

GUNYANG SKI LODGE LIMITED

ABN 49 110 585 656

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

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GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The Directors of Gungyang Ski Lodge Limited (the "Company") present their report for the financial year ended 30 June 2021.

Directors

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

John Quinn
Mark Lumby
David Reeve
Bruce Foye
Matthew Waters (resigned 8/07/ 2021)
Kestine Kenny (resigned 17/6/2021)
Alex McTaggart (appointed 30/11/2020)
Mike McCormack (appointed 30/11/2020)
Graham Gibson (appointed 30/11/2020)
Stuart Roberts (resigned 30/11/2020)
Helen Roberts (resigned 30/11/2020)
Kerrie Newham (resigned 30/11/2020)

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

Review of Operations

The net deficit of the Company for the financial year amounted to \$5,673 (2020: deficit of \$34,011).

A review of the operations of the Company during the financial year and the results of those operations show, that during the year, the Company continued to engage in its principal activity. To maintain social distancing requirements related to COVID-19 and associated government regulations, the lodge was available for single family, whole of lodge, bookings for the majority of the financial year to 30 June 2021. On 29 June 2021, the lodge closed again due to COVID-19 and associated government regulations. Given the uncertainty associated with COVID-19, the annual subscription increased to \$550, including GST, to assist with the financial position of the Company in the event that any unforeseen operational and/or financial issues arose, the results of which are disclosed in the attached financial statements.

Significant Changes in the State of Affairs

No significant changes occurred in the Company's state of affairs during the financial year.

Principal Activity

The principal activity of the Company during the financial year was to acquire and manage ski related property or properties, including shares in ski related properties, for the benefit and enjoyment of, and to encourage skiing, snow-boarding and other winter and summer mountain sporting activities for its shareholders and non-shareholders.

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

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Events Subsequent to the End of the Reporting Date

The impact of the COVID-19 pandemic is ongoing. The lodge closed on 29 June 2021 due to COVID-19 and associated government regulations and remained closed after balance date to the majority of members who were prohibited from travelling to regional areas from the Sydney metropolitan area and Canberra. As a result, the majority of bookings during the 2021 winter season were refunded in full which will impact the statement of financial position for the year ending 30 June 2022. The COVID-19 situation is rapidly changing and is dependent on measures imposed by the state government, such as maintaining social distancing requirements, quarantine and travel restrictions.

Except for the COVID-19 and subsequent government actions, there has been no matters or circumstances which have arisen since the end of the financial year that 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.

Likely Developments and Expected Results of Operations

The Company will continue to pursue its principal activity.

The Company's future performance is dependent on the performance of the Ski Lodge which is impacted by a specific and prevailing industry conditions. In addition, a range of external factors including the level of occupancy and other macro-economic conditions impact the overall result of the Company's operations.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

No dividends were declared or paid during the financial year (2020: \$nil). No recommendation for payment of dividend has been made since year end.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Information of Directors

John Quinn

Qualifications Lawyer, Director of the Company since incorporation

Mark Lumby

Qualifications Bachelor of Business, Chartered Accountant

David Reeve

Qualifications Dip Building, Dip Quantity Surveying

Bruce Foye

Qualifications Certified Financial Planner. B.A. Dip Ed Dip D.I.I DIP FP

Matthew Waters

Qualifications Financial Advisor/Portfolio Manager – B Econ(Finance), Derivatives Lvl 1 & 2

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FOR THE YEAR ENDED 30 JUNE 2021

Kestine Kenny

Qualifications Dip Ag, Dip. Prof. Styling. Business Owner

Alex McTaggart

Qualifications Associate Diploma Teaching

Mike McCormack

Qualifications BSc (Computer Scientist) & BE (Electrical Engineer)

Graham Gibson

Qualifications Group Company Director

Stuart Roberts

Qualifications BComm

Helen Roberts

Qualifications BSc and DipBA

Kerrie Newham

Qualifications Dip Applied Science (Nursing), Registered BAS Agent, Company Director

Meetings of Directors

During the financial year, 12 meetings of directors was held. Attendances by each Directors were as follows:

Directors	Number eligible to attend	Number attended
John Quinn	12	10
Mark Lumby	12	12
David Reeve	12	11
Bruce Foye	12	11
Matthew Waters	12	2
Kestine Kenny	12	4
Alex McTaggart	7	7
Mike McCormack	7	2
Graham Gibson	7	0
Stuart Roberts	5	4
Helen Roberts	5	3
Kerrie Newham	5	4

Company Secretary

The following person held the position of Company secretary at the end of the financial year:
John Quinn.

Indemnification of Officer or Auditor

The Company is paying premiums to insure Directors and Officers of the Company against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the Company, other than conduct involving willful breach of duty in relation to the Company.

GUNYANG SKI LODGE LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Rounding of Amounts to Nearest Dollar

In accordance with ASIC corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 5.

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


John Quinn
Chairperson

Dated in Sydney, this 3rd day of November 2021. 21.

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Sydney NSW 2000

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GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF GUNYANG SKI LODGE LIMITED
ABN: 49 110 585 656**

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

- no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and no contraventions of any applicable code of professional conduct.
- No contraventions of any applicable code of professional conduct.



M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

3 November 2021

GUNYANG SKI LODGE LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue	2(a)	<u>145,694</u>	<u>108,037</u>
Expenses:			
Administration expenses		(36,882)	(29,817)
Advertising and booking fees		(9,532)	(6,020)
Depreciation and amortisation expense		(43,597)	(43,722)
Finance costs		(20,414)	(21,926)
Property and occupancy costs		(34,983)	(37,033)
Other expenses		<u>(5,959)</u>	<u>(3,529)</u>
		<u>(151,367)</u>	<u>(142,047)</u>
Operating (deficit) before income tax		(5,673)	(34,010)
Income tax expense		<u>-</u>	<u>-</u>
Net (deficit) for the year after income tax		(5,673)	(34,010)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss) attributable to the Company		<u>(5,673)</u>	<u>(34,010)</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	-	-
Trade and other receivables	4	2,545	9,120
Other current assets	5	6,128	4,606
TOTAL CURRENT ASSETS		<u>8,673</u>	<u>13,726</u>
NON-CURRENT ASSETS			
Plant and equipment	6	685,274	703,746
Right of use asset	9	1,090,151	913,454
TOTAL NON-CURRENT ASSETS		<u>1,775,425</u>	<u>1,617,200</u>
TOTAL ASSETS		<u>1,784,098</u>	<u>1,630,926</u>
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	7	50,926	147,055
Trade and other payables	8	61,508	12,654
Lease liabilities	9	2,637	1,638
Contract liabilities	10	108,459	24,542
TOTAL CURRENT LIABILITIES		<u>223,530</u>	<u>185,889</u>
NON-CURRENT LIABILITIES			
Trade and other payables	8	72,500	-
Lease liabilities	9	455,335	406,631
TOTAL NON-CURRENT LIABILITIES		<u>527,835</u>	<u>406,631</u>
TOTAL LIABILITIES		<u>751,365</u>	<u>592,520</u>
NET ASSETS		<u>1,032,733</u>	<u>1,038,406</u>
EQUITY			
Issued capital		1,400,000	1,400,000
Accumulated losses		<u>(367,267)</u>	<u>(361,594)</u>
TOTAL EQUITY		<u>1,032,733</u>	<u>1,038,406</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2019	1,400,000	(327,584)	1,072,416
Comprehensive loss:			
Net deficit for the year	-	(34,010)	(34,010)
Other comprehensive income	-	-	-
	<u>-</u>	<u>(34,010)</u>	<u>(34,010)</u>
Balance at 30 June 2020	1,400,000	(361,594)	1,038,406
Comprehensive income:			
Net deficit for the year	-	(5,673)	(5,673)
Other comprehensive income	-	-	-
	<u>-</u>	<u>(5,673)</u>	<u>(5,673)</u>
Balance at 30 June 2021	<u>1,400,000</u>	<u>(367,267)</u>	<u>1,032,733</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		236,186	79,447
Payments to suppliers		(76,274)	(75,534)
Interest paid		(20,414)	(21,926)
Net cash provided by/(used in) from operating activities	12	139,498	(18,013)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for bed licences		(36,250)	-
Net cash used in investing activities		(36,250)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayment of lease liabilities		(7,119)	(1,369)
Net cash used in financing activities		(7,119)	(1,369)
Net increase/(decrease) in cash and cash equivalents		96,129	(19,382)
Cash and cash equivalents at the beginning of the financial year		(147,055)	(127,673)
Cash and cash equivalents at the end of the financial year	3	(50,926)	(147,055)

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue on the 29th of October 2021 by the Board of Directors.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The Company has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the Directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Income Tax

The Company operates for the mutual benefit of its members such that it is not liable to pay income tax on subscriptions and other revenues received from members and the related outgoings allowable as an income tax deduction. The Company is liable for tax on income from non-members less any related outgoings. Other income is also apportioned between members and non-members for income tax purposes.

(b) Revenue

In the previous financial year, revenue recognised in accordance with AASB 118 Revenue was measured at the fair value of the consideration received or receivable. The Company recognised revenue when the amount of revenue could be reliably measured, it was probable that future economic benefits will flow to the Company and specific criteria had been met for each of the Company's activities. All revenue is stated net of the amount of goods and services tax (GST).

Revenue recognised under AASB 15 is measured at the amount which the Company expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue (Continued)

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

Membership subscriptions are brought to account as income at the time these are received except that where members' subscriptions are received in respect of a future financial period, the income is deferred and subsequently recognised in that future period.

Revenue from the rendering of a service (i.e. accommodation) is recognised upon the delivery of the service to the members and customers.

Interest revenue is recognised as it accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in instrument.

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

(c) Property, Plant and Equipment

Each class of plant and equipment is carried at cost, less any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

Depreciation

The depreciable amount of all property, plant and equipment subject to depreciation is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

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

<i>Class of Fixed Asset</i>	<i>Depreciation rate</i>
Leasehold improvements	2.5%
Furniture and equipment	10% - 75%

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible Assets

Lease right

Lease right has a finite life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method over the estimated useful life of 50 years less 1 day. The lease right is tested for impairment annually.

(e) Right-of-use Assets

A lease asset is recognised at the commencement date of a lease. The lease asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Lease assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Lease assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(f) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(h) Trade and Other Receivables

Trade and other receivables include amounts due from customers for services in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being paid within 30 days of recognition of the liability.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement Profit or Loss and Other Comprehensive Income in the period in which they are incurred.

(l) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding lease asset, or to profit or loss if the carrying amount of the lease asset is fully written down.

(m) Income Received in Advance

Accommodation and ancillary charges revenue is recognised in the period in which the guests visit occurs. Any relevant cost associated are also recognised in the same period to match income and expense in the appropriate period.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions

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

Provisions recognised represent the best estimate of the amounts required to settle the obligations at the end of the reporting period.

(o) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting

(p) Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

There were no key adjustments during the year arising from estimates and judgements.

Key Estimate

(i) Impairment

The Company assesses the impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. There were no impairments during the year.

(ii) Lease term

The lease term is a significant component in the measurement of both the lease asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(iii) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the lease asset, with similar terms, security and economic environment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Going Concern

Notwithstanding the net current asset deficiency of \$214,857 at year end, in the opinion of the Directors, the Company is considered to be a going concern, and can pay its debts as and when they fall due. The forecast operating cashflow and bank overdraft facility are sufficient to ensure the Company continues as a going concern.

	Note	2021 \$	2020 \$
NOTE 2: OPERATING SURPLUS BEFORE INCOME TAX			
(a) Revenue			
- Membership subscriptions		50,000	24,750
- Member accommodation		92,874	63,210
- Non-member accommodation		2,570	7,902
- Sundry revenue items		250	12,175
		145,694	108,037
(b) Expenses			
- Remuneration of the auditor of the Company for: <i>Pitcher Partners Sydney</i>			
- auditing the financial report		6,600	6,025
- non-assurance services		5,500	5,750
		12,100	11,775
NOTE 3: CASH AND CASH EQUIVALENTS			
Cash at bank		-	-
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:			
- Cash and cash equivalents		-	-
- Bank overdraft	7	(50,926)	(147,055)
		(50,926)	(147,055)
NOTE 4: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		4,620	11,195
Provision for doubtful debts		(2,075)	(2,075)
		2,545	9,120
NOTE 5: OTHER ASSETS			
CURRENT			
Prepayments		6,128	4,606

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 6: PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	933,895	933,895
Less: accumulated depreciation	<u>(253,286)</u>	<u>(235,664)</u>
	<u>680,609</u>	<u>698,231</u>
Furniture, fixtures and equipment		
At cost	122,176	122,176
Less: accumulated depreciation	<u>(117,511)</u>	<u>(116,661)</u>
	<u>4,665</u>	<u>5,515</u>
Total Plant and Equipment	<u>685,274</u>	<u>703,746</u>

NOTE 7: BORROWINGS

NON-CURRENT

Bank overdraft	(a) <u>50,926</u>	<u>147,055</u>
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(a) The bank overdraft (\$250,000 limit) is secured by a fixed and floating charge over the assets held by the Company, and the sub-lease of Gunyang Ski Lodge, Lot 274 Chimneys Way, Thredbo Village NSW 2625, from Kosciusko Thredbo Pty Limited. Whilst no maturity date exists for the settlement of the balance of the bank overdraft, it is the intention of the directors to have paid the balance in full within 4 years of balance date.

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT

Trade creditors	6,990	-
Other liabilities	36,250	-
Net GST payable	7,168	458
Accruals	<u>11,100</u>	<u>12,196</u>
	<u>61,508</u>	<u>12,654</u>

NON-CURRENT

Other liabilities	<u>72,500</u>	<u>-</u>
	<u>72,500</u>	<u>-</u>

NOTE 9: LEASE ASSETS AND LIABILITIES

NON-CURRENT

Lease assets

At cost	1,306,859	1,105,037
Accumulated amortisation	<u>(216,708)</u>	<u>(191,583)</u>
	<u>1,090,151</u>	<u>913,454</u>

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 9: LEASE ASSETS AND LIABILITIES (CONTINUED)		
Carrying amount at beginning of year	913,454	1,105,037
Additions at cost	145,000	-
Remeasurement of lease asset	56,822	-
Amortisation	(25,125)	(191,583)
Carrying amount at end of year	<u>1,090,151</u>	<u>913,454</u>
Lease Liabilities		
Current	2,637	1,638
Non-current	455,335	406,631
	<u>457,972</u>	<u>408,269</u>
Amounts recognised in the statement of profit or loss and other comprehensive income		
Interest expense (included in finance costs)	<u>15,780</u>	<u>15,840</u>
Total cash outflow for leases	<u>22,899</u>	<u>17,208</u>
NOTE 10: CONTRACT LIABILITIES		
CURRENT		
Revenue received in advance	<u>108,459</u>	<u>24,542</u>

NOTE 11: EVENTS AFTER THE REPORTING DATE

The impact of the COVID-19 pandemic is ongoing. The lodge closed on 29 June 2021 due to COVID-19 and associated government regulations and remained closed after balance date to the majority of members who were prohibited from travelling to regional areas from the Sydney metropolitan area and Canberra. As a result, the majority of bookings during the 2021 winter season were refunded in full which will impact the statement of financial position for the year ending 30 June 2022. The COVID-19 situation is rapidly changing and is dependent on measures imposed by the state government, such as maintaining social distancing requirements, quarantine and travel restrictions.

Except for the COVID-19 and subsequent government actions, there has been no matters or circumstances which have arisen since the end of the financial year that significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2021, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2021, of the Company.

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 12: CASH FLOW INFORMATION		
Reconciliation of cash flows from operations with net (deficit) for the year:		
Net (deficit) for the year	(5,673)	(34,010)
Non cash flows in surplus/(deficit)		
Depreciation and amortisation	43,597	43,722
Changes in assets and liabilities:		
Decrease/(Increase) in trade and other receivables	6,575	(4,730)
Decrease in other assets	(1,522)	1,905
Increase/(Decrease) in trade and other payables	12,604	(1,040)
Increase/(Decrease) in contract liabilities	83,917	(23,860)
Cash flows provided by/(used in) operating activities	<u>139,498</u>	<u>(18,013)</u>

NOTE 13: COMPANY DETAILS

The registered office of the Company is:

John R Quinn & Co
Level 12, 60 Park Street
SYDNEY NSW 2000

The principal place of business is:

Gunyang Ski Lodge
4 Chimneys Way
KOSCIUSZKO NATIONAL PARK NSW 2625

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021

The Directors have determined that Gonyang Ski Lodge Limited ("the Company") is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 18 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards as described in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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 and is signed on behalf of the Directors of the Company.



John Quinn
Chairperson

Dated in Sydney, this 3rd day of November 2021.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GUNYANG SKI LODGE LIMITED
ABN: 49 110 585 656**

Report on the Financial Report

Opinion

We have audited the financial report of Gunyang Ski Lodge Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Director's declaration.

In our opinion, the financial report of Gunyang Ski Lodge Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards to the extent described in note 1 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors Report and the detailed statement of profit or loss for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in note 1 to the financial report is appropriate to meet the requirements of the members and the *Corporations Act 2001*. The Director's responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

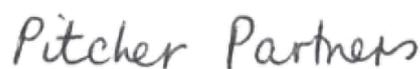
exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures 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 those charged with governance 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.



M A ALEXANDER
Partner



PITCHER PARTNERS
Sydney

3 November 2021

**COMPILATION REPORT
TO THE MEMBERS OF GUNYANG SKI LODGE LIMITED**

The Directors have compiled the accompanying detailed statement of profit or loss of Gunyang Ski Lodge for the year ended 30 June 2021 as set out on page 24.

Responsibility of the Directors

The Directors is solely responsible for the information contained in the detailed statement of profit or loss and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Directors, we have reviewed the accompanying detailed statement of profit or loss in accordance with the basis of accounting and APES 315

Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The detailed statement of profit or loss was compiled exclusively for the benefit of the members of the Company. We do not accept responsibility to any other person for the contents of the detailed statement of profit or loss.



M A ALEXANDER
Partner

3 November 2021



PITCHER PARTNERS
Sydney

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
INCOME		
Membership income	50,000	24,750
Members' accommodation	92,874	63,210
Non-members' accommodation	2,570	7,902
Miscellaneous income	250	12,175
	<u>145,694</u>	<u>108,037</u>
TOTAL INCOME		
EXPENSES		
Accounting fees	6,200	8,792
Administration fees	9,111	1,793
Audit fees	6,600	6,025
Bank charges	3,230	3,529
Booking office expense	8,832	6,020
Depreciation and amortisation	43,597	43,722
Insurance	17,348	11,115
Interest expense	20,414	21,926
Office expenses	1,052	2,092
Property and occupancy expenses	38,850	36,936
Rent expense	(3,867)	97
	<u>151,367</u>	<u>142,047</u>
TOTAL EXPENSES		
(DEFICIT) BEFORE INCOME TAX	(5,673)	(34,010)
INCOME TAX EXPENSE	-	-
(DEFICIT) FOR THE YEAR	<u>(5,673)</u>	<u>(34,010)</u>