



## **Financial Statements**

**For the Year Ended 30 September 2020**

# **Attunga Ski Lodge Limited**

ABN: 42 003 043 016

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**CHAIRMAN'S REPORT**  
**ATTUNGA SKI LODGE LIMITED TRADING AS ATTUNGA SKI LODGE**  
**FINANCIAL YEAR ENDED 30TH SEPTEMBER 2020**

It is my pleasure to report to you on the company's activities during the Financial Year ended 30th September 2020

By any measure 2020 has been a very difficult year for any business and especially businesses involved in accommodation and catering. The fact that we were able to enjoy a ski season at all in the COVID-19 environment was a real blessing despite the many decisions to make it happen needing to be made late and, at times, on the run. For this, I am extremely grateful, first to a very willing and competent board, second to our wonderful managers, Errol and Elsa and third to the Thredbo resort management and regulatory authorities who found ways to enable a truncated ski season in spite of the conjunction of COVID-19 and relatively poor snow conditions.

Iain Morris, our Treasurer, has prepared a comprehensive Report to members in this Annual Report. I urge members to take a moment to read it and be reassured that the Company and the Lodge have, so far, come through the trials and tribulations of 2020 in very good shape. This has not been achieved without much effort in reducing costs, generating revenue wherever possible and still maintaining the high standards of services at Attunga that we all expect. While 2021 will clearly present a new set of challenges, the combination of our sound financial position and experienced management means that we are well placed to deal with them while at the same time prudently advancing our future plans to maintain and improve the amenity of the Lodge. Iain deserves our special thanks for his intelligent leadership as Treasurer and for the time that he somehow finds for this critical role.

The Master Plan for Attunga has now reached the stage of a Development Application that was lodged in December. This project, involving both Lodge improvements and compliance with modern building regulations, is led by Craig Calder whose enthusiasm and professional experience are very valuable assets on the Board. Craig has worked closely with David Wolski, who most members know as the architect responsible for the original design of the Lodge back in the 80s. David's intimate knowledge of the Lodge and his clear vision for the proposed improvements has been most reassuring to the Board as the Master Plan has matured. I would also like to acknowledge the contributions and suggestions of a majority of members who have responded during the year to the Master Plan survey organised by Craig on behalf of the Board.

To be clear, while the Board has approved the lodgement of the DA, we are yet to approve the final staging of the project. This will depend upon building and related costs estimates and a funding plan that, as a priority, must ensure that the Lodge continues to be financially sound and well able to contract for the work without significant additional costs to members. As always, the Board will continue to inform and consult with members on these issues.



We were pleased to welcome Rudi Englebrecht to the Board in 2020. Rudi brings to the table his broad experience in the world of IT and, along with John Talbot and Peter Debney (who also carries the vital responsibilities of Secretary), has helped us to improve our member communications throughout 2020 when it was needed more than ever before. Rudi has also been working on the upgrade of the Attunga website that we hope to re-launch shortly. We now have a well-balanced board, but remain open to expressions of interest from members who can offer skills and experience that will benefit our members. The board is of the view that a female director would be a very welcome addition.

It is not unusual to end the Chairman's Report with thanks to our managers. And I very happily do that, but with special and personal thanks from the Board who, in their various roles, deal with Errol and Elsa closely and regularly and always find it a pleasure, even in the occasional difficult circumstances that can sometimes arise. In addition to their unrivalled hospitality in the Lodge, Errol and Elsa take a real interest in the management, maintenance and amenity of the Lodge and have been vital contributors to the development of the Master Plan. Attunga is their home of course and the sense of pride and "ownership" that they have is important to the unique culture that we have in the Lodge. In meeting the challenges of COVID-19 and in implementing the policies that we developed together, their management and support have been exceptional.

With hopes of a better year in 2021, less COVID-19 lockdowns and restrictions and more snow (or sunshine for our summer season campers), I commend this Annual Report to the members.

**RUSSELL DEBNEY**  
Chairman



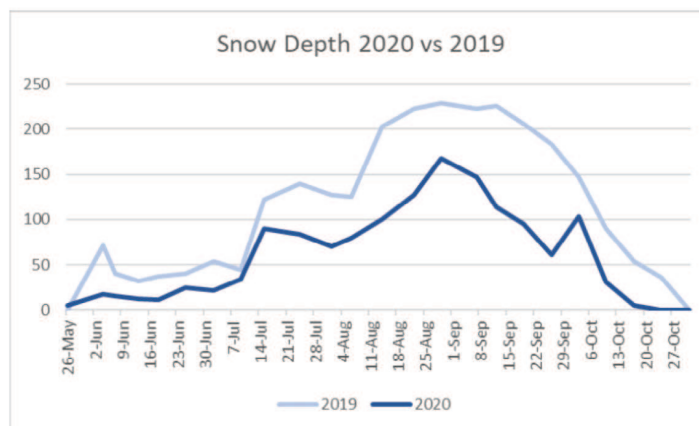
## Treasurer's Report

### Key Points

- Attunga was adversely impacted in FY20 by:
  - o bushfires in December/January (including lodge shutdown through January)
  - o COVID-19 pandemic restrictions from March (including Easter shut-down)
  - o Relatively poor snow cover
- The board and the lodge managers have focussed on maximising safe occupancy through this period to limit the financial impact.
- Overall, Revenue in FY20 was down by 28.1% compared to FY19. This was driven by Adult member occupancy which was down by 41.4% for the ski season.
- Notwithstanding the challenges, FY21 generated a small operating profit for Attunga (excluding depreciation)
- Subscription rates and Accommodation charges were unchanged in FY20.
- The board has decided to increase subscriptions and accommodation charges in FY21 by around 5% to cover increased fixed costs and decreased occupancy capacity due to COVID. We have also implemented a COVID surcharge for off-peak periods to cover additional costs associated with complying with COVID restrictions.
- In FY20 we spent c.\$30k on lodge improvements and initial work for the Master Plan (for which the DA was submitted to the NSW Department of Planning in December 2020)
- Cash reserves remain strong (\$540k at 30 September 2020). However the board is preparing for increased capital expenditure once the DA for the Master Plan is approved.
- This is an extremely strong result given the challenges of 2020. This was only possible with our exceptional managers – thank you Errol and Elsa!

### Thredbo market and snow conditions

Compared to FY20 we had considerably less snow throughout the season. Thredbo resort also had a maintenance issue with snow making meaning snow cover was sub-optimal through the season.





Thredbo resort (owned by Event Hospitality and Entertainment Limited) has had a very tough year for the same reasons our performance is down. Thredbo's results for the whole ski season have not been released but for the period from 1 January 2020 – 30 June 2020 revenue was down by 43.1% compared to the same period in 2019.

Notwithstanding the challenges, Thredbo resort has continued to invest in the resort with the opening of the new Merritt's gondola and have continued to invest in the Summer program. Some of the maintenance issues through the year (such as Sponers T-Bar and very limited snow making) caused some frustration for guests but keen skiers and boarders continued to support the resort.

Our landlords (Kosciuszko Thredbo) have supported tenants with some rent relief. This includes Attunga and we benefitted from a \$13k reduction in rent in FY20. At this stage there is no reduction in FY21.

#### **Attunga's COVID action plan**

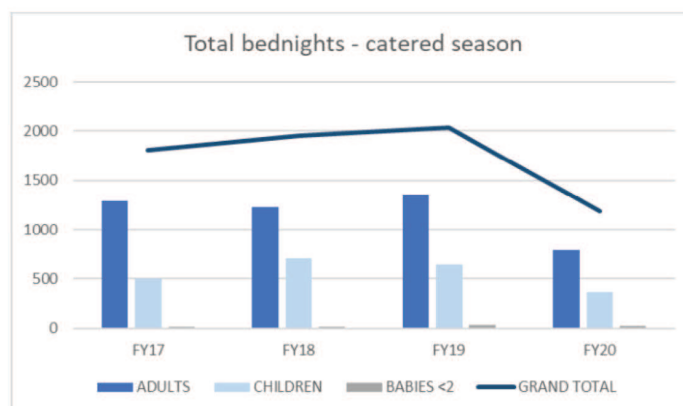
As outlined in the Chairman's letter, the board collaborated closely with our lodge managers to ensure the lodge remained safely open wherever possible as the COVID situation evolved. This collaboration has continued through FY21.

When the first lock-down was implemented by the NSW government, we prepared three financial scenarios and an action plan to ensure that we remained as financially strong as possible. I'm pleased to advise that, despite the restrictions, we were able to perform close to our best-case scenario based on the situation in late March 2020.

#### **Attunga occupancy and mix**

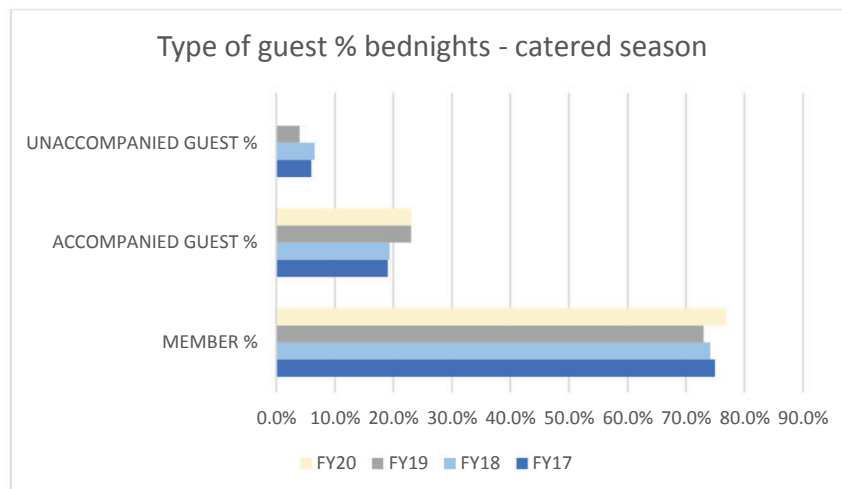
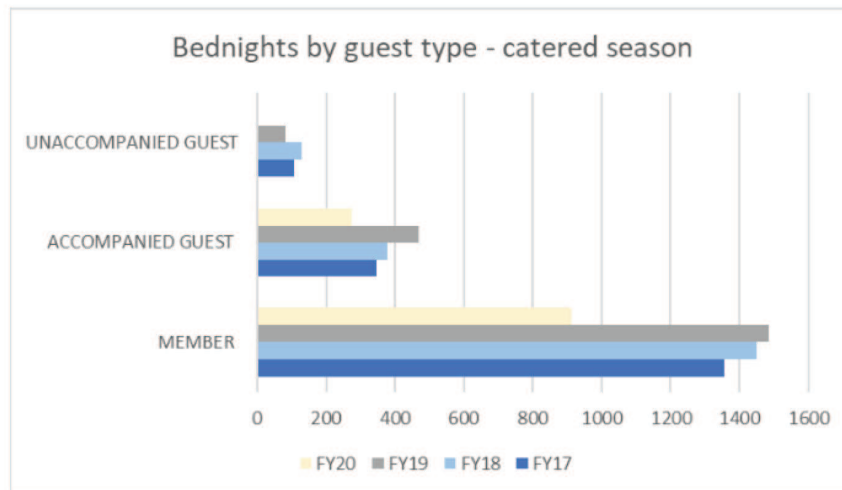
Occupancy (bed nights) during the ski season was significantly down by 41.7% to 1186 bed nights versus 2035 in FY19.

The mix between Adults and Children is in line with FY19 with 66.7% of bed nights being for Adults.





The proportion of member bookings increased to 76.9% of bed nights. There were no bookings from unaccompanied guests in the 2020 ski season.



#### Attunga tariffs

In FY20 we made no change to our subscription and nightly tariff rates. This was in consideration of the strong result in FY19 despite some increases in operating costs in FY19.

In FY21 the board decided to increase member subscriptions by \$55/member. This will generate an additional \$5,800 for the lodge for ongoing maintenance.



Nightly tariffs were also raised by c.5% across all categories to cover increased operating costs over the past two years and to ensure that we remain in a strong financial position in 2021 should there be a continuation of decreased occupancy as COVID restrictions remain.

#### **Cost base**

In FY20 we decreased our cost base in order to manage the reduced occupancy. The significant changes to in costs were:

- Management fees and catering decreased by 27.4%. This was driven by the significant decrease in occupancy volume discussed above. In order to ensure that Errol and Elsa are properly remunerated for their increased workload per guest given the COVID restrictions, the board decided to increase their bonus payment for FY20 (paid in FY21) and we have implemented a COVID surcharge in the off-peak period which mostly goes to Errol and Elsa for their continued efforts to ensure we remain COVID compliant through the year.
- Energy costs decreased by 36.1%. This was largely driven by decreased occupancy throughout the year. Errol and Elsa have also implemented several measures to reduce consumption which will have contributed to this result.
- Insurance costs increased by 52.3%. These increases have been experienced throughout Thredbo, partly driven by one insurance provider pulling out of the market. We anticipate a hardened insurance market for the foreseeable future.
- Increased Supplies and Other Expenses largely relate to consumables needed for us to be COVID compliant.
- Repairs and maintenance expenses were up on FY20, however that largely related to timing of invoices between financial years. Works consistent with prior years were completed in FY19, FY20 and FY21 ensuring the building, fixtures and fittings remain at a high standard.

#### **Accounting treatment (AASB 16 – leases)**

AASB 16 Leases is a new accounting standard implemented in 2019 that requires lessees (e.g. Attunga as a Tenant) to recognise rental contracts on their balance sheets as assets and liabilities. Under the previous AASB 17 standard, leases were treated as an expense only and recognised off-balance sheet.

The change means that our 50-year lease (expiring in 2057) of land from Kosciuszko Thredbo is recorded in the balance sheet as an Asset and a Liability. As the lease unwinds, we recognise part of the cost as depreciation and the remainder as interest expense. There is no impact in operating cash.

As mentioned above, we received rent relief of \$13k in FY20 and we don't expect relief in FY21.

#### **Capital Expenditure**

All expenditure for the Attunga Master Plan was incurred on the capital account. Total expenditure in FY20 was \$31k and included:





- DA preparation costs
- Tree removal and creation of a new car space at front of lodge increasing total car spaces to 12 (one for each room)

### **Financial position**

Our operating cash result was just positive. However due to the Master Plan and other Capital Improvements our cash at bank decreased by \$29k in FY20.

Given the challenges of FY20, the board is extremely happy with this result.

We are pleased that we have been able to continue to evolve the Attunga Master plan and we look forward to further progressing the plan in FY21 utilising part of our cash reserves efficiently and effectively. As we have previously reported to shareholders, the final approval and the financing of the Master Plan is yet to be approved by the Board after full consultation with shareholders.

### **Lodge managers**

Our contract with Errol and Elsa remains in place and they are looking forward to the 2021 season. Both Errol and Elsa have been intimately involved in helping us develop the Attunga Lodge Master Plan and the DA submission. Errol has been fantastic in managing contractors on site and ensuring we get a great outcome on the Master Plan.

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 a very difficult 2020. We look forward to 2021 being a better year for Thredbo, the Lodge and all our members.

A handwritten signature in black ink, appearing to read 'Iain Morris', written over a horizontal line.

**IAIN MORRIS**  
Treasurer

## Attunga Ski Lodge Limited

ABN: 42 003 043 016

# Directors' Report

## For the Year Ended 30 September 2020

The directors present their report on Attunga Ski Lodge Limited for the financial year ended 30 September 2020.

### 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                      Resigned 27 February 2020

Experience                              32 years

Direct or indirect interest in shares                      7,000 shares

Special responsibilities                      Chairman of the Board

David P Wolski

Experience                              29 years 10 months

Direct or indirect interest in shares                      7,000 shares

Iain W Morris

Experience                              7 years 7 months

Direct or indirect interest in shares                      7,000 shares

John R Talbot

Experience                              7 years 7 months

Direct or indirect interest in shares                      7,000 shares

Peter J Debney

Experience                              5 years 9 months

Direct or indirect interest in shares                      7,000 shares

Craig Calder

Experience                              4 years 5 months

Direct or indirect interest in shares                      7,000 shares

Roelof L Engelbrecht

Experience                              1 year 1 months

Russell Debney

Experience                              26 years 9 months

Direct or indirect interest in shares                      7,000 shares

Special responsibilities                      Chairman of the Board from 27 February 2020

# **Attunga Ski Lodge Limited**

ABN: 42 003 043 016

## **Directors' Report**

### **For the Year Ended 30 September 2020**

#### **1. General information**

##### **Information on directors**

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 loss of the Company after providing for income tax amounted to \$ (10,320) (2019: \$ 63,226 profit).

The highly infectious coronavirus COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020. The pandemic has had a catastrophic human impact and economic cost worldwide. The consequences for the Australian economy, as a whole, are likely to be far-reaching and long-lasting, with the first recession in almost three decades confirmed in early September.

##### **Review of operations**

A review of the operations of the Company during the financial year and the results of those operations show a significant decline in accommodation revenue for the year. Expenses also decreased by approximately 19% thus resulting in an overall decrease in profit before tax. Cash on hand at balance date was approximately \$524K and net assets totalled \$690K.

#### **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 2020

#### 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, 9 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      | 3                         | 2               |
| David P Wolski       | 9                         | 8               |
| Iain W Morris        | 9                         | 9               |
| John R Talbot        | 9                         | 9               |
| Peter J Debney       | 9                         | 8               |
| Craig Calder         | 9                         | 9               |
| Russell Debney       | 9                         | 9               |
| Roelof L Engelbrecht | 9                         | 9               |

##### 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 \$2,205 (2019: \$2,071).

**Attunga Ski Lodge Limited**

ABN: 42 003 043 016

**Directors' Report**

**For the Year Ended 30 September 2020**

**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 2020 has been received and can be found on page 12 of the financial report.

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

Director:  .....

Russell Debney

Director:  .....

Iain W Morris

Dated this **22nd** day of **January** 2021



**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 2020, 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

*Watson Erskine PL*

B P Wise  
Director

*B P Wise*

Dated 25 day of January 2021

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 2020

|  |      | 2020            | 2019          |
|--|------|-----------------|---------------|
|  | Note | \$              | \$            |
| Revenue  | 4    | 222,280         | 310,792       |
| Finance income                                       | 4    | 3,359           | 7,158         |
| Other income   | 4    | 3,000           | -             |
| Depreciation and amortisation expense                |      | (47,734)        | (17,315)      |
| Electricity, gas and water                           |      | (20,475)        | (32,023)      |
| Insurance  |      | (24,364)        | (15,990)      |
| Management Fees & Catering                           |      | (72,078)        | (99,332)      |
| Lease rentals on operating lease                     |      | (285)           | (47,429)      |
| Supplies   |      | (8,019)         | (4,839)       |
| Repairs and Maintenance                              |      | (5,834)         | -             |
| Other expenses                                       |      | (31,689)        | (37,796)      |
| Finance expenses                                     |      | (28,481)        | -             |
| <b>Profit /(loss) before income tax</b>              |      | <b>(10,320)</b> | <b>63,226</b> |
| Income tax expense                                   | 5    | -               | -             |
| <b>Profit/ (loss) from continuing operations</b>     |      | <b>(10,320)</b> | <b>63,226</b> |
| <b>Profit/ (loss) for the year</b>                   |      | <b>(10,320)</b> | <b>63,226</b> |
| <b>Other comprehensive income, net of income tax</b> |      |                 |               |
| <b>Total comprehensive income for the year</b>       |      | <b>(10,320)</b> | <b>63,226</b> |

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

## Attunga Ski Lodge Limited

ABN: 42 003 043 016

### Statement of Financial Position As At 30 September 2020

|  | Note | 2020<br>\$                 | 2019<br>\$ |
|--|------|----------------------------|------------|
| <strong>ASSETS</strong>                        |      |                            |            |
| <strong>CURRENT ASSETS</strong>                |      |                            |            |
| Cash and cash equivalents                      | 6    | 523,827                    | 552,616    |
| Trade and other receivables                    | 7    | 3,378                      | 455        |
| Other assets                                   |      | 13,107                     | 11,915     |
| <strong>TOTAL CURRENT ASSETS</strong>          |      | <strong>540,312</strong>   | 564,986    |
| <strong>NON-CURRENT ASSETS</strong>            |      |                            |            |
| Other financial assets                         | 8    | 9,602                      | 9,602      |
| Property, plant and equipment                  | 9    | 200,635                    | 183,561    |
| Right-of-use assets                            | 10   | 1,232,455                  | -          |
| <strong>TOTAL NON-CURRENT ASSETS</strong>      |      | <strong>1,442,692</strong> | 193,163    |
| <strong>TOTAL ASSETS</strong>                  |      | <strong>1,983,004</strong> | 758,149    |
| <strong>LIABILITIES</strong>                   |      |                            |            |
| <strong>CURRENT LIABILITIES</strong>           |      |                            |            |
| Trade and other payables                       | 11   | 36,670                     | 57,762     |
| Lease liabilities                              | 10   | 19,871                     | -          |
| <strong>TOTAL CURRENT LIABILITIES</strong>     |      | <strong>56,541</strong>    | 57,762     |
| <strong>NON-CURRENT LIABILITIES</strong>       |      |                            |            |
| Trade and other payables                       | 11   | 4,015                      | -          |
| Lease liabilities                              | 10   | 1,232,381                  | -          |
| <strong>TOTAL NON-CURRENT LIABILITIES</strong> |      | <strong>1,236,396</strong> | -          |
| <strong>TOTAL LIABILITIES</strong>             |      | <strong>1,292,937</strong> | 57,762     |
| <strong>NET ASSETS</strong>                    |      | <strong>690,067</strong>   | 700,387    |
| <strong>EQUITY</strong>                        |      |                            |            |
| Issued capital                                 |      | 1,354,191                  | 1,354,191  |
| Retained earnings                              |      | (664,124)                  | (653,804)  |
| <strong>TOTAL EQUITY</strong>                  |      | <strong>690,067</strong>   | 700,387    |

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

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 2020

#### 2020

|                                     | Ordinary<br>Shares | Retained<br>Earnings | Total          |
|-------------------------------------|--------------------|----------------------|----------------|
|                                     | \$                 | \$                   | \$             |
| <b>Balance at 1 October 2019</b>    | <b>1,354,191</b>   | <b>(653,804)</b>     | <b>700,387</b> |
| Loss for the year                   | -                  | (10,320)             | (10,320)       |
| <b>Balance at 30 September 2020</b> | <b>1,354,191</b>   | <b>(664,124)</b>     | <b>690,067</b> |

#### 2019

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

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

## Attunga Ski Lodge Limited

ABN: 42 003 043 016

### Statement of Cash Flows For the Year Ended 30 September 2020

|   | Note | 2020<br>\$        | 2019<br>\$        |
|---|------|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>              |      |                   |                   |
| Receipts from customers                                   |      | \$ 218,465        | \$ 340,683        |
| Payments to suppliers and employees                       |      | (177,121)         | (252,609)         |
| Interest received   |      | 3,359             | 7,158             |
| Interest paid   |      | (28,481)          | -                 |
| Net cash provided by/(used in) operating activities       | 17   | <u>16,222</u>     | <u>95,232</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>              |      |                   |                   |
| Purchase of property, plant and equipment                 |      | (31,272)          | -                 |
| Net cash provided by/(used in) investing activities       |      | <u>(31,272)</u>   | <u>-</u>          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>              |      |                   |                   |
| Payment of finance lease liabilities                      |      | (13,739)          | -                 |
| Net cash provided by/(used in) financing activities       |      | <u>(13,739)</u>   | <u>-</u>          |
| Net increase/(decrease) in cash and cash equivalents held |      | (28,789)          | 95,232            |
| Cash and cash equivalents at beginning of year            |      | <u>552,616</u>    | <u>457,384</u>    |
| Cash and cash equivalents at end of financial year        | 6    | <u>\$ 523,827</u> | <u>\$ 552,616</u> |

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

# Attunga Ski Lodge Limited

ABN: 42 003 043 016

## Notes to the Financial Statements For the Year Ended 30 September 2020

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). 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.

#### Interest revenue

Interest is recognised using the effective interest method.

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2020**

#### **2 Summary of Significant Accounting Policies**

##### **(b). Revenue and other income**

###### **Subscriptions**

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

##### **(c). 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.

##### **(d). 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:

| <b>Fixed asset class</b>                         | <b>Depreciation rate</b> |
|--|--------------------------|
| Plant and Equipment                              | 3-30%                    |
| Furniture, Fixtures and Fittings                 | 3-30%                    |
| Leasehold improvements                           | 1-4%                     |
| Right-of-Use - Buildings                         | 38 years                 |
| 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 2020**

## **2 Summary of Significant Accounting Policies**

### **(e). Financial instruments**

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

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

#### **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*

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2020**

## **2 Summary of Significant Accounting Policies**

### **(e). Financial instruments**

#### **Financial assets**

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

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

#### *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

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2020**

#### **2 Summary of Significant Accounting Policies**

##### **(e). Financial instruments**

###### **Financial assets**

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 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 lease liabilities.

##### **(f). 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.

##### **(g). 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.

##### **(h). Leases**

For comparative year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2020**

#### **2 Summary of Significant Accounting Policies**

**(h). Leases**

value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.



## **Notes to the Financial Statements**

**For the Year Ended 30 September 2020**

### **2 Summary of Significant Accounting Policies**

#### **(h). Leases**

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### *Exceptions to lease accounting*

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

### **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 subscriptions outstanding.

## Attunga Ski Lodge Limited

ABN: 42 003 043 016

### Notes to the Financial Statements For the Year Ended 30 September 2020

#### 4 Revenue and Other Income

##### Revenue from continuing operations

|                                 | 2020                  | 2019                  |
|---------------------------------|-----------------------|-----------------------|
|                                 | \$                    | \$                    |
| Revenue                         |                       |                       |
| - Accommodation income          | 147,416               | 234,360               |
| - Member subscriptions          | 73,114                | 73,932                |
| - Interest income               | 3,359                 | 7,158                 |
| - Other revenue                 | 1,750                 | 2,500                 |
|                                 | <u>225,639</u>        | <u>317,950</u>        |
| Other income                    |                       |                       |
| - government assistance - grant | 3,000                 | -                     |
| <b>Total Revenue</b>            | <u><b>228,639</b></u> | <u><b>317,950</b></u> |

#### 5 Income Tax Expense

##### Reconciliation of income tax to accounting profit:

|   | 2020         | 2019          |
|---|--------------|---------------|
|   | \$           | \$            |
| Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019: 27.5%) | (2,838)      | 17,387        |
| Add:  |              |               |
| Tax effect of:  |              |               |
| - non-deductible depreciation and amortisation  | 257          | 1,114         |
| - non-deductible expenses   | 5,444        | -             |
|   | <u>2,863</u> | <u>18,501</u> |
| Less:   |              |               |
| Tax effect of:  |              |               |
| Recoupment of prior year tax losses not previously brought to account                               | 2,863        | 18,501        |
| Income tax expense  | <u>-</u>     | <u>-</u>      |

#### 6 Cash and Cash Equivalents

|                          | 2020           | 2019           |
|--------------------------|----------------|----------------|
|                          | \$             | \$             |
| Cash at bank and in hand | <u>523,827</u> | <u>552,616</u> |

## Attunga Ski Lodge Limited

ABN: 42 003 043 016

### Notes to the Financial Statements For the Year Ended 30 September 2020

#### 6 Cash and Cash Equivalents

#### 7 Trade and Other Receivables

|  | 2020  | 2019 |
|--|-------|------|
|  | \$    | \$   |
| CURRENT                                    |       |      |
| Contributions receivable from shareholders | 3,378 | 455  |

#### 8 Other financial assets

|   | 2020  | 2019  |
|---|-------|-------|
|   | \$    | \$    |
| 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  | (134,987) | (134,054) |
| Total plant and equipment | -         | 933       |

##### 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                      | 1,438,786   | 1,407,514   |
| Accumulated amortisation     | (1,238,151) | (1,224,886) |
| Total leasehold improvements | 200,635     | 182,628     |

## Attunga Ski Lodge Limited

ABN: 42 003 043 016

### Notes to the Financial Statements For the Year Ended 30 September 2020

#### 9 Property, plant and equipment

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

200,635 183,561

#### (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<br>Equipment<br>\$ | Improvement<br>s<br>\$ | Total<br>\$ |
|---------------------------------------|------------------------------|------------------------|-------------|
| <b>Year ended 30 September 2020</b>   |                              |                        |             |
| Balance at the beginning of year      | 933                          | 182,628                | 183,561     |
| Additions                             | -                            | 31,272                 | 31,272      |
| Depreciation expense                  | (933)                        | (13,265)               | (14,198)    |
| <b>Balance at the end of the year</b> | -                            | 200,635                | 200,635     |

#### 10 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related interpretations.

##### Company as a lessee

The Company has a lease over land and buildings.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

##### Right-of-use assets

|                                     | Buildings<br>\$ | Total<br>\$ |
|-------------------------------------|-----------------|-------------|
| <b>Year ended 30 September 2020</b> |                 |             |
| Balance at beginning of year        | 1,265,991       | 1,265,991   |
| Depreciation charge                 | (33,536)        | (33,536)    |
| <b>Balance at end of year</b>       | 1,232,455       | 1,232,455   |

# Attunga Ski Lodge Limited

ABN: 42 003 043 016

## Notes to the Financial Statements

For the Year Ended 30 September 2020

### 10 Leases

#### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

|                   | < 1 year | 1 - 5 years | > 5 years | Total<br>undiscounted<br>lease liabilities | Lease liabilities<br>included in this<br>Statement Of<br>Financial Position |
|-------------------|----------|-------------|-----------|--|---|
|                   | \$       | \$          | \$        | \$   | \$  |
| <b>2020</b>       |          |             |           |  |   |
| Lease liabilities | 47,670   | 191,014     | 1,535,289 | 1,773,973                                  | 1,252,252   |

### 11 Trade and Other Payables

|                                      | Note | 2020<br>\$    | 2019<br>\$    |
|--------------------------------------|------|---------------|---------------|
| <b>CURRENT</b>                       |      |               |               |
| Trade payables                       |      | 39,547        | 58,717        |
| GST payable / (receivable)           |      | (2,997)       | 894           |
| Related party payable / (receivable) |      | (1,849)       | (1,849)       |
| Rent Deferred                        |      | 1,969         | -             |
|                                      |      | <u>36,670</u> | <u>57,762</u> |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

|                    | 2020<br>\$ | 2019<br>\$ |
|--------------------|------------|------------|
| <b>NON-CURRENT</b> |            |            |
| Rent Deferred      | 4,015      | -          |

### 12 Issued Capital

|   | 2020<br>\$ | 2019<br>\$ |
|---|------------|------------|
| 735,000 (2019: 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 2020

#### 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:

|   | 2020    | 2019    |
|---|---------|---------|
|   | \$      | \$      |
| Tax losses carried forward on revenue account | 132,040 | 142,450 |
| Deferred tax assets at 27.50%                 | 36,311  | 39,174  |

#### 14 Auditors' Remuneration

|   | 2020          | 2019          |
|---|---------------|---------------|
|   | \$            | \$            |
| Remuneration of the auditor of the company, Watson Erskine Pty Ltd, for:) |               |               |
| - auditing the financial statements                                       | 6,116         | 5,997         |
| - other services  | 6,482         | 6,183         |
| <b>Total</b>  | <b>12,598</b> | <b>12,180</b> |

#### 15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2020 (30 September 2019: None).

#### 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.

## Attunga Ski Lodge Limited

ABN: 42 003 043 016

### Notes to the Financial Statements For the Year Ended 30 September 2020

#### 17 Cash Flow Information

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

|  | 2020          | 2019          |
|--|---------------|---------------|
|  | \$            | \$            |
| Profit for the year  | (10,320)      | 63,226        |
| Cash flows excluded from profit attributable to operating activities |               |               |
| Non-cash flows in profit:  |               |               |
| - depreciation   | 47,734        | 17,315        |
| Changes in assets and liabilities:                                   |               |               |
| - (increase)/decrease in trade and other receivables                 | (2,923)       | (305)         |
| - (increase)/decrease in prepayments                                 | (1,192)       | (155)         |
| - increase/(decrease) in trade and other payables                    | (17,201)      | 13,441        |
| - increase/(decrease) in GST payable                                 | (3,891)       | 1,710         |
| - increase/(decrease) in deferred rent                               | 4,015         | -             |
| Cashflows from operations  | <u>16,222</u> | <u>95,232</u> |

#### 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 2020**

#### **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

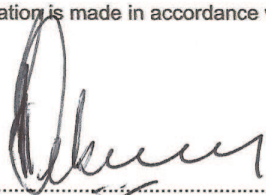
ABN: 42 003 043 016


### Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 - 30, 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 2020 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   
.....  
Russell Debney

Director   
.....  
Iain W Morris

Dated this 22nd day of January 2021



## **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 2020, 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 2020 and of its financial performance for the year 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 (including Independence Standards)* (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 - Reduced Disclosure Requirements 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, actions taken to eliminate threats or safeguards applied.

Watson Erskine Pty Ltd  
Authorised Audit Company

*Watson Erskine PL*

B P Wise  
Director

Sydney NSW

*25 JANUARY 2021*



**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 2020**

## **Disclaimer**

The additional financial data presented on page 35 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 2020. 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 Ph*  
*Brian Wise*

.....  
Brian Wise  
Director

Sydney NSW

Dated this 25 day of January 2021

| Attunga Ski Lodge Limited   |                |                |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Years ended 30 September  | 2011           | 2012           | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           |
| Accommodation revenue   | 134,937        | 180,427        | 200,273        | 169,686        | 192,258        | 213,833        | 207,047        | 207,834        | 234,360        | 147,416        |
| Interest received   | 2,367          | 2,669          | 4,429          | 3,800          | 4,307          | 3,414          | 6,556          | 7,069          | 7,158          | 3,359          |
| Club subscriptions  | 31,500         | 94,500         | 73,500         | 63,990         | 63,000         | 63,000         | 63,200         | 63,523         | 73,932         | 73,113         |
| Other income  | 1,500          | 1,500          | 2,500          | 1,500          | 1,500          | 1,000          | 2,273          | 1,818          | 2,500          | 1,750          |
| NSW Government grant  |                |                |                |                |                |                |                |                |                | 3,000          |
| Loss on Disposal of Non-current Assets                                  |                | 27,298         | 3,437          |                |                |                |                |                |                |                |
| Fair value gains/losses on financial assets                             |                |                | -3,398         |                |                |                |                |                |                |                |
| <b>Operating revenue</b>  | <b>170,304</b> | <b>306,394</b> | <b>280,741</b> | <b>238,976</b> | <b>261,065</b> | <b>281,247</b> | <b>279,076</b> | <b>280,244</b> | <b>317,950</b> | <b>228,638</b> |
| Accounting Fees   | 2,984          | 2,076          | 2,249          | 1,903          | 2,249          | 1,211          | 5,354          | 8,181          | 12,303         | 12,382         |
| Advertising   |                |                |                |                |                |                |                |                |                |                |
| Auditors remuneration   | 12,789         | 8,956          | 9,060          | 9,420          | 9,514          | 11,030         | 5,592          | 5,760          | 5,997          | 6,116          |
| Bank charges and transaction taxes                                      | 1,180          | 2,399          | 3,030          | 3,908          | 3,826          | 4,004          | 3,034          | 3,003          | 3,016          | 1,137          |
| Bookkeeping Fees  |                |                |                |                |                |                |                |                |                |                |
| Catering & lodge manager fees   | 62,698         | 54,868         | 67,415         | 57,311         | 60,660         | 76,072         | 85,259         | 90,085         | 99,332         | 72,078         |
| Cleaning, laundry services and linen hire                               |                |                |                |                |                |                |                |                |                |                |
| Consultancy fees  |                |                | 1,127          | 0              | 227            | 0              |                |                | 2,188          | -1,563         |
| Contingent rental on finance leases                                     | 1,002          |                |                |                |                |                |                |                |                |                |
| Depreciation - Building   | 53,202         | 35,717         | 16,462         | 18,274         | 19,235         | 28,247         | 23,356         | 19,177         | 17,315         | 14,198         |
| Depreciation - Attunga Ski Lease <sup>1</sup>                           |                |                |                |                |                |                |                |                |                | 33,536         |
| Electricity, gas & water  | 28,967         | 25,683         | 35,193         | 31,588         | 26,358         | 17,556         | 24,852         | 26,919         | 32,023         | 20,475         |
| Filing fees   | 1,096          | 1,356          | 1,086          | 1,113          | 1,454          | 1,236          | 1,884          | 1,279          | 1,451          | 1,763          |
| Freight & cartage   |                |                |                |                |                |                |                |                |                |                |
| Gas   | 1,586          | 1,765          | 192            | 1,203          | 806            |                |                |                |                |                |
| Insurances  | 13,649         | 24,205         | 14,266         | 14,664         | 15,382         | 17,754         | 13,655         | 14,043         | 15,990         | 24,364         |
| Interest expense - Attunga Ski Lease <sup>1</sup>                       |                |                |                |                |                |                |                |                |                | 28,481         |
| Laundry   | 5,101          | 12,068         | 8,859          | 6,911          | 6,410          | 7,316          | 7,879          | 8,436          | 7,739          | 6,416          |
| 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          | 8,019          |
| Printing, postage, stationary   | 83             | 85             | 95             | 97             | 109            | 308            | 112            | 120            | 195            | 678            |
| Rent paid on sub lease  | 30,108         | 41,077         | 41,869         | 43,042         | 44,118         | 44,821         | 45,827         | 46,586         | 47,429         | 285            |
| Repairs and maintenance   | 27,741         | 9,402          | 6,226          | 9,757          | 0              | 12,993         | 1,647          | 4,763          | 0              | 5,834          |
| Subscriptions   | 845            | 227            |                |                |                | 766            | 984            | 1,019          | 1,004          | 2,069          |
| Sundry expenses   | 263            | 1              |                | 1,534          | 0              | 3,145          | 757            | 784            | 1,264          | 829            |
| Telephone, telex and facsimile  | 2,090          | 2,954          | 4,701          | 3,470          | 2,815          | 2,276          | 2,479          | 3,580          | 2,639          | 1,861          |
| <b>Total expenses</b>   | <b>248,246</b> | <b>223,849</b> | <b>215,939</b> | <b>216,239</b> | <b>203,414</b> | <b>237,220</b> | <b>229,283</b> | <b>241,537</b> | <b>254,724</b> | <b>238,958</b> |
| <b>Operating Profit/Loss</b>  | <b>-77,942</b> | <b>82,545</b>  | <b>64,802</b>  | <b>22,737</b>  | <b>57,651</b>  | <b>44,027</b>  | <b>49,793</b>  | <b>38,707</b>  | <b>63,226</b>  | <b>-10,320</b> |
| Add: Accounting deduction due to AASB 16 (Depn & Interest) <sup>1</sup> |                |                |                |                |                |                |                |                |                | 62,017         |
| Less: Actual rent paid on lease <sup>1</sup>                            |                |                |                |                |                |                |                |                |                | -42,220        |
| <b>Operating Profit/Loss without AASB 16 standard</b>                   | <b>-77,942</b> | <b>82,545</b>  | <b>64,802</b>  | <b>22,737</b>  | <b>57,651</b>  | <b>44,027</b>  | <b>49,793</b>  | <b>38,707</b>  | <b>63,226</b>  | <b>9,477</b>   |
| Depreciation - Building   | 53,202         | 35,717         | 16,462         | 18,274         | 19,235         | 28,247         | 23,356         | 19,177         | 17,315         | 14,198         |
| <b>Profit before depreciation and amortisation</b>                      | <b>-24,740</b> | <b>118,262</b> | <b>81,264</b>  | <b>41,011</b>  | <b>76,886</b>  | <b>72,274</b>  | <b>73,149</b>  | <b>57,884</b>  | <b>80,541</b>  | <b>23,675</b>  |
| Repairs and maintenance   | 27,741         | 9,402          | 6,226          | 9,757          | 0              | 12,993         | 1,647          | 4,763          | -              | 5,834          |
| <b>Profit before amortisation, depn &amp; repairs</b>                   | <b>3,001</b>   | <b>127,664</b> | <b>87,490</b>  | <b>50,768</b>  | <b>76,886</b>  | <b>85,267</b>  | <b>74,796</b>  | <b>62,647</b>  | <b>80,541</b>  | <b>29,509</b>  |

<sup>1</sup> The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Attunga Ski Lodge Limited

| <b>Balance Sheet</b>                            | <b>2011</b>    | <b>2012</b>    | <b>2013</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017</b>    | <b>2018</b>    | <b>2019</b>    | <b>2020</b>      |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Cash Assets                                     | 85,365         | 144,391        | 201,793        | 159,687        | 231,308        | 291,755        | 374,524        | 457,384        | 552,616        | 523,827          |
| Receivables                                     | 33,961         | 49,168         | 35,241         | 8,862          | 8,293          | 7,450          | 5,235          | 150            | 455            | 3,378            |
| Other   | 10,087         |                |                |                |                |                |                | 11,760         | 11,915         | 13,107           |
| <b>Total Current Assets</b>                     | <b>129,413</b> | <b>193,559</b> | <b>237,034</b> | <b>168,549</b> | <b>239,601</b> | <b>299,205</b> | <b>379,759</b> | <b>469,294</b> | <b>564,986</b> | <b>540,312</b>   |
| Other Financial Assets                          | 13,000         | 13,000         | 9,602          | 9,602          | 9,602          | 9,602          | 9,602          | 9,602          | 9,602          | 9,602            |
| Property Plant and Equipment                    | 197,682        | 161,967        | 199,009        | 279,477        | 260,242        | 242,983        | 220,052        | 200,876        | 183,561        | 200,635          |
| Right to Use Asset - Attunga Lease <sup>1</sup> |                |                |                |                |                |                |                |                |                | 1,232,455        |
| <b>Total Non-Current Assets</b>                 | <b>210,682</b> | <b>174,967</b> | <b>208,611</b> | <b>289,079</b> | <b>269,844</b> | <b>252,585</b> | <b>229,654</b> | <b>210,478</b> | <b>193,163</b> | <b>1,442,692</b> |
| <b>Total Assets</b>                             | <b>340,095</b> | <b>368,526</b> | <b>445,645</b> | <b>457,628</b> | <b>509,445</b> | <b>551,790</b> | <b>609,413</b> | <b>679,772</b> | <b>758,149</b> | <b>1,983,004</b> |
| Payables  | 62,900         | 9,083          | 21,400         | 10,646         | 4,812          | 3,130          | 10,960         | 42,611         | 57,762         | 36,670           |
| Lease liability - Attunga <sup>1</sup>          |                |                |                |                |                |                |                |                |                | 19,871           |
| <b>Total Current Liabilities</b>                | <b>62,900</b>  | <b>9,083</b>   | <b>21,400</b>  | <b>10,646</b>  | <b>4,812</b>   | <b>3,130</b>   | <b>10,960</b>  | <b>42,611</b>  | <b>57,762</b>  | <b>56,541</b>    |
| Lease liability - Attunga <sup>1</sup>          |                |                |                |                |                |                |                |                |                | 1,232,381        |
| Rent Deferred                                   |                |                |                |                |                |                |                |                |                | 4,015            |
| <b>Total Non-Current Liabilities</b>            | <b>62,900</b>  | <b>9,083</b>   | <b>21,400</b>  | <b>10,646</b>  | <b>4,812</b>   | <b>3,130</b>   | <b>10,960</b>  | <b>42,611</b>  | <b>57,762</b>  | <b>1,236,396</b> |
| <b>Total Liabilities</b>                        | <b>62,900</b>  | <b>9,083</b>   | <b>21,400</b>  | <b>10,646</b>  | <b>4,812</b>   | <b>3,130</b>   | <b>10,960</b>  | <b>42,611</b>  | <b>57,762</b>  | <b>1,292,937</b> |
| <b>Net Assets</b>                               | <b>277,195</b> | <b>359,443</b> | <b>424,245</b> | <b>446,982</b> | <b>504,633</b> | <b>548,660</b> | <b>598,453</b> | <b>637,161</b> | <b>700,387</b> | <b>690,067</b>   |
| Contributed Equity                              | 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      | 1,354,191        |
| Accumulated Losses                              | -1,077,296     | -994,748       | -929,946       | -907,209       | -849,558       | -805,531       | -755,738       | -717,030       | -653,804       | -664,124         |
| <b>Total Equity</b>                             | <b>277,195</b> | <b>359,443</b> | <b>424,245</b> | <b>446,982</b> | <b>504,633</b> | <b>548,660</b> | <b>598,453</b> | <b>637,161</b> | <b>700,387</b> | <b>690,067</b>   |

<sup>1</sup> The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.