

21 October, 2025

Gunyang Ski Lodge Limited Chairman's Report

As we reflect on the past year at Gunyang, I am pleased to report that our Lodge continues to thrive, both operationally and financially, thanks to the ongoing commitment of our members and directors.

Financial Performance and Stability

The Lodge remains in a sound financial position with a net profit of \$12,740 (compared to \$39,390 the year before). A copy of the audited Financial Report as at 30 June, 2025 is attached with this Report. Despite some increased expenses this year—primarily due to consultancy fees associated with the Development Application (DA) process and accessibility compliance—the Board has managed these costs prudently.

Our operating profit was modest, and while revenue was slightly below budget due to lower shareholder accommodation, tight expense management helped offset this shortfall. The additional consultancy fees (~\$40,000) have been accommodated within our financial planning, with capitalisation of relevant costs where appropriate. The bank overdraft remains manageable, and we continue to have undrawn debt available for future.

Development Application and Accessibility Compliance

A major focus this year has been progressing the DA to increase bed licences and ensure compliance with updated fire safety and accessibility regulations. 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.

This DA process has involved significant consultation, including input from members with expertise in architecture and planning law. The Board has carefully considered the necessity and practicality of recommended adjustments to meet new NSW Government requirements for accessibility. While some recommendations have raised concerns, and a DA is yet to be lodged as a result, the Board is committed to finding cost-effective solutions that balance compliance with the needs of our members. Further information will be provided in the future to communicate the way forward to all shareholders.

Member Engagement and Booking System

The Board also acknowledges feedback from members at the last AGM regarding winter booking fairness. While not all members could get their first preference, 24 hours after the preferential members booking period opened, the Lodge was less than 50% occupied across the entire winter period. Even when measured across the peak winter period during July and August, occupancy was approximately 75%, leaving plenty of availability for members.

Governance and Board Composition

At the AGM, shareholders re-elected Arabella Burge, Bruce Foye, and Philip Young as Directors, and welcomed Adrian Truman to the Board.

This year, Alex McTaggart and Graham Gibson have put themselves forward for re-election. Garry Adams has elected to resign as Company Secretary following the AGM and, as a result, we are seeking nominations for this role too.

Acknowledgements

I would like to thank our Booking Officer, Lisa Telfer, for her tireless work in managing the Lodge’s operations. My thanks also go to all directors and our company secretary – Arabella Burge, Bruce Foye, Graham Gibson, Mark Lumby, Alex McTaggart, David Reeve, Phillip Young, Adrian Truman and Garry Adams – for their voluntary contributions throughout the year. Your dedication ensures Gunyang remains a welcoming and well-managed lodge for all members.

AGM

The AGM will be held on Tuesday, 18 November, 2025. As indicated by your feedback, this meeting will be held by Zoom because of its convenience of use.

Looking Ahead

The coming year will see continued focus on a cost-effective DA, implementing necessary upgrades, and maintaining the financial health of the Lodge. We will keep shareholders informed of key milestones and convene an Extraordinary General Meeting if required to ensure all voices are heard.

Thank you for your ongoing support and engagement. I hope you continue to enjoy all that Gunyang has to offer—whether on the slopes or during the summer months.

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JOHN QUINN, Chairman