

GUNYANG SKI LODGE LIMITED

ABN 49 110 585 656

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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 2018**

The directors of Gunyang Ski Lodge Limited (the "Company") present their report for the financial year ended 30 June 2018.

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
Ian Ezzy (resigned 20 April 2018)
Rebecca Gemmell
Stuart Roberts
Helen Roberts
Fiona Morgan (resigned 27 November 2017)
Nola Ezzy (resigned 20 April 2018)
Kerrie Newham (appointed 27 November 2017)

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 surplus of the Company for the financial year amounted to \$9,970 (2017 Deficit: \$13,507).

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, 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 the maintenance and operation of a Ski Lodge for the benefit of, and to encourage skiing for, the shareholders and non-shareholders.

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

Events Subsequent to the End of the Reporting Date

No matters or circumstances have arisen since the end of the financial year which 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.

GUNYANG SKI LODGE LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Dividends

No dividends were declared or paid during the financial year (2017: \$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, Head of Commercial Property

Rebecca Gemmell

Qualifications Certificate of Business Administration, director of the Company since incorporation

Stuart Roberts

Qualifications BComm

Helen Roberts

Qualifications BSc and DipBA

Kerrie Newham

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

GUNYANG SKI LODGE LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Meetings of Directors

During the financial year, 2 meetings of directors was held. Attendances by each directors were as follows:

Directors	Number eligible to attend	Number attended
Kerrie Newham	2	2
John Quinn	2	2
Mark Lumby	2	2
Rebecca Gemmell	2	2
Stuart Roberts	2	2
Helen Roberts	2	2

Company Secretary

The following people held the position of company secretary at the end of the financial year:

John Quinn and Louisa Bayles

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 wilful breach of duty in relation to the Company.

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 4.

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



John Quinn
Chairperson

Dated in Sydney, this 30th day of October 2018.

**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 2018, to the best of my knowledge and belief there have been:

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



M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

30 October 2018

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue	2(a)	<u>160,384</u>	<u>125,980</u>
Expenses:			
Administration expenses		(25,533)	(24,200)
Advertising and booking fees		(12,464)	(14,400)
Depreciation and amortisation expense		(35,430)	(31,861)
Finance costs		(1,094)	(2,253)
Property and occupancy costs		(73,194)	(64,560)
Other expenses		(2,699)	(2,213)
		<u>(150,414)</u>	<u>(139,487)</u>
Operating surplus/(deficit) before income tax		9,970	(13,507)
Income tax expense		<u>-</u>	<u>-</u>
Net surplus / (deficit) for the year		9,970	(13,507)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income attributable to the Company		<u>9,970</u>	<u>(13,507)</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	17,953	-
Trade and other receivables	4	23,097	3,684
Other current assets	5	10,736	6,465
TOTAL CURRENT ASSETS		<u>51,786</u>	<u>10,149</u>
NON-CURRENT ASSETS			
Plant and equipment	6	578,076	599,598
Intangible assets	7	542,412	556,320
TOTAL NON-CURRENT ASSETS		<u>1,120,488</u>	<u>1,155,918</u>
TOTAL ASSETS		<u>1,172,274</u>	<u>1,166,067</u>
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	8	-	23,269
Trade and other payables	9	8,820	8,795
Other liabilities	10	90,790	71,909
Provisions	11	7,000	6,400
TOTAL CURRENT LIABILITIES		<u>106,610</u>	<u>110,373</u>
TOTAL LIABILITIES		<u>106,610</u>	<u>110,373</u>
NET ASSETS		<u>1,065,664</u>	<u>1,055,694</u>
EQUITY			
Issued capital	12	1,400,000	1,400,000
Accumulated losses		<u>(334,336)</u>	<u>(344,306)</u>
TOTAL EQUITY		<u>1,065,664</u>	<u>1,055,694</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2016	1,400,000	(330,799)	1,069,201
Comprehensive loss:			
Net deficit for the year	-	(13,507)	(13,507)
Other comprehensive income	-	-	-
	<u>-</u>	<u>(13,507)</u>	<u>(13,507)</u>
Balance at 30 June 2017	1,400,000	(344,306)	1,055,694
Comprehensive income:			
Net surplus for the year	-	9,970	9,970
Other comprehensive income	-	-	-
	<u>-</u>	<u>9,970</u>	<u>9,970</u>
Surplus Balance at 30 June 2018	<u>1,400,000</u>	<u>(334,336)</u>	<u>1,065,664</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		159,374	134,296
Payments to suppliers		(117,058)	(102,908)
Interest paid		(1,094)	(2,253)
Net cash from operating activities	15	<u>41,222</u>	<u>29,135</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net increase in cash and cash equivalents		41,222	29,135
Cash and cash equivalents at the beginning of the financial year		(23,269)	(52,404)
Cash at the end of the financial year	3	<u>17,953</u>	<u>(23,269)</u>

The accompanying notes form part of these financial statements.

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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 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.

The financial statements were authorised for issue on 30th October 2018 by the board of directors.

Accounting Policies

(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

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.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, Plant and Equipment (continued)

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.

(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.

Other intangible assets

Other intangible assets have finite lives and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method over the estimated useful life of three to five years. Other intangible assets are tested for impairment annually.

(a) Leases

Expense payments for operating leases, where substantially all the risks and benefits remain between the lessor, are charged as expenses in the periods in which they are incurred.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(g) 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

(h) 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.

(i) 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.

(j) 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.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Goods and Services Tax (GST) (continued)

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.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) 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.

(l) 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.

(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.

(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 policy.

(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.

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Critical Accounting Estimates and Judgments (continued)

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.

(q) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards.

The directors' have yet to assess the impact of the new standards and interpretations and whether they will affect the amounts recognised in the financial statements.

	Note	2018 \$	2017 \$
NOTE 2: OPERATING (DEFICIT)/SURPLUS BEFORE INCOME TAX			
(a) Revenue			
- Membership subscriptions		20,000	20,000
- Member accommodation		83,665	80,880
- Non-member accommodation		55,791	24,714
- Sundry revenue items		928	386
		<u>160,384</u>	<u>125,980</u>
(b) Expenses			
- Remuneration of the auditor of the Company for: <i>Pitcher Partners Sydney</i>			
- auditing the financial report		5,000	4,500
- non-assurance services		6,750	6,300
		<u>11,750</u>	<u>10,800</u>

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank		17,953	-
Cash on hand		-	-
		<u>17,953</u>	<u>-</u>

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		17,953	-
- Bank overdraft	8	-	(23,269)
		<u>17,953</u>	<u>(23,269)</u>

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 4: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	25,172	5,281
Provision for doubtful debts	(2,075)	(2,075)
Net GST receivable	-	478
	<u>23,097</u>	<u>3,684</u>
 NOTE 5: OTHER ASSETS		
CURRENT		
Prepayments	<u>10,736</u>	<u>6,465</u>
 NOTE 6: PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	767,900	767,900
Less: accumulated depreciation	(201,050)	(186,516)
	<u>566,850</u>	<u>581,384</u>
 Furniture, fixtures and equipment		
At cost	120,713	120,713
Less: accumulated depreciation	(109,487)	(102,499)
	<u>11,226</u>	<u>18,214</u>
Total Plant and Equipment	<u>578,076</u>	<u>599,598</u>
 NOTE 7: INTANGIBLE ASSETS		
Lease right - Gunyang Ski Lodge		
At cost	695,399	695,399
Less: accumulated amortisation	(152,987)	(139,079)
	<u>542,412</u>	<u>556,320</u>
 Formation expenses		
At cost	10,933	10,933
Less: accumulated amortisation	(10,933)	(10,933)
	<u>-</u>	<u>-</u>
 Website		
At cost	3,959	3,959
Less: accumulated amortisation	(3,959)	(3,959)
	<u>-</u>	<u>-</u>
Total Intangible Assets	<u>542,412</u>	<u>556,320</u>

GUNYANG SKI LODGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
NOTE 8: BORROWINGS			
CURRENT			
Bank overdraft	(a)	<u>-</u>	<u>23,269</u>

(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 Gungyang 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 5 years of balance date.

	2018 \$	2017 \$
NOTE 9: TRADE AND OTHER PAYABLES		
CURRENT		
Net GST payable	348	-
Accruals	<u>8,474</u>	<u>8,795</u>
	<u>8,820</u>	<u>8,795</u>

NOTE 10: OTHER LIABILITIES

CURRENT		
Fees received in advance	<u>90,790</u>	<u>71,909</u>

NOTE 11: PROVISIONS

CURRENT		
Other provision	<u>7,000</u>	<u>6,400</u>
Movement during the year		
Balance at the beginning of the year	6,400	6,300
Increase in entitlements for the year	600	100
Balance at the end of the year	<u>7,000</u>	<u>6,400</u>

The provision at year end relates to discount available on accommodation for 70 members (2017: 64 members).

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 12: ISSUED CAPITAL		
Issued capital	<u>1,400,000</u>	<u>1,400,000</u>

Management control the capital of the Company to ensure that adequate cash flows are generated to fund its operations. Management ensures that the overall risk management strategy is in line with this objective.

Management operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The Company's capital consists of issued capital, financial liabilities, supported by financial assets.

Management effectively manage the Company's capital by assessing the Company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the Company since the prior year. The strategy of the Company is to ensure that sufficient cash is on hand and bank overdraft is available to meet trade and sundry payables.

NOTE 13: EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which 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.

NOTE 14: CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

There are no capital expenditure commitments at the end of the financial year (2017: \$nil).

	2018	2017
	\$	\$
(b) Operating Lease Commitments		
Non-cancellable operating lease commitments contracted:		
- Not later than 1 year	18,257	18,038
- Between 2 years and 5 years	75,280	74,374
- More than 5 years	811,006	830,169
	<u>904,543</u>	<u>922,581</u>

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 15: CASH FLOW INFORMATION		
Reconciliation of cash flows from operations with net surplus/(deficit) for the year:		
Net surplus/(deficit) for the year	9,970	(13,507)
Non cash flows in profit		
- Depreciation and amortisation	35,430	31,861
Changes in assets and liabilities:		
- Decrease/(Increase) in trade and other receivables	(19,413)	9,543
- Decrease/(Increase) in other assets	(4,271)	3,131
- Increase/(Decrease) in trade and other payables	25	202
- Increase/(Decrease) in other liabilities	18,881	(2,195)
- Increase in provisions	600	100
Cash flows provided by operating activities	<u>41,222</u>	<u>29,135</u>

NOTE 16: 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:

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

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2018

The directors have determined that Gungyang 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 5 to 17 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 2018 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 30th day of October 2018.

**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 2018, 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:

- a) giving a true and fair view the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b) 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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 2018, 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.

Melina Alexander
M A ALEXANDER
Partner

Pitcher Partners
PITCHER PARTNERS
Sydney

30 October 2018

**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 2018 as set out on page 23.

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.

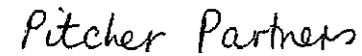
Our Responsibility

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


PITCHER PARTNERS
Sydney

30 October 2018

GUNYANG SKI LODGE LIMITED
ABN 49 110 585 656

DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
INCOME		
Membership income	20,000	20,000
Members' accommodation	83,665	80,880
Non-members' accommodation	55,791	24,714
Miscellaneous income	928	386
	<u>160,384</u>	<u>125,980</u>
TOTAL INCOME		
EXPENSES		
Accounting fees	6,755	6,717
Administration fees	3,708	3,277
Audit fees	4,674	5,095
Bad debts (reversal)/expense	-	(490)
Bank charges	2,034	1,968
Booking office expense	12,000	14,400
Depreciation and amortisation	35,430	31,861
Insurance	7,979	6,993
Interest expense	1,094	2,253
Office expenses	2,134	2,779
Property and occupancy expenses	56,551	48,305
Rent expense	16,643	16,255
Website and advertising	747	74
Refund	665	-
	<u>150,414</u>	<u>139,487</u>
TOTAL EXPENSES		
SURPLUS / (DEFICIT) BEFORE INCOME TAX	9,970	(13,507)
INCOME TAX EXPENSE	-	-
SURPLUS / (DEFICIT) FOR THE YEAR	<u>9,970</u>	<u>(13,507)</u>