

20 October 2023

## **Gunyang Ski Lodge Limited Chairman's Report**

We've just completed another winter season at Thredbo. While it wasn't the whitest of seasons with lots of grass poking through, our members have been able to enjoy the lodge based on the pre-pandemic practice of individual room bookings. This has allowed more members to use the lodge during the recent winter period compared to the prior year which comprised only whole lodge bookings to comply with COVID 19 regulations prevailing at that time.

The Company's financial performance improved remarkably during FY23 compared to FY22 mainly due to the high level of refunds provided to members in FY22 when the lodge closed due to COVID-19, coupled with the fact that the majority of members were prohibited from travelling to Thredbo from the Sydney metropolitan and Canberra areas.

The Company produced a profit of \$51,254 for the financial year to 30 June 2023 compared to a loss of \$24,641 in FY22. This was mainly due to revenues being 65% higher than the previous year when refunds were paid, coupled with high occupancy of the lodge in the current financial year. This is a good result given the annual levy reduced from \$550 to \$440 per member.

Next calendar year, the annual levy will increase to \$462 including GST, reflecting an adjustment for the current CPI rate of 5.2%. Invoices for the annual levy will likely be issued in the next few months.

Given the sound financial performance of the Company, the bank overdraft reduced by \$31,229 during the course of the year. For a period of time, the overdraft was fully repaid which also contributed to a lower finance cost for the year.

With the payment of the third of four tranches relating to the two additional bed licences which cost \$145,000 a few years ago, the bank overdraft at the end of the year was \$21,381. The last tranche is payable in May 2024. You may recall that the additional bed licences were necessary because the lodge was previously licensed for 10 beds and we of course have six double bedrooms. The fire regulations allow up to 12 people in the lodge.

As foreshadowed at the last AGM, we commenced investigations into expanding the number of bed licences at the lodge. This is a relatively complex investigation which is continuing given the new planning regulations proposed by the government, coupled with finding cost effective solutions to meet the enhanced fire regulations if the lodge accommodates more than 12 people. Once this milestone has been met, we then need to determine how we finance the costs of not only installing fire safety measures but also the cost of acquiring the additional bed licences from Kosciuszko Thredbo. Once all of this has been determined, we will present this to members for their review and consideration, either at an extraordinary general meeting or next year's AGM.

Special thanks to our booking officer Lisa Telfer who ensures that the lodge continues to function so well. Every year improvements are carried out to make the lodge more comfortable.

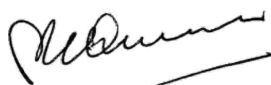
On your behalf I would also like to thank the Board who meet regularly and who voluntarily gave their time, namely Mark Lumby, Arabella Burge, Bruce Foye, Graham Gibson, Alex McTaggart, David Reeve, Philip Young and our secretary Garry Adams.

We are having this AGM via Zoom. The feedback we have received indicates that this is the preferred choice because of its convenience of use. We do ask you to attend the AGM remotely and to participate.

Let's hope that 2024 will be a better winter season allowing you to continue enjoying your Gunyang membership.

Particulars of how to join the Zoom meeting is set out in the attached notice of meeting.

With best wishes,



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**JOHN QUINN, Chairman**