

The Ski Club of Victoria

ACN 004 239 721

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For the Year Ended 31 October 2016

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The Ski Club of Victoria

ACN 004 239 721

Directors' Report

31 October 2016

The directors present their report on The Ski Club of Victoria for the financial year ended 31 October 2016.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Suzanne Batten	President
Qualifications	-Bachelor of Commerce; -Fellow Institute of Chartered Accountants; -Fellow, Financial Services Institute of Australia (FINSIA); and -Graduate, Australian Institute of Company Directors
Experience	-30 years in strategic and financial communications consulting, and an experienced board director; -Director and Principal of Batten Communications; -Director and Principal of Vaughan Partners; and -Non-executive Director, Equestrian Victoria
Brian Abbott	Treasurer
Qualifications	-Bachelor of Science
Experience	-Director Source Central Partners Pty Ltd; and -Director In Systems Pty Ltd
Ian Coltman	Secretary
Qualifications	-Bachelor of Economics; -Bachelor of Laws; -Graduate Certificate of Business Administration; and -Admitted to practice law in Australia and the UK
Experience	-Principal of Coltmans Legal; -Practiced corporate and commercial law for over 30 years, in private practice, in-house and with ASIC; and -Voluntary board/committee member of various not for profit organisations
Matt Hill	Vice President
Qualifications	-Quantity Surveying and Building Development Management
Experience	-Apprenticeship in carpentry and construction management; and -Board member of various building and construction institutions
Neil Plumridge	
Qualifications	-Master of Business Administration; -Bachelor of Business Administration; and -Member, Institute of Chartered Accountants
Experience	-Managing Partner, PwC Australia (Consulting); and -Director, various PwC proprietary limited companies
Sonia Evans (formally Clark)	
Qualifications	-Registered Nurse
Experience	-Senior Melanography Registered Nurse and shareholder of Molemap by Dermatologists Australia; and -Event management

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Directors' Report

31 October 2016

Information on directors

Andrew Marks	Resigned as a director 17 Feb 2016
Qualifications	-Bachelor Behavioural Science, Bachelor of Education (Counselling)
Experience	-Manager of Counselling & Mental Health Programs, Monash University
Miranda Lansell	
Qualifications	-Bachelor of Business (Marketing), Monash University
Experience	-Marketing director; -Interior design consultant; and -Business owner
Catherine Wright	Resigned as a director 25 Oct 2016
Qualifications	-Bachelor of Town Planning and Urban Design (Honours), University of Melbourne
Experience	-Land planning and development including statutory and strategic planning, large scale residential urban design, and development management for broad acre and infill residential development (Victoria and NSW)
Renee Monkman-Straub	Appointed as a director 17 Feb 2016
Qualifications	-Bachelor of Commerce with merit - Industrial Relations and Management.
Experience	-Director of Agility HR; -General Manager HR and Risk of Toll Customised Solutions; -Strategic Advisory Board of breadsolutions; -More than 20 years' experience in HR in commercial and not for profit businesses within Australia, NZ and Asia; and -Experience in corporate affairs, communications, public relations, OH&S and marketing

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

Principal activities

The principal activity of The Ski Club of Victoria during the financial year was to provide facilities, activities and services to encourage and support mountain sports and alpine recreational activities.

No significant changes in the nature of the Company's activity occurred during the financial year.

Vision

To become the leading mountain sports and alpine recreation club in Victoria: "The Place to Be" by providing great products, facilities and services for our members and guests, delivering positive outcomes for our other stakeholders and supporting the community in which we operate.

Values

Club camaraderie - "A place of Friendship and Fun"

Passion for outdoor sport and recreation, skiing and snowsports

Respect for our alpine environment

Directors' Report

31 October 2016

Values

Appreciation of our heritage

Connection with our community

Employee engagement and wellbeing

Strategic Goals and Strategies

1. SCV "THE PLACE TO BE"

Aim for increased visitation and take-up of SCV products and services.

Strategy:

Continuing improvement of offering;

Hospitality excellence;

- Quality food and beverages
- Courteous, attentive service
- Comfortable accommodation
- Great activities and events

Drive visitation and participation through marketing and promotion using all media possibilities;

Build customer relationships through regular engagement and follow up; and

Develop an enhanced Summer program.

2. MEMBERSHIP GROWTH

Aim for sustainable long term membership growth.

Strategy:

Drive membership growth through;

- Continued focus on developing membership benefits (see below)
- Stronger promotion of membership benefits
- Pro-active follow up of member renewals

Develop membership benefits and activities (subject to cost-benefit analysis), including consideration of:

- F&B/accommodation discounts
- Rewards accumulation program
- Reciprocal clubs program
- Limitation of non-member visits to three per person
- Welcome to new members night early in season – tour of Club, meet the Board, drinks on the Club, etc - all members welcome to attend drinks
- New members Welcome Pack
- Saturday night members' happy hour and lucky prize draw in main bar 6pm after race presentations
- Enhanced racing program
- Members' kids – kids club, meal sessions

Monitor member perceptions and expectations through surveys and/or engagement; and

Directors' Report

31 October 2016

Strategic Goals and Strategies

Improve membership data monitoring/analysis.

3. FINANCIAL VIABILITY

Aim for sufficient income generation to sustainably cover costs and allow for future growth.

Strategy:

Operate the business in a viable manner;

- Assess capex and activities against projected future benefit
- Target specific revenue growth opportunities

Drive financial efficiency; and

- Learn/integrate/optimize systems (Roommaster, BPoz, MMS, MYOB)
- Update historical data for trend monitoring/analysis
- Set KPIs and monitor performance

Manage risks

- Implement formal risk management framework.

4. STRONG COMMUNITY CONNECTION

Aim for strong relationships with the community.

Strategy:

Continue building local community relationships; and

- RMB/BSL
- Ski patrol, instructors, CFA etc

Foster alpine sports development

- Target Buller-based elite athletes
- Leverage investment in athletes by encouraging their involvement in Club activities.

5. SECURE FUTURE

Aim to secure the Club's long term future.

Strategy:

Complete Whitt Apartments development; and

Start planning next stage development of more revenue-generating accommodation (subject to success of Whitt Apartments development).

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Directors' Report

31 October 2016

Member's guarantee

The Ski Club of Victoria is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$1.

At 31 October 2016 the collective liability of members was \$ 1,094 (2015: \$ 1,095).

Meetings of directors

During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

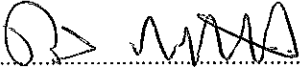
	Directors' Meetings	
	Number eligible to attend	Number attended
Suzanne Batten	12	11
Brian Abbott	12	10
Ian Coltman	12	12
Matt Hill	12	11
Neil Plumridge	12	7
Sonia Evans (formally Clark)	12	9
Andrew Marks	3	2
Miranda Lansell	12	9
Catherine Wright	12	9
Renee Monkman-Straub	9	8

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 October 2016 has been received and can be found on page 6 of the financial report.

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

Director: 
Suzanne Batten

Director: 
Brian Abbott

Dated 8 February 2017

The Ski Club of Victoria

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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 2016, 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.



ACCRU MELBOURNE (AUDIT) PTY LTD
Chartered Accountants



G D WINNETT
Director

8 February 2017

50 Camberwell Road
HAWTHORN EAST VIC

The Ski Club of Victoria

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Statement of Comprehensive Income

For the Year Ended 31 October 2016

		2016	2015
	Note	\$	\$
Revenue	2	1,875,678	1,794,635
Other income	2	-	608
Cost of provision of food and beverage services		(315,951)	(264,944)
Employee benefits expense		(814,624)	(715,296)
Operating expenses		(290,660)	(323,643)
Depreciation and amortisation expense		(175,221)	(158,165)
Occupancy costs		(46,583)	(53,628)
Marketing expenses		(16,654)	(14,950)
Administrative expenses		(204,018)	(188,782)
Other expenses		(67,160)	(63,338)
Finance costs		(8,404)	(7,165)
Surplus/(deficit) for the year		(63,597)	5,332
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(63,597)	5,332

The accompanying notes form part of these financial statements.

The Ski Club of Victoria

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Statement of Financial Position**As At 31 October 2016**

	2016	2015
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3 625,383	734,731
Trade and other receivables	4 9,382	25,413
Inventories	5 45,590	30,904
Other assets	6 4,521	5,225
TOTAL CURRENT ASSETS	684,876	796,273
NON-CURRENT ASSETS		
Property, plant and equipment	7 1,563,215	1,539,100
TOTAL NON-CURRENT ASSETS	1,563,215	1,539,100
TOTAL ASSETS	2,248,091	2,335,373
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	8 255,841	249,980
Borrowings	9 45,213	42,521
Employee benefits	10 32,109	17,426
Other liabilities	11 11,361	13,070
TOTAL CURRENT LIABILITIES	344,524	322,997
NON-CURRENT LIABILITIES		
Borrowings	9 164,051	209,263
TOTAL NON-CURRENT LIABILITIES	164,051	209,263
TOTAL LIABILITIES	508,575	532,260
NET ASSETS	1,739,516	1,803,113
EQUITY		
Reserves	12 1,404,911	1,404,911
Retained earnings	334,605	398,202
TOTAL EQUITY	1,739,516	1,803,113

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 October 2016

2016

	Retained Surplus	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 November 2015	398,202	1,404,911	1,803,113
Deficit for the year	(63,597)	-	(63,597)
Balance at 31 October 2016	334,605	1,404,911	1,739,516

2015

	Retained Surplus	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 November 2014	392,870	1,404,911	1,797,781
Surplus for the year	5,332	-	5,332
Balance at 31 October 2015	398,202	1,404,911	1,803,113

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 October 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from membership subscriptions	168,720	138,585
Receipts from club activities	1,883,454	1,796,773
Receipts from sponsorships	9,908	18,249
Interest received	5,658	6,439
Other receipts	7,338	8,439
Payments to suppliers and employees	(1,934,166)	(1,640,802)
Interest paid	(8,404)	(7,165)
Net cash provided by/(used in) operating activities	14 <u>132,508</u>	<u>320,518</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	16,000
Purchase of property, plant and equipment	(199,336)	(227,814)
Net cash used by investing activities	<u>(199,336)</u>	<u>(211,814)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	175,407
Repayment of borrowings	(42,520)	(47,423)
Net cash used by financing activities	<u>(42,520)</u>	<u>127,984</u>
Net increase/(decrease) in cash and cash equivalents held	(109,348)	236,688
Cash and cash equivalents at beginning of year	734,731	498,043
Cash and cash equivalents at end of financial year	3 <u>625,383</u>	<u>734,731</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 October 2016

Basis of Preparation

The financial statements are for The Ski Club of Victoria as an individual entity, incorporated and domiciled in Australia. The Ski Club of Victoria is a not-for-profit company limited by guarantee.

In the Directors opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies and Changes in Accounting Estimates and Errors*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

1 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Membership income is recognised on a straight line basis over the financial year.

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

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

Notes to the Financial Statements

For the Year Ended 31 October 2016

1 Summary of Significant Accounting Policies

(e) Property, Plant and Equipment

Each class of leasehold improvements, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

Depreciation

Leasehold improvements, plant and equipment are depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Leasehold improvements	2.5 - 10 %
Plant and Equipment	6 - 100%
Fire equipment	10%
Motor Vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(g) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(h) Leases

Chattel mortgage of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Chattel mortgages are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum chattel mortgage payments, including any guaranteed residual values. Chattel mortgage payments are allocated between the reduction of the chattel mortgage liability and the interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

For the Year Ended 31 October 2016

1 Summary of Significant Accounting Policies

(i) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Adoption of new and revised accounting standards

During the current year, there were no new or revised Australian Accounting Standards and interpretations that were required to be adopted by the Company.

(k) New accounting standards for application in future periods

The AASB has not issued new or amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods that will have a material impact on the Company.

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Notes to the Financial Statements

For the Year Ended 31 October 2016

2 Revenue and other income

Revenue

	2016	2015
	\$	\$
- Membership income	153,382	125,986
- Provision of accomodation	679,940	713,187
- Provision of food and beverages	939,054	839,470
- Income from other club activities	80,398	82,865
- Fundraising and sponsorship income	9,908	18,249
- Interest income	5,658	6,439
- Sundry income	7,338	8,439
	<u>1,875,678</u>	<u>1,794,635</u>

Other income

- Net gain on disposal of fixed assets	-	608
	<u>-</u>	<u>608</u>

3 Cash and cash equivalents

Cash on hand	6,162	1,416
Cash at bank	421,235	538,554
Short-term bank deposits	197,986	194,761
	<u>625,383</u>	<u>734,731</u>

4 Trade and other receivables

CURRENT		
Trade receivables	9,382	19,490
Other receivables	-	5,923
	<u>9,382</u>	<u>25,413</u>

5 Inventories

CURRENT		
At cost:		
Stock on hand	45,590	30,904
	<u>45,590</u>	<u>30,904</u>

6 Other assets

CURRENT		
Prepayments	1,650	5,225
Undeposited Funds	2,871	-
	<u>4,521</u>	<u>5,225</u>

The Ski Club of Victoria

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Notes to the Financial Statements

For the Year Ended 31 October 2016

7 Property, plant and equipment

	2016	2015
	\$	\$
Leasehold building improvements		
At directors' valuation	1,399,276	1,399,276
At cost	666,789	572,606
Accumulated depreciation	<u>(974,951)</u>	<u>(920,595)</u>
Total leasehold improvements	<u>1,091,114</u>	<u>1,051,287</u>
Capital works in progress		
At cost	<u>64,874</u>	18,491
Plant and equipment		
At cost	760,206	701,436
Accumulated depreciation	<u>(432,008)</u>	<u>(334,143)</u>
Total plant and equipment	<u>328,198</u>	<u>367,293</u>
Motor vehicles		
At cost	37,418	37,418
Accumulated depreciation	<u>(12,294)</u>	<u>(3,920)</u>
Total motor vehicles	<u>25,124</u>	<u>33,498</u>
Fire equipment		
Capitalised leased assets at cost	146,485	146,485
Accumulated depreciation	<u>(92,580)</u>	<u>(77,954)</u>
Total fire equipment	<u>53,905</u>	<u>68,531</u>
Total property, plant and equipment	<u>1,563,215</u>	<u>1,539,100</u>

Movements in carrying amounts of property, plant and equipment

	Capital Works in Progress	Leasehold Building Improvements	Plant and Equipment	Motor Vehicles	Fire Equipment	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 October 2016						
Balance at the beginning of year	18,491	1,051,287	367,293	33,498	68,531	1,539,100
Additions	46,383	94,182	58,771	-	-	199,336
Depreciation expense	-	(54,355)	(97,866)	(8,374)	(14,626)	(175,221)
Balance at the end of the year	<u>64,874</u>	<u>1,091,114</u>	<u>328,198</u>	<u>25,124</u>	<u>53,905</u>	<u>1,563,215</u>
Year ended 31 October 2015						
Balance at the beginning of year	-	1,104,744	278,987	17,950	83,162	1,484,843
Additions	18,491	-	171,905	37,418	-	227,814
Disposals - written down value	-	-	-	(15,392)	-	(15,392)
Depreciation expense	-	(53,457)	(83,599)	(6,478)	(14,631)	(158,165)
Balance at the end of the year	<u>18,491</u>	<u>1,051,287</u>	<u>367,293</u>	<u>33,498</u>	<u>68,531</u>	<u>1,539,100</u>

Notes to the Financial Statements

For the Year Ended 31 October 2016

7 Property, plant and equipment

The crown lease on the Club's leasehold property at Mt Buller has been renegotiated and the new lease started from 1 November 2016 and expires on 31 Oct 2019.

Leasehold building improvements at the Club's two sites including The Whitt and Kandahar are being amortised over 40 years or 2.5% per annum on the assumption that the lease will be renewed again in 2019. Some items of Plant & Equipment including Fire Equipment that are integral to the buildings are also being depreciated over variable periods. Should the lease not be renewed, the Club may be required to write off all leasehold assets including building improvements and some Plant & Equipment that is integral to the buildings. It would also then be necessary to review and assess other aspects of the club's operations.

8 Trade and other payables

	2016	2015
	\$	\$
CURRENT		
Unsecured liabilities		
Accounts payable	197,770	231,814
Sundry payables and accrued expenses	58,071	18,166
	<u>255,841</u>	<u>249,980</u>

9 Borrowings

CURRENT		
Secured liabilities:		
Chattel mortgage	45,213	42,521
Total current borrowings	<u>45,213</u>	<u>42,521</u>
NON-CURRENT		
Unsecured liabilities:		
Compulsory Notes	100,254	100,254
Secured liabilities:		
Chattel mortgage	63,797	109,009
Total non-current borrowings	<u>164,051</u>	<u>209,263</u>

10 Employee Benefits

Current liabilities		
Provision for annual leave	32,109	17,426
	<u>32,109</u>	<u>17,426</u>

11 Other liabilities

CURRENT		
Income in advance	11,361	13,070
	<u>11,361</u>	<u>13,070</u>

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Notes to the Financial Statements

For the Year Ended 31 October 2016

12 Asset Revaluation Reserve

The asset revaluation reserve records fair value movements on leasehold improvements held under the revaluation model.

13 Leasing Commitments

(a) Chattel mortgage

	2016	2015
	\$	\$
Minimum lease payments:		
- not later than one year	50,493	50,493
- between one year and five years	66,196	116,689
Minimum lease payments	116,689	167,182
Less: finance charges	(7,679)	(15,652)
Present value of minimum lease payments	109,010	151,530

Chattel mortgage agreements are in place for the company motor vehicle, kitchen and IT equipment and have terms ranging from 36 to 48 months.

(b) Operating Leases

The operating lease refers to the renegotiated lease from the Alpine Resort Management Board of the Whitt and Kandahar, and includes service charges and site rental. The Board of the club notes the confidential nature of the renegotiated lease agreement and considers that disclosure of the lease term and conditions would be a breach of this agreement.

14 Cash Flow Information

Reconciliation of net result to net cash provided by operating activities:		
Surplus/(deficit) for the year	(63,597)	5,332
Non-cash flows in surplus/(deficit):		
- depreciation	175,221	158,165
- net gain on disposal of non-current assets	-	(608)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	16,031	(5,726)
- (increase)/decrease in other assets	704	39,185
- (increase)/decrease in inventories	(14,686)	4,951
- increase/(decrease) in trade and other payables	5,861	98,083
- increase/(decrease) in other liabilities	(1,709)	3,710
- increase/(decrease) in employee benefits	14,683	17,426
Cashflow from operations	132,508	320,518

15 Remuneration of Auditors

- auditing the financial statements	12,800	12,200
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The Ski Club of Victoria

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Notes to the Financial Statements

For the Year Ended 31 October 2016

16 Company Details

The registered office of the company is:

The Ski Club of Victoria

195 Summit Road

Mt Buller VIC 3723

Directors' Declaration

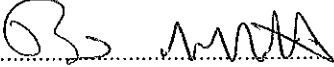
The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 of the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7-18, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 31 October 2016 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 1 of 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.

Director 
Suzanne Batten

Director 
Brian Abbott

Dated 8 February 2017

Independent Audit Report to the members of The Ski Club of Victoria

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 statement of financial position as at 31 October 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view 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.

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 *Corporations Act 2001*.

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 2016 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 of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Other Matter

As disclosed in Note 7 of the financial report, the crown lease on the Club's leasehold property at Mt Buller expired in June 2015. The Club has been in discussions with the Alpine Resorts Management Board (ARMB) to renew the lease and it is expected that it will be renewed for a period in the range of 5 to 50 years in accordance with existing ministerial policy and on mutually agreeable and sustainable terms. Should the lease not be renewed, the Club would be required to write off all leasehold assets (buildings and some items of Plant & Equipment including Fire Equipment that are integral to the buildings). The financial report does not include any adjustments relating to the write-off of recorded leasehold assets that might be necessary should the lease is not be renewed.



ACCRU MELBOURNE (AUDIT) PTY LTD
Chartered Accountants
8 February 2017


G D WINNETT
Director