



GUNYANG SKI LODGE LIMITED Ph: 02 9283 3344
ACN 110 585 656 F: 02 9283 3366

Level 6, 60 Park Street, Sydney NSW 2000
E: bookings@gunyang.com.au

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Gunyang Ski Lodge Limited Chairman's Report

As we come to the close of another year at Gunyang, I would like to take this opportunity to reflect on what has been an exciting and productive 12 months for our Lodge.

Celebrating 20 Years of Gunyang

This year holds special significance as we celebrate the 20th anniversary since Gunyang was incorporated. Over the past two decades, we have weathered the challenges of alpine life, celebrated countless winters together (mainly white winters but some green ones too), and built a lodge that has become a holiday home for many of our members. Reaching this milestone is a testament to the dedication and passion of all those who have contributed to the Lodge over the years, and I am deeply grateful for the continued support and involvement of each of you. Here's to many more successful years ahead!

Financial Stability

Financially, the Lodge remains in a strong position with a net profit of \$39,390 (compared to \$51,254 the year before). A copy of the audited Financial Report as at 30 June, 2024 is attached with this Report.

Income reduced slightly due to the less-than-ideal winter season last year, and expenses increased by 5.5% in line with inflation. Overall, 97% of bookings were from members, and with our careful management of expenses and solid occupancy rates during the official snow season, we have covered all operational costs.

During the financial year FY24, we finished paying for the two additional bed licences in four equal tranches at a total cost of \$145,000. This means that Gunyang is a 12 bed licenced lodge, which accords with the fire regulations.

The bank overdraft is now approximately \$40,000, leaving \$210,000 of undrawn debt available.

Future Planning

Looking ahead, as discussed in the last two AGMs, we are continuing to explore the possibility of increasing the number of bed licences at the Lodge and enhancing fire safety measures. This process is complex due to new planning regulations, which add additional compliance requirements. While the Lodge currently meets all existing standards, any increase in bed licences will require cost-effective solutions to comply with updated fire safety and disability regulations. We will have a better understanding of the associated costs once we receive development consent. A development application has already been prepared and is nearly ready for submission.

Financing these upgrades will also be a key consideration. We will keep all shareholders fully informed as more information becomes available, and if necessary, an Extraordinary General Meeting (EGM) will be convened to ensure every shareholder has the opportunity to participate in the discussions.

You may also recall that we recently sought shareholders' views on several topics via a survey. We were pleased to see a strong response, with 65 out of 100 shareholders participating. The results were encouraging: 80% of respondents supported installing a sprinkler system; 89% were in favor of adding an external fire escape staircase; and 62% expressed support for increasing the number of bed licences.

We thank all shareholders who participated in this survey because your input assists in future planning.

Once again, we give special thanks to our Booking Officer, Lisa Telfer. She ensures that the Lodge continues to function so well. It is a very demanding position because it is much more than just organizing bookings. Lisa juggles this with her day job and raising a family. Thank you.

On your behalf, I would like to thank your directors who also voluntarily gave their time and expertise, Arabella Burge, Bruce Foye, Graham Gibson, Mark Lumby, Alex McTaggart, David Reeve, Phillip Young and our Company Secretary, Garry Adams. Thank you all.

The AGM this year will be held on Thursday, 21 November, 2024. As indicated by your feedback, this meeting will be held by Zoom because of its convenience of use.

We hope that you continue to enjoy the Lodge, enjoy meeting fellow shareholders, enjoy skiing or snowboarding, and enjoy the summer activities at Gunyang.

With best wishes,



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JOHN QUINN, Chairman