



Financial Statements

For the Year Ended 30 September 2019

Attunga Ski Lodge Limited

ABN: 42 003 043 016

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For the Year Ended 30 September 2019

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CHAIRMAN'S REPORT
ATTUNGA SKI LODGE LIMITED TRADING AS ATTUNGA SKI LODGE
FINANCIAL YEAR ENDED 30TH SEPTEMBER 2019

It is my pleasure to report to you on the company's activities during the Financial Year ended 30th September 2019

After many successful years, again the results continue to be excellent. Much of this success is due to Elsa and Errol who do a wonderful job of managing the lodge.

At the previous AGM we outlined the proposals for regeneration of the lodge for the future. The masterplan will be presented together with a proposed plan of how to develop it over the future.

Despite drought throughout New South Wales, 2019 was a fabulous snow season. Let the great snow conditions continue!

After what is nearly 32 years of service to Attunga Shareholders, it is time for me to step down a Chairman and a Director. I wish the lodge continued success for the future.

The Board would like to take this opportunity to wish all members well for the 2020 year and festive season.

Yours sincerely,

PETER MULLENS
Chairman

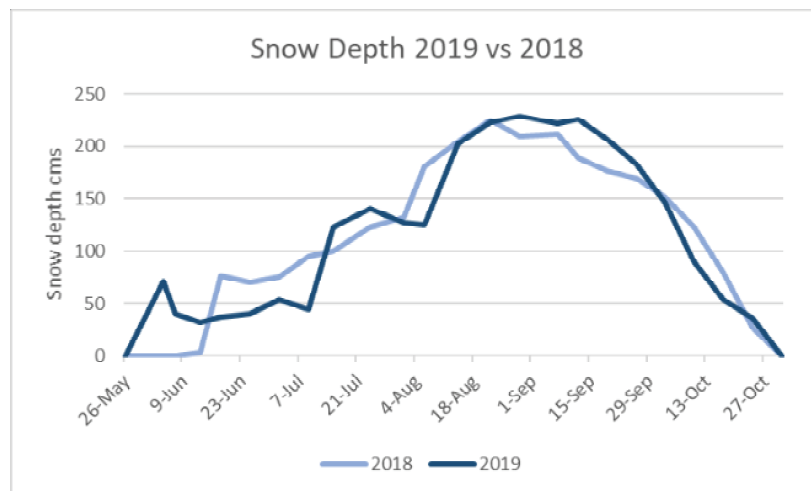
Treasurer's Report

Key Points

- FY19 for Attunga was one of our best financial performances on record with Operating Revenue of \$317,950 (up 13.4% on FY18) and Profit before Depreciation of \$80,541 (up 39.1% on FY18).
- Strong financial performance was primarily driven by increased occupancy particularly from Adult Members throughout the year.
- Rates were increased marginally in FY19 to cover increased operating costs in FY18.
- The board has decided to keep annual subscriptions and accommodation tariffs flat in FY20
- Cash reserves are strong (increase by \$95k to \$553k in FY19), however the board is preparing for increased capital expenditure in future periods.
- Great result only possible with exceptional managers – thank you Errol and Elsa!

Thredbo market and snow conditions

Overall the snow depth was reasonably strong. Compared to FY19 we had more snow for the June long weekend but less snow in July. August and September were comparable to FY18.



We note that Thredbo resort (owned by Event Hospitality and Entertainment Limited) also had a strong year with a 12% increase in revenue which they attribute to their ongoing refurbishment program of the Thredbo Hotel.

The further investment in 2020 including the detachable gondola (replacing the Merrits chairlift) will improve the on-snow experience for guests. This investment is part of a long-term plan to improve

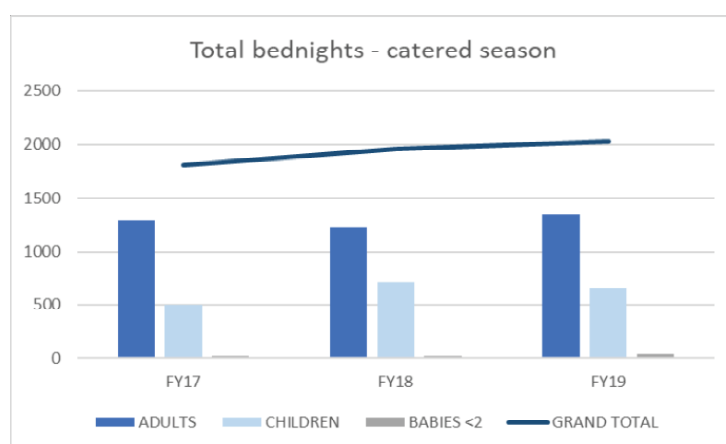


dining and other facilities on the mountain. Clearly the whole village should benefit from this (overdue) investment.

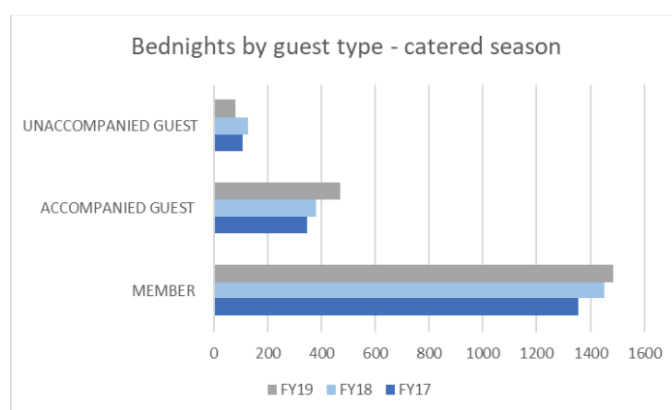
Attunga occupancy and mix

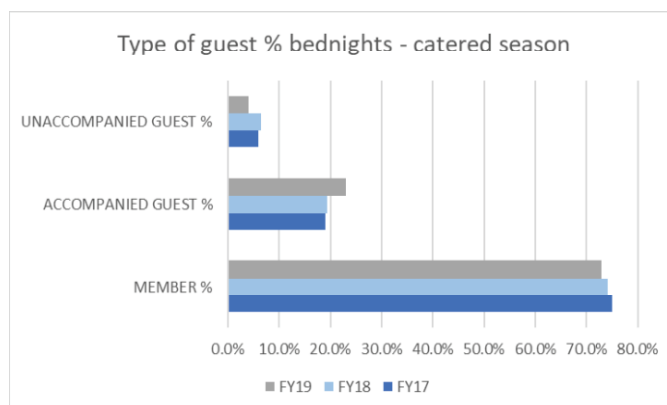
Occupancy (bed nights) during the ski season was up 6.7% to 2035 bed nights versus 1906 in FY18.

The mix between Adults and Children changed slightly during the ski season in FY19 with 9% fewer Children bed nights vs 9% growth in Adult bed nights compared to FY18.



The proportion of member bookings were reasonably flat at 73% of bed nights. A higher portion of the non-member bookings were Accompanied compared to prior years.





Attunga tariffs

In FY19 we implemented a modest increase in our nightly tariffs (c.5% across the board). This was implemented to cover increasing operating costs in FY18. In FY19 we also increased our annual subscriptions by \$100/member generating an additional \$10,000 for the lodge for ongoing maintenance and towards an Attunga Lodge Master Plan (currently being drafted, for discussion with members).

Given the strong performance in FY19, the board has decided not to increase the accommodation rates at all in FY20 (despite further increases in some operating costs such as energy).

The board has also kept annual subscriptions at the same rate in FY20 of \$770/member (incl GST).

Cost base

In FY19 the significant increases in costs were:

- Management fees and catering increased by 10.2%. Nightly catering rates only increased by CPI so this was largely driven by an increase in occupancy volume. In FY19 we tweaked the way we pay Errol and Elsa to reflect the long-term trend more shorter stays and less week-long bookings (requiring more change overs). However, the overall effect of that trend is positive as the lodge generates better nightly revenue from shorter stays.
- Energy costs increased 19.0%. This was mostly driven by an increase in electricity consumption which we attribute to increased occupancy in the ski season and other times of the year. I reviewed our Energy contract in FY19 including looking at alternative providers and locked in an attractive discount for the next 3 years. As part of our lodge refurbishment and draft Master Plan we are including initiatives to reduce energy consumption.
- Repairs and maintenance expenses were down in FY19, however that is timing of invoices between financial years. Works consistent with prior years were completed in FY19 and are planned for FY20 ensuring the building, fixtures and fittings remain at a high standard.



Financial position

In FY19 our cash at bank increased by \$95k. This is a better than expected result due to the strong trading result discussed above. The timing of catering and maintenance invoice payments also meant cash generated is marginally higher than the operating profit.

The board is pleased to have the additional reserves however we are acutely aware of the necessary spend to complete the necessary capital expenditure over the next few years and ultimately to deliver an Attunga Lodge Master Plan once agreed.

In keeping rates consistent in FY20, we are anticipating occupancy in line with recent years that should generate \$25-75k in free cash in FY20. Obviously, this is dependent on a range of factors including the snow conditions during the season.

Lodge managers

Our contract with Errol and Elsa remains in place and they are looking forward to the 2020 season. Both Errol and Elsa are involved in helping us develop the Attunga Lodge Master Plan and Errol is already helping manage the preliminary contractors on site.

The board and all members deeply appreciate the huge contribution that Errol and Elsa make to our lodge and we hope they stay with us for many seasons to come!

Thank you for your support and patronage during 2019, we look forward to 2020 being another great year for Attunga.

IAIN MORRIS

Treasurer

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Directors' Report

For the Year Ended 30 September 2019

The directors present their report on Attunga Ski Lodge Limited for the financial year ended 30 September 2019.

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

Derek C Goodyer Resigned 5 May 2019

Experience	24 years 6 months
Direct or indirect interest in shares	7,000 shares

Stephen M Levett Resigned 5 May 2019

Experience	31 years 11 months
Direct or indirect interest in shares	7,000 shares

David P Wolski

Experience	28 years 10 months
Direct or indirect interest in shares	7,000 shares

Iain W Morris

Experience	6 years 7 months
Direct or indirect interest in shares	7,000 shares

John R Talbot

Experience	6 years 7 months
Direct or indirect interest in shares	7,000 shares

Peter J Debney

Experience	4 years 9 months
Direct or indirect interest in shares	7,000 shares

Craig Calder

Experience	3 years 5 months
Direct or indirect interest in shares	7,000 shares

Attunga Ski Lodge Limited

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Directors' Report For the Year Ended 30 September 2019

1. General information

Information on directors

Russell Debney	Alternate Director for Peter Debney .
Experience	1 year 7 months
Direct or indirect interest in shares	7,000 shares
Roelof L Engelbrecht	Appointed 16 September 2019
Experience	15 Days

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 \$ 63,226 (2018: \$ 38,707).

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 \$552K and net assets totalled \$700K with total liabilities just under \$58K.

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.

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Directors' Report

For the Year Ended 30 September 2019

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, 5 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	5	5
Derek C Goodyer	2	2
Stephen M Levett	2	-
David P Wolski	5	5
Iain W Morris	5	4
John R Talbot	5	3
Peter J Debney	5	1
Craig Calder	5	5
Russell Debney	5	4
Roelof L Engelbrecht	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 cost of the insurance policy was \$2,071 (2018: \$1,564).

Attunga Ski Lodge Limited

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Directors' Report
For the Year Ended 30 September 2019

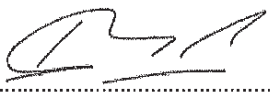
Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 September 2019 has been received and can be found on page 10 of the financial report.

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

Director:

Peter J Mullens

Director:

Iain W Morris

Dated this20th..... day of December 2019



Watson Erskine Pty Ltd
Chartered Accountants

ABN 44 125 509 015

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GPO Box 2003, Sydney NSW 2001

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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 2019, 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

Authorised Audit Company

B P Wise
Director

Dated 20 day of December 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 2019

		2019	2018
	Note	\$	\$
Revenue	4	317,950	280,244
Depreciation and amortisation expense		(17,315)	(19,177)
Electricity, gas and water		(32,023)	(26,919)
Insurance		(15,990)	(14,043)
Management Fees & Catering		(99,332)	(90,085)
Lease rentals on operating lease		(47,429)	(46,586)
Supplies		(4,839)	(7,803)
Repairs and Maintenance		-	(4,763)
Other expenses		(37,796)	(32,161)
Profit before income tax		63,226	38,707
Income tax expense	5	-	-
Profit from continuing operations		63,226	38,707
Profit for the year		63,226	38,707
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		63,226	38,707

The accompanying notes form part of these financial statements.

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Statement of Financial Position As At 30 September 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	552,616	457,384
Trade and other receivables	7	455	150
Other assets		11,915	11,760
TOTAL CURRENT ASSETS		564,986	469,294
NON-CURRENT ASSETS			
Other financial assets	8	9,602	9,602
Property, plant and equipment	9	183,561	200,876
TOTAL NON-CURRENT ASSETS		193,163	210,478
TOTAL ASSETS		758,149	679,772
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	57,762	42,611
TOTAL CURRENT LIABILITIES		57,762	42,611
TOTAL LIABILITIES		57,762	42,611
NET ASSETS		700,387	637,161
EQUITY			
Issued capital	11	1,354,191	1,354,191
Retained earnings		(653,804)	(717,030)
TOTAL EQUITY		700,387	637,161

The accompanying notes form part of these financial statements.

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Statement of Changes in Equity

For the Year Ended 30 September 2019

2019

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2018	1,354,191	(717,030)	637,161
Profit for the year	-	63,226	63,226
Balance at 30 September 2019	1,354,191	(653,804)	700,387

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

The accompanying notes form part of these financial statements.

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Statement of Cash Flows For the Year Ended 30 September 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		340,683	305,554
Payments to suppliers and employees		(252,609)	(229,763)
Interest received		7,158	7,069
Net cash provided by operating activities	17	95,232	82,860
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash used in investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents held		95,232	82,860
Cash and cash equivalents at beginning of year		457,384	374,524
Cash and cash equivalents at end of financial year	6	552,616	457,384

The accompanying notes form part of these financial statements.

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2019

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).

Accommodation Income

The services rendered (including room rentals, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rental, along with the stay in the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

Notes to the Financial Statements

For the Year Ended 30 September 2019

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

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 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

For Comparative Year

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:

Notes to the Financial Statements

For the Year Ended 30 September 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

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

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.

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.

For Current Year

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).

Notes to the Financial Statements

For the Year Ended 30 September 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

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 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.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 September 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant 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.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets 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 contract asset 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.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss

Notes to the Financial Statements

For the Year Ended 30 September 2019

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

(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.

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.

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements

For the Year Ended 30 September 2019

3 Critical Accounting Estimates and Judgments

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 subscriptions outstanding.

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2019

4 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
Revenue		
- Accommodation income	234,360	207,834
- Member subscriptions	73,932	63,523
- Interest income	7,158	7,069
- Other revenue	2,500	1,818
Total Revenue	317,950	280,244

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2019	2018
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018: 27.5%)	17,387	10,645
Add:		
Tax effect of:		
- non-deductible depreciation and amortisation	1,114	1,647
	18,501	12,292
Less:		
Tax effect of:		
Recoupment of prior year tax losses not previously brought to account	18,501	12,292
Income tax expense	-	-

6 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	552,616	457,384

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2019

7 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Contributions receivable from shareholders	455	150

8 Other financial assets

	2019	2018
	\$	\$
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	(134,054)	(130,004)
Total plant and equipment	933	4,983

Furniture, fixtures and fittings

At cost	187,343	187,343
Accumulated depreciation	(187,343)	(187,343)
Total furniture, fixtures and fittings	-	-

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	(1,224,886)	(1,211,621)
Total leasehold improvements	182,628	195,893

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	183,561	200,876

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2019

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 2019				
Balance at the beginning of year	4,983	-	195,893	200,876
Depreciation expense	(4,050)	-	(13,265)	(17,315)
Balance at the end of the year	933	-	182,628	183,561

10 Trade and Other Payables

	2019 \$	2018 \$
Current		
Trade payables	58,717	45,275
Net GST payable / (receivable)	894	(815)
Related party payable / (receivable)	(1,849)	(1,849)
	57,762	42,611

11 Issued Capital

	2019 \$	2018 \$
735,000 (2018: 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 2019

12 Capital and Leasing Commitments

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	48,067	47,629
- between one year and five years	195,536	195,277
- later than five years	1,613,174	1,659,858
	<u>1,856,777</u>	<u>1,902,764</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:

	2019	2018
	\$	\$
Tax losses carried forward on revenue account	142,450	209,726
Deferred tax assets at 27.50%	<u>39,174</u>	<u>57,675</u>

14 Auditors' Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor of the company, Watson Erskine Pty Ltd, for:		
- auditing the financial statements	5,997	5,760
- other services	6,183	5,941
Total	<u>12,180</u>	<u>11,701</u>

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2019 (30 September 2018: None).

Attunga Ski Lodge Limited

ABN: 42 003 043 016

Notes to the Financial Statements For the Year Ended 30 September 2019

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:

	2019	2018
	\$	\$
Profit for the year	63,226	38,707
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	17,315	19,176
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(305)	5,085
- (increase)/decrease in prepayments	(155)	(11,760)
- increase/(decrease) in trade and other payables	13,441	35,553
- increase/(decrease) in GST payable	1,710	(3,901)
Cashflows from operations	95,232	82,860

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 2019

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 11 to 28, 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 2019 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 
Iain W Morris

Dated this 20th day of December 2019



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 2019, 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 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - reduced disclosure requirements 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
Authorised Audit Company

B P Wise
Director

Sydney NSW

Dated this 20 day of December 2019



Watson Erskine Pty Ltd
Chartered Accountants

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Attunga Ski Lodge Limited

ABN: 42 003 043 016

For the Year Ended 30 September 2019

Disclaimer

The additional financial data presented on pages 33 - 34 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 2019. 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

.....
Brian Wise
Director

Sydney NSW

Dated this 20 day of December 2019

Years ended 30 September	2010*	2011	2012	2013	2014	2015	2016	2017	2018	2019
Accommodation revenue	287,906	134,937	180,427	200,273	169,686	192,258	213,833	207,047	207,834	234,360
Interest received	2,856	2,367	2,669	4,429	3,800	4,307	3,414	6,556	7,069	7,158
Club subscriptions	31,500	31,500	94,500	73,990	63,990	63,000	63,000	63,000	63,523	73,932
Other income	455	1,500	1,500	2,500	1,500	1,500	1,000	2,273	1,818	2,500
Loss on Disposal of Non-current Assets			27,298	3,437						
Fair value gains/losses on financial assets				-3,398						
Operating revenue	322,717	170,304	306,394	280,741	238,976	261,065	281,247	279,076	280,244	317,950
Accounting Fees	12,440	2,984	2,076	2,249	1,903	2,249	1,211	5,354	8,181	12,303
Advertising										
Auditors remuneration		12,789	8,956	9,060	9,420	9,514	11,030	5,592	5,760	5,997
Bank charges and transaction taxes	1,543	1,180	2,399	3,030	3,908	3,826	4,004	3,034	3,003	3,016
Bookkeeping Fees										
Catering & lodge manager fees										
Cleaning, laundry services and linen hire	136,185	62,698	54,868	67,415	57,311	60,660	76,072	85,259	90,085	99,332
Consultancy fees	9,123			1,127	0	227	0			2,188
Contingent rental on finance leases	2,321	1,002								
Depreciation - Building	68,199	53,202	35,717	16,462	18,274	19,235	28,247	23,356	19,177	17,315
Depreciation - Furniture and fittings										
Electricity, gas & water	32,933	28,967	25,683	35,193	31,588	26,358	17,556	24,852	26,919	32,023
Filing fees	2,055	1,096	1,356	1,086	1,113	1,454	1,236	1,884	1,279	1,451
Freight & cartage	91									
Gas	3,366	1,586	1,765	192	1,203	806				
Insurances	15,665	13,649	24,205	14,266	14,664	15,382	17,754	13,655	14,043	15,990
Laundry		5,101	12,068	8,859	6,911	6,410	7,316	7,879	8,436	7,739
Members Subscriptions Written Off		3,300	530							
Operating expenses		-438	480	4,109	12,044	10,251	8,485	6,612	7,803	4,839
Printing, postage, stationary	319	83	85	95	97	109	308	112	120	195
Rent paid on sub lease	58,239	30,108	41,077	41,869	43,042	44,118	44,821	45,827	46,586	47,429
Repairs and maintenance	21,763	27,741	9,402	6,226	9,757	0	12,993	1,647	4,763	0
Subscriptions	325	845	227				766	984	1,019	1,004
Sundry expenses	1,048	263	1		1,534	0	3,145	757	784	1,264
Telephone, telex and facsimile	2,729	2,090	2,954	4,701	3,470	2,815	2,276	2,479	3,580	2,639
Total expenses	368,344	248,246	223,849	215,939	216,239	203,414	237,220	229,283	241,537	254,724
Operating Profit/Loss	-45,627	-77,942	82,545	64,802	22,737	57,651	44,027	49,793	38,707	63,226
Amortisation of intangible assets										
Depreciation	68,199	53,202	35,717	16,462	18,274	19,235	28,247	23,356	19,177	17,315
Profit before amortisation and depreciation	22,572	-24,740	118,262	81,264	41,011	76,886	72,274	73,149	57,884	80,541
Repairs and maintenance	21,763	27,741	9,402	6,226	9,757	0	12,993	1,647	4,763	-
Profit before amortisation, depn & repairs	44,335	3,001	127,664	87,490	50,768	76,886	85,267	74,796	62,647	80,541

* 15 months to September 2010

Attunga Ski Lodge Limited

Balance Sheet	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash Assets	12,099	85,365	144,391	201,793	159,687	231,308	291,755	374,524	457,384	552,616
Receivables	52,918	33,961	49,168	35,241	8,862	8,293	7,450	5,235	150	455
Other	9,951	10,087							11,760	11,915
Total Current Assets	74,968	129,413	193,559	237,034	168,549	239,601	299,205	379,759	469,294	564,986
Other Financial Assets	13,000	13,000	13,000	9,602	9,602	9,602	9,602	9,602	9,602	9,602
Property Plant and Equipment	249,191	197,682	161,967	199,009	279,477	260,242	242,983	220,052	200,876	183,561
Intangible Assets										
Total Non-Current Assets	262,191	210,682	174,967	208,611	289,079	269,844	252,585	229,654	210,478	193,163
Total Assets	337,159	340,095	368,526	445,645	457,628	509,445	551,790	609,413	679,772	758,149
Payables	1,101	62,900	9,083	21,400	10,646	4,812	3,130	10,960	42,611	57,762
Other										
Total Current Liabilities	1,101	62,900	9,083	21,400	10,646	4,812	3,130	10,960	42,611	57,762
Total Liabilities	1,101	62,900	9,083	21,400	10,646	4,812	3,130	10,960	42,611	57,762
Net Assets	336,058	277,195	359,443	424,245	446,982	504,633	548,660	598,453	637,161	700,387
Contributed Equity	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	1,354,191
Accumulated Losses	-999,342	-1,077,296	-994,748	-929,946	-907,209	-849,558	-805,531	-755,738	-717,030	-653,804
Total Equity	336,058	277,195	359,443	424,245	446,982	504,633	548,660	598,453	637,161	700,387