contributed Equity	1,314,400	1,335,400	1,354,491	1,354,191	1,354,191	1,354,191	1,354,191	1,354,191	1,354,191	1,354,191
Accumulated Losses	-953,364	-999,342	-1,077,296	-994,748	-929,946	-907,209	-849,558	-805,531	-755,738	-717,030
Total Equity	361,036	336,058	277,195	359,443	424,245	446,982	504,633	548,660	598,453	637,161