

22 October 2026

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 perform well, both operationally and financially, and has strengthened its cash position considerably, thanks to the ongoing commitment of our members, directors and booking officer.

Financial Performance and Stability

The Lodge remains in a sound financial position with a net profit of \$7,865 (compared to \$12,740 the year before). A copy of the Financial Report as at 30 June 2026 is included with the AGM materials. Total revenue and other income was \$178,838 (2025: \$181,252), while total expenses, including depreciation and amortisation of \$50,793, were \$170,973 (2025: \$168,512). Consultancy fees were significantly lower than last year; however, the Lodge, like all households and businesses, has experienced market-driven increases in cleaning, electricity and insurance costs. Increased cleaning costs have been reflected in our accommodation rates so that their overall impact on the Lodge is broadly neutral.

Most pleasingly, our cash position has improved markedly. Net cash from operating activities was \$96,432 (2025: \$52,911), and the bank overdraft of \$33,713 at 30 June 2025 has been fully repaid. At 30 June 2026 the Lodge held \$56,075 in cash, including \$50,000 placed on term deposit with Westpac to earn interest. Our \$250,000 overdraft facility remains undrawn and available for future needs.

Winter 2026 Bookings and Member Engagement

Demand for the Lodge was strong this year. By early March, winter 2026 bookings had reached approximately 85% occupancy, and by late May the large majority of the winter season was fully booked. The first two weeks of the July school holidays remain the most sought-after period. In response to member feedback on booking fairness, the Board is considering a ballot for those peak weeks, to be held before winter bookings open, so that all members have an equitable opportunity to secure them.

Members are reminded that bookings can only proceed once annual subscriptions have been paid.

Development Application and Fire Safety

The Building Sub-Committee has continued work on the Development Application (DA). Following a meeting with the NSW Government's Alpine Assessment Team, the Sub-Committee received direction on how to address the outstanding compliance items, and of the 11 items previously identified, six were found not to be required. The Lodge owns all DA documentation prepared to date.

Progress has been slower than hoped. Alternative planners have been approached, and the Sub-Committee is working through each remaining issue to identify practical solutions before engaging further consultants. The Board has agreed that any next stage will be approached in phases, with fire safety (including upper-level fire evacuation access) as the first priority, followed by accessibility and any increase in bed licences. The Building Committee will present a budget and implementation plan for the Board's consideration before the project proceeds which will then ultimately be considered by all Members of the Lodge. The Lodge continues to comply with all current fire safety regulations, and workplace health and safety remains a standing item on the Board's agenda.

Lodge Improvements and Maintenance

The Lodge has been well maintained throughout the year, with a number of appliances replaced and new cleaning arrangements in place. To address long-standing connectivity issues, the Board approved the installation of Starlink internet at the Lodge, and options for upgrading the Lodge's security camera system are being assessed. The Board is also approved a Workplace Health and Safety Management Plan and ensuring that all tradespeople engaged by the Lodge hold appropriate insurances and qualifications.

Governance and Board Composition

The Board met five times during the financial year. At the 2025 AGM, shareholders re-elected Alex McTaggart and Graham Gibson as Directors. This year, John Quinn, Mark Lumby and David Reeve have put themselves forward for re-election.

Acknowledgements

I would like to thank our Booking Officer, Lisa Telfer, for her tireless work in managing the Lodge's bookings and operations. My thanks also go to all directors and our company secretary – Arabella Burge, Bruce Foye, Graham Gibson, Mark Lumby, Alex McTaggart, David Reeve, Philip Young, Adrian Truman – for their voluntary contributions throughout the year. Particular thanks go to David Reeve and Adrian Truman for their hands-on maintenance support, Philip Young for leading the internet and security proposals, and Bruce Foye and Alex McTaggart for their work on the Building Sub-Committee. Your dedication ensures Gunyang remains a welcoming and well-managed lodge for all members.

AGM

The AGM will be held on Tuesday, 24 November 2026. Consistent with last year, the meeting will be held by Zoom for the convenience of members.

Looking Ahead

The coming year will see continued focus on a phased, cost-effective approach to fire safety and the DA, fair access to peak winter periods, 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.

With best wishes,


.....
JOHN QUINN, Chairman