

## **Directors' Report**

Your directors present their report on the company for the financial year ended 31 October 2009.

### **Directors**

The names of the directors in office at any time during or since the end of the financial year are:

A Papp (Resigned October 2009)  
R Brearley  
P Parry-Fielder  
N Whitby  
R Brooks  
D Hendy (Resigned October 2009)  
A Skinner (Resigned October 2009)  
G Whitbourn (Resigned December 2008)  
D Nolch  
J Naidu (Appointed March 2009)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### **Company Secretary**

The following person held the position of entity secretary at the end of the financial year

Peter Parry-Fielder

Mr Parry-Fielder was appointed company secretary on 17 April 2002.

### **Operating Results**

The profit of the company for the financial year after providing for income tax amounted to \$31,934.

### **Review of Operations**

A review of the operations of the company during the financial year and the results of those operations found that The 2009 season was a difficult one with poor skiing conditions throughout. However the Club's results were pleasing noting the poor conditions and reduced visitor nights. The 2007-8 financial report reflected a surplus of \$330,872 which included an insurance settlement of \$209,575 which leaves an underlying profit of \$121,297 in that year.

### **Significant Changes in State of Affairs**

No significant changes in the state of affairs of the company occurred during the financial year.

### **Principal Activities**

The principal activities of the company during the financial year were to promote the sport of skiing and provide the members of the Club with facilities to encourage the participation and competition within the sport. No significant change in the nature of these activities occurred during the year.

### **After Balance Date Events**

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**

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

## **Directors' Report (continued)**

### **Environmental Issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### **Dividends Paid or Recommended**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

### **Information on Directors**

The information on directors is as follows:

**R Brearley**

Qualifications –  
– Bachelor of Applied Science (Computing)  
– 20 years experience in the IT industry

**P Parry-Fielder**

Qualifications –  
– Bachelor of Architecture (Honours)  
– Registered Architect (Alpine Design)

**N Whitby**

Qualifications –  
– Bachelor of Business  
– Manager Grollo group Investments - Mt Buller

**R Brooks**

Qualifications – President  
– Bachelor of Economics, FCPA, FAICD.  
– Director Tyne Solutions Pty. Ltd (providers of consulting services to associations and businesses)  
– Director/Chair Council of Small Business Organisations of Australia Ltd  
– Director Standards Australia Ltd

**D Nolch**

Qualifications –  
– Bachelor of Law  
– Lecturer Ski Resort Management Programs  
– Australian Legal Practitioner

**J Naidu**

Qualifications –  
– Accounting Degree RMIT  
– CPA  
– Audit Committee Member - Mansfield District Hospital

## Directors' Report (continued)

### Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
A Papp (Resigned October 2009)	6	7
R Brearley	6	7
P Parry-Fielder	7	7
N Whitby	4	7
R Brooks	7	7
D Hendy (Resigned October 2009)	2	7
A Skinner (Resigned October 2009)	5	7
G Whitbourn (Resigned December 2008)	-	1
D Nolch	7	7
J Naidu (Appointed March 2009)	4	5

### 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 end of the financial year.

### Indemnification of Officer or Auditor

During or since the end of the financial year, the company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$192.50 for each director.

R Brearley	P Parry-Fielder
N Whitby	R Brooks
D Nolch	J Naidu

## **Directors' Report (continued)**

### **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.

The company was not a party to any such proceedings during the year.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in this report.

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

Director \_\_\_\_\_  
R. Brooks

Director \_\_\_\_\_  
R Brearley

Dated this 23rd day of February 2010

**The Ski Club of Victoria**

ABN 12 004 239 721

**Auditor's Independence Declaration under Section 307c  
of the Corporations Act 2001 to the directors of The Ski Club of Victoria**

I declare that, to the best of my knowledge and belief, during the year ended 31 October 2009 there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DANBY BLAND PROVAN & CO  
Chartered Accountants

.....  
G D WINNETT  
Partner

23 February 2010  
1st Floor, 123 Camberwell Road  
HAWTHORN EAST

**The Ski Club of Victoria**

ABN 12 004 239 721

**Income Statement****For the year ended 31 October 2009**

	Notes	2009 \$	2008 \$
Sales revenue	2	491,489	518,476
Other revenues	2	<u>720,181</u>	<u>975,164</u>
		<b>1,211,670</b>	1,493,640
Cost of Sales		<b>(174,970)</b>	(184,758)
Marketing expenses		<b>(10,275)</b>	(7,217)
Occupancy expenses		<b>(41,802)</b>	(45,023)
Administrative expenses		<b>(188,426)</b>	(187,400)
Operating expenses		<b>(98,989)</b>	(119,623)
Employment expenses		<b>(509,651)</b>	(471,625)
Depreciation		<b>(111,605)</b>	(105,912)
Other expenses		<u><b>(44,018)</b></u>	<u>(40,902)</u>
		<b>(1,179,736)</b>	(1,162,460)
Borrowing costs expense	3	<u>-</u>	<u>(308)</u>
<b>Profit</b>		<u><b>31,934</b></u>	<u>330,872</u>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<u><b>31,934</b></u>	<u>330,872</u>

The accompanying notes form part of these financial statements.

**Balance Sheet**  
**As at 31 October 2009**

	Notes	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	556,781	517,736
Trade and other receivables	5	24,577	3,682
Inventories	6	32,854	19,542
Other	7	<u>56,165</u>	<u>55,029</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>670,377</b></u>	<u><b>595,989</b></u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<u>1,376,228</u>	<u>1,347,130</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>1,376,228</b></u>	<u><b>1,347,130</b></u>
<b>TOTAL ASSETS</b>		<u><b>2,046,605</b></u>	<u><b>1,943,119</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	185,210	103,835
Provisions	11	5,000	12,647
Other	12	<u>-</u>	<u>2,049</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>190,210</b></u>	<u><b>118,531</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	10	<u>99,547</u>	<u>99,674</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>99,547</b></u>	<u><b>99,674</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>289,757</b></u>	<u><b>218,205</b></u>
<b>NET ASSETS</b>		<u><b>1,756,848</b></u>	<u><b>1,724,914</b></u>
<b>EQUITY</b>			
Reserves	13	1,404,911	1,404,911
Retained profits		<u>351,937</u>	<u>320,003</u>
<b>TOTAL EQUITY</b>		<u><b>1,756,848</b></u>	<u><b>1,724,914</b></u>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the year ended 31 October 2009

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 November 2007	(10,868)	1,404,911	1,394,043
Profit attributable to members of the club	<u>330,871</u>	<u>-</u>	<u>330,871</u>
Balance at 31 October 2008	<u>320,003</u>	<u>1,404,911</u>	<u>1,724,914</u>
Profit attributable to members of the club	<u>31,934</u>	<u>-</u>	<u>31,934</u>
Balance at 31 October 2009	<u>351,937</u>	<u>1,404,911</u>	<u>1,756,848</u>

The accompanying notes form part of these financial statements.

**The Ski Club of Victoria**

ABN 12 004 239 721

**Cash Flow Statement**  
**For the year ended 31 October 2009**

	Notes	2009 \$	2008 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members subscriptions		123,339	146,443
Receipts from club activities		1,133,921	1,216,509
Other Receipts		33,389	287,708
Payments to suppliers and employees		(1,134,515)	(1,194,908)
Interest received		23,614	10,091
Borrowing costs		-	(308)
Net cash provided by operating activities	14(b)	<u>179,748</u>	<u>465,535</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		<u>(140,703)</u>	<u>(76,338)</u>
Net cash used in investing activities		<u>(140,703)</u>	<u>(76,338)</u>
Net increase in cash held		39,045	389,197
Cash at beginning of financial year		<u>517,736</u>	<u>128,539</u>
Cash at end of financial year	14 (a)	<u>556,781</u>	<u>517,736</u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

**For the year ended 31 October 2009**

### **NOTE 1: STATEMENT 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 reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Corporations Act 2001.

The financial report has 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 the previous period unless stated otherwise.

The financial report is for the entity The Ski Club of Victoria as an individual entity. The Ski Club of Victoria is a company limited by guarantee, incorporated and domiciled in Australia.

#### **(a) Income Tax**

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### **(b) Property, Plant and Equipment**

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

##### *Property*

Buildings are measured at cost or on the fair value basis being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

##### *Plant and equipment*

Plant and equipment is measured on the cost basis.

##### *Depreciation*

All assets, are depreciated on a straight line basis over their useful lives to the company.

#### **(c) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave, sick leave and long service leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

#### **(d) Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

## **Notes to the Financial Statements**

**For the year ended 31 October 2009**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **(e) Revenue**

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

#### **(f) 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

#### **(g) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**Notes to the Financial Statements**  
 For the year ended 31 October 2009

	Note	2009 \$	2008 \$
<b>NOTE 2: REVENUE</b>			
<b>Operating activities</b>			
- food and beverage income		491,489	518,476
- accommodation and members subscriptions		622,351	677,365
- interest	2(a)	23,614	10,091
- Insurance recoveries		-	209,575
- Car parking		43,863	40,368
- other revenue		<u>30,353</u>	<u>37,765</u>
		<u><b>1,211,670</b></u>	<u><b>1,493,640</b></u>
 (a) Interest from:			
- financial institutions		<u>23,614</u>	<u>10,091</u>
		<u><b>23,614</b></u>	<u><b>10,091</b></u>
 <b>NOTE 3: PROFIT</b>			
Profit has been determined after:			
(a) Expenses			
Borrowing costs		-	308
Depreciation of property, plant and equipment		<u>111,605</u>	<u>105,912</u>
Remuneration of the auditors for			
- audit or review services		<u>8,750</u>	<u>9,690</u>
 <b>NOTE 4: CASH AND CASH EQUIVALENTS</b>			
Cash on hand		135	-
Cash at bank & on deposit		129,776	314,689
Deposits at call		<u>426,870</u>	<u>203,047</u>
		<u><b>556,781</b></u>	<u><b>517,736</b></u>
 <b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>			
<b>CURRENT</b>			
Trade receivables		<u>24,577</u>	<u>3,682</u>
 <b>NOTE 6: INVENTORIES</b>			
<b>CURRENT</b>			
Food and beverages on hand		<u>32,854</u>	<u>19,542</u>

**Notes to the Financial Statements**  
 For the year ended 31 October 2009

	Note	2009 \$	2008 \$
<b>NOTE 7: OTHER ASSETS</b>			
CURRENT			
Prepayments		<u>56,165</u>	<u>55,029</u>
<b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT</b>			
<b>LEASEHOLD BUILDINGS</b>			
At cost		<u>411,017</u>	<u>371,305</u>
At directors' valuation		1,399,276	1,399,276
Less accumulated amortisation		<u>(626,787)</u>	<u>(582,236)</u>
		<u>772,489</u>	<u>817,040</u>
Total buildings		<u>1,183,506</u>	<u>1,188,345</u>
<b>PLANT AND EQUIPMENT</b>			
(a) Plant & equipment			
At cost		502,748	430,344
Less accumulated depreciation		<u>(342,103)</u>	<u>(275,049)</u>
		<u>160,645</u>	<u>155,295</u>
(b) Capital works in progress			
At cost		<u>32,077</u>	<u>3,490</u>
Total property, plant and equipment		<u>1,376,228</u>	<u>1,347,130</u>
<p>The current crown lease on the Club's leasehold property at Mt Buller terminates in the year 2015. Leasehold buildings including additions during the reporting period are being amortised over 40 years (2.5% pa) on the assumption that the lease will be renewed.</p>			
<b>NOTE 9: TRADE AND OTHER PAYABLES</b>			
CURRENT			
Unsecured liabilities			
Trade payables		79,254	13,205
Sundry payables and accruals		<u>105,956</u>	<u>90,630</u>
		<u>185,210</u>	<u>103,835</u>
<b>NOTE 10: BORROWINGS</b>			
NON-CURRENT			
Unsecured liabilities			
Unsecured members notes		<u>99,547</u>	<u>99,674</u>

## Notes to the Financial Statements

For the year ended 31 October 2009

	Note	2009 \$	2008 \$
<b>NOTE 11: PROVISIONS</b>			
CURRENT			
Employee benefits	11(a)	<u>5,000</u>	<u>12,647</u>
(a) Aggregate employee benefits liability		<u>5,000</u>	<u>12,647</u>
<b>NOTE 12: OTHER LIABILITIES</b>			
CURRENT			
Memberships received in advance		<u>-</u>	<u>2,049</u>
		<u>-</u>	<u>2,049</u>
<b>NOTE 13: RESERVES</b>			
Asset revaluation reserve	(a)	<u>1,404,911</u>	<u>1,404,911</u>
(a) Asset Revaluation Reserve			
The asset revaluation reserve records revaluations of non-current assets			
<b>NOTE 14: CASH FLOW INFORMATION</b>			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the balance sheet as follows:			
Cash on hand		135	-
Cash at bank		129,776	314,689
At call deposits with financial institutions		<u>426,870</u>	<u>203,047</u>
		<u>556,781</u>	<u>517,736</u>
(b) Reconciliation of cash flow from operations with profit after income tax			
Profit after income tax		31,934	330,871
Non-cash flows in profit			
Depreciation and amortisation		111,605	105,912
Changes in assets and liabilities			
(Increase)/decrease in receivables		(20,895)	22,080
(Increase)/decrease in other assets		(1,136)	44,817
Increase in inventories		(13,312)	(6,821)
Increase/(decrease) in income received in advance		(2,049)	-
Increase/(decrease) in payables		81,248	(35,127)
Increase/(decrease) in provisions		<u>(7,647)</u>	<u>3,803</u>
Cash flows from operations		<u>179,748</u>	<u>465,535</u>

## **Notes to the Financial Statements**

**For the year ended 31 October 2009**

---

### **NOTE 14: CASH FLOW INFORMATION (Continued)**

### **NOTE 15: MEMBERS' GUARANTEE**

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company.

### **NOTE 16: COMPANY DETAILS**

The registered office of the company is:

The Ski Club of Victoria

Summit Road

Mt Buller Vic 3723

## **Directors' Declaration**

The directors have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report 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 6 to 15 are in accordance with the Corporations Act 2001:
  - (a) comply with 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 financial position as at 31 October 2009 and of the performance for the financial year ended on that date of the company 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 directors.

Director \_\_\_\_\_  
R Brooks

Director \_\_\_\_\_  
R Brearley

Dated this 23rd day of February 2010

## **The Ski Club of Victoria**

ABN 12 004 239 721

### **Independent Audit Report to the members**

#### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report of The Ski Club of Victoria, which comprises the balance sheet as at 31 October 2009, income statement, statement of changes in equity and cash flow statement for the financial year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### *Directors Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

#### *Auditor's Opinion*

In our opinion:

The financial report of The Ski Club of Victoria is in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of the company's financial position as at 31 October 2009 and of their performance for the year then ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

DANBY BLAND PROVAN & CO  
Chartered Accountants

123 Camberwell Road  
HAWTHORN EAST 3123

G D WINNETT

23 February 2010

Partner