

UNIVERSITY
SKI
CLUB

EST.
1929



USC



2020 Annual Report



President's Report

Dear Members,

There is no sugar coating 2020 given it was probably the worst year for USC in living memory, if not ever. Our arrangement at Hakuba provided the only real skiing for members at the start of the year with all other lodges pretty much closed as a result of bushfires during summer and the Covid lockdown during winter.

USC's financial position has been significantly impacted as there was no winter income, even though costs were also reduced. Fortunately, the Club started the year with no debt and good cash reserves so we've been able to cover the loss for now with steps being taken to ensure the Club remains viable if there are disruptions to the 2021 season.

Some of the unusual challenges and events which shaped USC in 2020 included:

- a completely virtual AGM and committee meetings
- exiting the Hakuba arrangement given the uncertainty around the pandemic and its impact on bookings for Japan's 2020-21 winter season
- developing a COVIDSafe plan to allow USC to operate its lodges over winter before Melbourne and skiing were ultimately shut down – special thanks to the Medical Sub-Committee of Kate Able, Katie Heathershaw, Caroline Dowling, Eugenie Kayak, and Ian Millar, who despite the challenges and demands placed on their profession during this time, deciphered the evolving rules and regulations in order to provide common sense advice to the Committee
- no work parties, no functions, no Club dinners, no race weekends
- an unprecedented increase in insurance costs reflecting a hardening of the insurance market as well as an increase in the value and replacement cost of the Club's assets.

Fortunately, we didn't miss much on the skiing front as snow falls were almost non-existent and the snow base flatlined at zero. While 2020 was a year like no other, we are hoping 2021 will mark a return to normal and the lessons learned will increase our resilience as a Club and as individuals.

Sadly, 2020 also marks the passing of member Donald Kay and life member and former President, Bruce Arnold.

Finally, particular thanks to the committee and vicariously their partners who supported them throughout the year and to our extraordinary booking officer Melissa without whom the Club would not function.

Kind regards

David Cleland

President

Minutes of 91st Annual General Meeting
Held via webinar.
at 7.00pm on Wednesday 25th March 2020

Present

Chris Macpherson (Chair)	Jessica Hill	Judy Barnesby
David Cleland	Helen Bainbridge	Ian McCutchan
Tony Rogers	Lisa Osborn	Andrea Macdonald
Sandy Clayton	Charles Derham	Felicity Koch
Graham Mulhall	Kate Abel	Rob Cave
Ray Flanagan	Andrew Hellier	Jess Hill
Graeme Lia	James Millar	Steve McSweeney
Cindy McTrusty	David Humphreys	Philippa Coull
Roger Richards	Dennis Rigoni	Bill Hatzistavros
Michael Lacy	Katrina Mose	Margaret Bristow
Tim Brewster	Gwyn Williams	Mackinley Barnesby
Cathy Perry	Justin Spangaro	Barry Field
David Stamp	Rob Walker	Emma Hill
Andrea Quinn	Ros Kelsall	Woody Macpherson
Robyn Bainbridge	Nick Economos	Michael Forbes
Vic Hill	Jacque Lawrence	Danielle Wruck
Kirsty Cleland	Robert Lofven	Dave McNeil
Joanna McCutchan	Margaret McNeil	Alex Warner
Holly Graham	Kate Anderson	Natalie Pitt
Andrew Adams	Ian Bainbridge	Ollie Nam
David Beguely	Penny Rogers	Julia Trenchard-Smith
Ken Donovan	Caroline Dowling	Helen Kelsall
Adrian O'Shaughnessy	Susan McRae	Murray Burns
Annabel Richards		

Apologies:

Lucy Carruthers	Antony Rickards
Rick Hargreaves	Don Barrie
Anna Lottkowitz	

1. Start of meeting

There being a quorum of members present, the Chairman declared the meeting open at 7:00pm.

2. Minutes

The minutes of the 90th AGM held at Kooyong Tennis Club, Kooyong, at 7.05pm on Wednesday 27th March 2019 were confirmed.

Moved: Woody Macpherson
Seconded: David Cleland

Motion passed

Matters Arising: None

3. Presidents Report

The President presented his report for the year noting:

- Recognition of 90th anniversary dinner and thanks to Felicity Koch for leading the organisation
- Good season for 2019
- 2018/19 second year of our agreement at Hakuba was OK but current projections show a decline for 2019/20
- Committee has made decision to cancel the agreement
- Chris is standing down as President, thanked the “First Lady” for her support during his period as President
- Chris wished Kirsty and David Cleland all the best
- Thank you to Melissa Parsons for her continuing contribution

4. Treasurers Report

Treasurers Report provided by Graham Mulhall: Notes from

Annual Report:

- Another very solid year with a turnover in excess of \$1 million
- Profitability for 2019 was approximately \$24,000 (after one off costs from the 90th Anniversary celebration)
- USC remains debt free
- All lodges made a profit in 2019 - with solid bed nights
- Utilities cost have increased
- Lodge Income remained solid for 2019
- Hakuba hotel occupancy agreement will be terminated with break fee of approximately \$33,000
- The Committee has looked at other potential investments at Falls Creek and Hotham to increase bed capacity, but is not progressing any at this time
- Continued investment in maintenance of lodges
- An analysis of expenses if the 2020 season does not occur this year suggests \$255,000 in fixed costs per annum
- The Club has sufficient funds to meet obligations for 2020
- Graham will stand down this year as Treasurer but we have a qualified member who has signalled preparedness to step forward as a replacement
- Thank you to Melissa Parsons for her continuing valuable contributions to the Club

5. Adoption of Accounts

The meeting resolved that the Financial Statements presented in the 2019 Annual Report be adopted

Moved: Felicity Koch
Seconded: Judy Barnesby

Motion Carried by way of direct online voting

6. Confirmation of Auditor

The meeting resolved that Mr WJ Griffin be confirmed as Auditor of the Club

Moved: **Graham Mulhall**
Seconded: **David Cleland**

Motion Carried by way of direct online voting

7. 2020 Annual Subscriptions

The meeting resolved that Annual Subscriptions for 2021 increase to \$300 for members and \$150 for Associate and Provisional Members

Proposer: Graham Mulhall
Seconded: David Cleland

Motion Carried by way of direct online voting

8. Joining Fee

The meeting resolved that the joining fee for full members in 2021 be increased to \$3000

Proposer: Graham Mulhall
Seconder: David Cleland

Motion Carried by way of direct online voting

9. Election of Office Bearers

Nominations for President: David Cleland
Proposed: Chris MacPherson
Seconded: Steve Mc

Sweeney Motion Carried by way of direct online voting

Nominations for Treasurer: Graham Mulhall
Proposed: Judy Barnesby
Seconded: David Cleland

There being no further nominations, Graham Mulhall was declared elected by way of online voting (note: Graham’s intention to stand down and Danielle Wruck has indicated preparedness to step into role through a transition arrangement with Graham)

Nominations for Secretary: Judy Barnesby
Proposed: Chris MacPherson
Seconded: Steve McSweeney

There being no further nominations, Judy Barnesby was declared elected by way of direct online voting

10. Election of Committee:

The following nominations were received for positions on the committee:

Nomination

Nominee	Proposer	Second
Felicity Koch	Steve McSweeney	Chris Macpherson
Kate Abel	James Millar	Jess Hill
Steve McSweeney	David Cleland	Rob Walker
Chris Macpherson	Steve McSweeney	David Cleland
James Millar	Rob Walker	Judy Barnesby
Jessica Hill	Rob Walker	Judy Barnesby
Andrew Hellier	Jess Hill	Graham Mulhall
Ray Flanagan	James Millar	Jess Hill
Rob Walker	Steve McSweeney	David Cleland
Cindy McTrusty	Judy Barnesby	Felicity Koch
Dennis Rigoni	Steve McSweeney	Graeme Lia
Ollie Nam	Andrew Hellier	Rob Walker

As there were more candidates than seats, so a ballot was held via direct online voting. The successful candidates were:

Chris Macpherson	Kate Abel	Andrew Hellier
James Millar	Felicity Koch	Robert Walker
Dennis Rigoni	Steve McSweeney	Jess Hill

11. Election of Vice Presidents:

No nominations

12. Election of Life Member

No nominations

13. General Business

David Cleland took the chair and noted:

Chris has been president for 12 years. He was elected at the 2008 AGM, unopposed after being nominated by Ian Aitkin and Simon Haylock. He'd been on the committee for 4 years before that as the Secretary and had been a member of the Club since 2001.

When Chris stepped up to the president role in 2008:

- full member subs were \$245 per year, not vastly different from the \$300 we're seeking approval for today.
- the joining fee was \$1400 compared to the proposed \$3000 for 2021.
- Total revenue was in the order of \$640,000, now over \$1m
- No wait list for membership – now just on 200; and
- all committee positions were elected unopposed (including myself as Secretary) and there were still vacancies left.

If you think about it, these changes are a pretty good proxy for how the value of the Club, its assets, and the value of membership of USC has grown under Chris' leadership.

So let's take a quick journey through some of the changes in which Chris has been instrumental:

1. The Hotham Renovation completed in 2010 which pushed out the east wall adding extra living area, full length windows looking down the valley and reconfiguring and vastly improving the kitchen and dining areas – a project led by Ian McCutchen, Chris and Andrea McDonald.
2. Introduction of Provisional Membership in 2011 – which has allowed summer use and early access to some of the benefits of the Club – despite the long waiting list for full membership.
3. Creation of the summer sub-committee to increase the focus on summer use and the first summer weekends such as mountain biking and the gourmet weekend.
4. Extensive renovations at Buller including the Buller East Wing development, bedroom extensions, West wing upgrade and bathroom updates.
5. Borrowing and then repaying \$700k to fund the development.
6. Development works at Falls Creek included expanding the drying room, living area and kitchen upgrades.
7. Preparation and publication of Three Peaks – and at one point the summer booking newsletter – this has been done solely by Chris for the last 15 years!

8. Hakuba – a new lodge in a new country.
9. A new Club Constitution in 2018.
10. Online bookings – and if you look down in the details – again back to 2008 – the Club use to spend circa \$12,000 on paper communication whereas now we would be lucky to spend at 10th of that.
11. Honour boards in every lodge – but Chris didn't just suggest them – he made them all by hand – from a tree which came down in a storm when Woody was born.

Throughout, Chris has maintained his quiet calm and shown his ability to see past the chatter to the real issues. He's masterfully found ways through conflict and steered the club to where it is today.

On top of all that, he's skied with everyone, across all four lodges and around the world, usually on Telemark skis.

Now often this speech would herald a vote for life membership, but the size of Chris and Woody's contribution to the Club has been so great, they were proposed and elected as life members in 2017.

I therefore commend Chris and Woody to the Members as part of fabric and history of our Club.

Meeting Closed at 7.46 pm

UNIVERSITY SKI CLUB
(Company Limited by Guarantee)
A.B.N. 33 004 276 260

ANNUAL REPORT - 31 DECEMBER 2020

REPORT OF THE COMMITTEE - 31 DECEMBER 2020

Your Committee presents their Report on the Company for the year ended 31 December 2020.

Directors & Officers

The following persons were Directors of the Company during the whole of the financial year and up to the date of this Report:

C Macpherson	J Barnesby	J Hill
S McSweeney	D Cleland	R Walker
J Millar	F Koch	K Abel

Graham Mulhall is not a Director, but has been Treasurer for the entire year of 2020.

Graeme Lia, Ray Flanagan and Rob Cave resigned as Directors and Dennis Rigoni was appointed as a Director at the AGM held on 25th March 2020. Andrew Hellier resigned as director effective 15 June 2020.

The qualifications and responsibilities of the Directors in office are:

David Cleland	LLB BSc	President & Mt Hotham Manager
Judy Barnesby	BBus Grad Diploma HR & IR	Secretary
Chris Macpherson	B App Sc	
Kate Abel	BVSc(Hons)(Melb) MD(Distinct)(Melb)	Medical Sub Committee Chair
Jessica Hill	Bachelor of Laws and Bachelor of Commerce	Summer Sub-Committee
Felicity Koch	B.Sci (Agri) Uni. Melb., Grad. Dip. Bus. (Marketing) RMIT, Grad. Cert. Sustainability (Agri.) IMD,	Buller
James Millar	B (Land Arch) with Honours 2nd class	IT
Stephen McSweeney	Assoc Diploma of Applied Science Bld & Construction	Overseeing Bld Development(s)
Dennis Rigoni	Electrical Mechanics, Dip Project Management	Buller
Robert Walker	LLB (Hons)	Racing

Directors Meetings

The number of meetings of the committee and the number of meetings attended by each of the directors during the financial year are:

Director	Eligible to attend	Committee Meetings	Eligible to attend	COVID Meetings
C Macpherson	9	9	3	3
J Barnesby	9	9	3	3
D Cleland	9	8	3	3
J Millar	9	8	3	1
S McSweeney	9	5	3	
J Hill	9	8	3	2
K Abel	9	6	3	2
F Koch	9	6	3	2
G Lia	2	1	0	
A Hellier	5	4	0	
R Flanagan	2	0	0	
R Walker	9	9	3	2
R Cave	2	2	0	
D Rigoni	7	5	3	3

Principal Activities

The principal continuing activities of the club are to organise and promote the sport of snow skiing for the benefit of club members. The club operates three lodges in Australia. The Japan lodge Hotel Capacity Agreement was terminated on 11th March 2020.

Results

The net result of the Club's activities was a loss of \$355,677 (2019 Profit \$24,308). There is no Income Tax applicable.

Review of Operations

Operations of the Club were severely impacted by the COVID-19 restrictions at each of its Victorian Lodges. Winter Income was minimal and Summer Income significantly reduced.

The Hakuba Japan Lodge was utilised by Members and Guests at the start of the year but the Committee decided not to renew the Hotel Capacity Agreement in light of the COVID outbreak and on March 11th 2020 the agreement was terminated. A break fee of \$37,287 was paid to its Owners.

Recurrent expenses continued to be incurred at the Lodges, notwithstanding they were not utilised.

The Club received Victorian Government grants totalling \$21,000 this financial year.

The loss from activities was \$355,677, which included expensing of \$219,526 depreciation (2019 \$203,500)

Significant Changes in the state of affairs

The Club was unable to provide its facilities to Members for a significant period in the financial year due to COVID-19 restrictions.

The operations of the Club for 2021 may be restricted by Government and Health Authority directives.

Site Leases

As at 31 December 2020, Site lease details for each site in Australia are as follows;

Lodge	Date Lease Entered into	Term of Lease	Date Lease Expires	Term Remaining
Mt Hotham	01/11/1991	30 years	31/10/2021	10 months
Mt Buller	01/11/1990	36 years	31/10/2026	5 years 10 months
Falls Creek	01/11/1993	40 years	31/10/2033	10 years 10 months

The Hotham subcommittee are negotiating lease renewal for Mt Hotham. It is estimated the lease will be renewed prior to term end.

Matters Subsequent to the end of the Financial Year

The Financial Statements and notes set out on pages 6 to 21 of the Annual Report:

- (a) comply with Accounting Standards and the *Corporations Law Act 2001*; and
- (b) give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

However, at the time of making this resolution the local economy and world economies are being affected by COVID-19, better known as the Coronavirus and:

- a) COVID-19 restrictions may cause the closure of the Company's ski lodges for the 2021 ski season; and
- b) Closure of the Company's ski lodges for the 2021 ski season may dramatically affect the entities cash flow and the ability to pay debts as and when they fall due depending on future government assistance packages (not yet announced), borrowings and raising funds from Members

Insurance of Officers

During the financial year, the Company paid a premium to insure the Directors and Officers of the Company. In accordance with the confidentiality conditions of the Policy, we are unable to disclose the nature of the liabilities covered, nor the premium paid.

Directors' Benefits

Since 31 December 2020 no Director of the Company has received or become entitled to receive a benefit.

Signed at Melbourne this 3rd day of March 2021, in accordance with a Resolution of the committee.

.....
D Cleland – Director/President

.....
J Barnesby – Director/Secretary

**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF UNIVERSITY SKI CLUB**

I declare that to the best of my knowledge and belief, during the year ended 31st December 2020 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.

Mr William J Griffin
Accountant & Auditor
Level 1, 32 Business Park Drive
Notting Hill Vic 3168

Dated

FINANCIAL REPORT - 31 DECEMBER 2020

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University Ski Club is a Company limited by Guarantee, Incorporated and domiciled in Australia. Its Registered Office and Principal Place of Business is 4 Nathan Grove Caulfield South 3162.

A description of the nature of the Company's operations and its principal activities is included in the Report of the Committee on page 3.

The Financial Report of University Ski Club for the year ended 31 December 2020 was authorised for issue in accordance with a Resolution of the Directors on 3rd March 2021.

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		\$	\$
Club Revenue Subscriptions & Lodge Fees	2	337,533	1,048,888
Other Revenue	2	1,967	3,647
		339,499	1,052,535
Lodge Expenses		(314,814)	(700,988)
Insurance		(82,153)	(61,581)
Administration Expenses		(72,564)	(61,644)
Depreciation		(219,526)	(203,500)
Interest Expense		(6,120)	(514)
		(695,177)	(1,028,227)
Profit from Ordinary Activities before	3	(355,677)	24,308
Income Tax Expense			-
Net Profit		(355,677)	24,308
Total Changes in Members' Equity		(355,677)	24,308

The above income statement should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash assets	4	260,874	467,638
Sundry Receivables	5	3,139	20,893
Inventories	6	3,544	7,864
Other	7	69,182	47,094
Hakuba	7	0	30,122
		<hr/>	<hr/>
Total Current Assets		336,739	573,612
Non-current Assets			
Property, Plant and Equipment	8	2,131,682	2,312,475
Borrowing Costs		-	-
		<hr/>	<hr/>
Total Non-Current Assets		2,131,682	2,312,475
		<hr/>	<hr/>
Total Assets		2,468,421	2,886,087
Current Liabilities			
NAB Credit Card	9	2,387	774
Payables		29,243	38,570
GST		(5,897)	(5,452)
Other		13,496	14,985
Unearned Income- Hakuba		0	102,411
Superannuation Payable		508	
Global Funding (Insurance Finance)		51,016	
		<hr/>	<hr/>
Total Current Liabilities		90,754	151,288
Non-current Liabilities			
Borrowing Facility		0	0
Other	10	53,119	54,574
		<hr/>	<hr/>
Total Non-Current Liabilities		53,119	54,574
		<hr/>	<hr/>
Total Liabilities		143,873	205,862
		<hr/>	<hr/>
Net Assets		2,324,548	2,680,225
		<hr/> <hr/>	<hr/> <hr/>
Members' Equity			
Retained profits	11	2,324,548	2,680,225
		<hr/>	<hr/>
Total Members' Equity		2,324,548	2,680,225
		<hr/> <hr/>	<hr/> <hr/>

The above reports should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash Flows from Operating Activities			
Receipts from Members and grants		337,533	1,000,650
Payments to Suppliers and Members		(505,551)	(825,418)
Interest Received		1,967	3,647
Interest paid		(6,120)	(514)
		<u> </u>	<u> </u>
Net cash inflow (outflow) from operating activities		<u>(172,171)</u>	<u>178,365</u>
 <i>Cash Flows from Investing Activities</i>			
Payments for purchase of Property, Plant & Equipment		(34,593)	(61,085)
		<u> </u>	<u> </u>
Net cash outflow from investing activities		<u>(34,593)</u>	<u>(61,085)</u>
 Net increase (decrease) in cash held		 (206,764)	 117,280
Cash at beginning of the financial year		<u>467,638</u>	<u>350,358</u>
 Cash at end of the financial year	 4	 <u>260,874</u>	 <u>467,638</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Total Equity at the beginning of the financial year	11	2,680,225	2,655,917
Total changes in Members' Equity recognised in the Income Statement	11	<u>(355,677)</u>	24,308
Total Members' Equity at the end of the financial year	11	<u>2,324,548</u>	<u>2,680,225</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose Financial Reports have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. 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. Such accounting policies are consistent with those of previous periods.

(b) Statement of compliance

The Financial Report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the Financial Report, comprising the Financial Statement and Notes thereto, complies with International Financial Reporting Standards (“IFRS”).

(c) Revenue/Subscription Income

Multiple year subscription revenue is deferred and is brought to account as income in the relevant year. All revenue is stated net of the amount of goods and services tax.

(d) Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost of each item of Property, Plant and Equipment (excluding land) over its expected useful life to the Club. Estimates of remaining useful lives are made on a regular basis for all assets with annual reassessments for major items. The expected useful lives are as follows:

Buildings	25 years
Furnishings and equipment	5 years
Office equipment	5 years

(e) Inventories

All inventories are valued at the lower of cost and current replacement cost.

(f) Hotel Capacity Agreement - Hakuba

The Committee decided to terminate the Hakuba Hotel Capacity Agreement in March 2020. All Income and Expenses relating to 2020 operations of Hakuba are recorded in the Financial Statements.

(g) Income Tax

The Club is exempt from Australian income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

(h) **Matters Subsequent to the end of the Financial Year**

The Financial Statements and notes set out on pages 6 to 21 of the Annual Report:

(a) comply with Accounting Standards and the *Corporations Law Act 2001*; and

(b) give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

However, at the time of making this resolution the local economy and world economies are being affected by COVID-19, better known as the Coronavirus and:

a) COVID-19 restrictions may cause the closure of the Company's ski lodges for the 2021 ski season; and

b) Closure of the Company's ski lodges for the 2021 ski season may dramatically affect the entities cash flow and the ability to pay debts as and when they fall due depending on future government assistance packages (not yet announced), borrowings and raising funds from Members

1. Summary of Significant Accounting Policies (continued)

(g) **Cash on Hand**

Cash on hand includes cash at bank and any short term deposits which are readily convertible to cash on hand.

	2020	2019
	\$	\$
2. Revenue		
(i) Club Membership Revenue		
Entrance Fees	26,000	38,965
Membership Fees	119,370	141,139
Miscellaneous Revenue	47,783	85,369
Lodge Income		
Australia		
Hotham	1,948	111,310
Buller	13,161	369,924
Falls Creek	<u>13,215</u>	<u>142,352</u>
	28,324	623,586
(ii) Japan- Hakuba	116,056	159,829
Other Revenue		
Interest Income	1,967	3,647
	<u>339,499</u>	<u>1,052,535</u>

Hakuba Japan

The Club entered into a Hotel Capacity Agreement with Hakuba Hotels Pte Ltd dated 12 April 2017, which provided the Club and its Members with the right to use the entire capacity of Luna Hotel in Hakuba Japan until 11 April 2023 on payment of an annual fee. The Agreement included an early termination right on payment of a break fee which was exercised by the Club on 11th March 2020 in light of reduced Member interest and the increasing impact of COVID-19. A break fee of \$37,287 was paid to its Owners and is included in the below expenses.

	2020	2019
	\$	\$
Lodge Income	116,056	159,829
Total Expenses	<u>(128,683)</u>	<u>(179,015)</u>
Net Profit(Loss)	<u>(12,627)</u>	<u>(19,186)</u>

3. Profit from Ordinary Activities

	2020	2019
	\$	\$
(a) Net gains and expenses		
Profit from ordinary activities before income tax expense includes:		
Net gains		
Interest received/receivable	1,967	3,647
Club Revenue Subscriptions/Lodge Income	337,533	1,048,888
Expenses		
Lodge Expenses	(282,961)	(702,377)
Administration	(72,564)	(61,644)
Insurance	(114,005)	(60,192)
Depreciation of Property, Plant & Equipment	(219,526)	(203,500)
Interest paid	(6,120)	(514)
	<u>(355,677)</u>	<u>24,308</u>

4. Current Assets – Cash Assets

	2020	2019
	\$	\$
Cash at Bank and on Hand	34,413	243,013
Cash Management Account	<u>226,461</u>	<u>224,625</u>
	<u>260,874</u>	<u>467,638</u>

5. Current Assets – Receivables

	2020	2019
	\$	\$
Sundry Receivables	<u>3,139</u>	<u>20,893</u>
	<u>3,139</u>	<u>20,893</u>

6. Current Assets – Inventories

The valuation policy adopted in respect of the following is set out in note 1(e).

	2020	2019
	\$	\$
Stock at Hotham	0	800
Stock at Buller	0	1,000
Stock at Falls Creek	0	500
Stock at Hakuba	0	2,020
Club merchandise	<u>3,544</u>	<u>3,544</u>
	<u>3,544</u>	<u>7,864</u>

7. Current Assets – Other

	2020	2019
	\$	\$
Prepaid expenses	69,182	47,094
Hotel Capacity Agreement - Hakuba	<u>0</u>	<u>30,122</u>
	<u>69,182</u>	<u>77,216</u>

8. Non-Current Assets – Property, Plant & Equipment

	2020	2019
	\$	\$
Leasehold Land and Buildings		
Hotham		
- At cost	903,544	876,044
Less: Accumulated depreciation	(569,499)	(522,934)
	<u>334,045</u>	<u>353,110</u>
Buller		
- At cost	3,183,522	3,181,522
Less: Accumulated depreciation	(1,861,182)	(1,764,217)
	<u>1,322,340</u>	<u>1,417,305</u>
Falls Creek		
Leasehold land		
- At cost	154,000	154,000
Buildings		
-At cost	1,227,938	1,227,259
Less: Accumulated depreciation	(975,398)	(945,766)
	<u>406,530</u>	<u>435,493</u>
Total Land and Buildings	2,062,925	2,205,908

8. Non-Current Assets – Property, Plant & Equipment (continued)

	2020	2019
	\$	\$
Furnishings and Equipment		
Hotham		
- At cost	114,368	113,520
Less: Accumulated depreciation	<u>(108,034)</u>	<u>(103,588)</u>
	<u>6,334</u>	<u>9,932</u>
Buller		
- At cost	526,883	526,883
Less: Accumulated depreciation	<u>(503,237)</u>	<u>(489,021)</u>
	<u>23,647</u>	<u>37,862</u>
Falls Creek		
- At cost	329,456	325,891
Less: Accumulated depreciation	<u>(296,386)</u>	<u>(275,264)</u>
	<u>33,070</u>	<u>50,627</u>
Total Furnishings and Equipment	63,050	98,421
Office Equipment		
- At cost	25,447	25,447
Less: Accumulated depreciation	<u>(25,194)</u>	<u>(25,067)</u>
Total Office Equipment	<u>253</u>	<u>380</u>
IT System		
- At cost	11,567	11,567
Less Amortisation	<u>(6,114)</u>	<u>(3,801)</u>
	<u>5,453</u>	<u>7,766</u>
Total Property, Plant and Equipment	<u>2,131,682</u>	<u>2,312,475</u>

8. Non-Current Assets – Property, Plant & Equipment (continued)

Reconciliations

Reconciliations of the carrying amount of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Land & Buildings	Furnishings & Equipment	Office Equipment	Total
	\$	\$	\$	\$
Carrying amount at 1 January 2020	2,205,908	98,421	8,145	2,312,475
Additions	30,179	4,414	0	34,593
Depreciation expense	(173,162)	(39,784)	(2,440)	(215,386)
Carrying amount at 31 December 2020	2,062,925	63,051	5,705	2,131,682

9. Current Liabilities – Other

	2020	2019
	\$	\$
NAB Credit Card	2,387	774
Payables	29,243	38,570
Goods and Services Tax (GST)	(5,897)	(5,452)
Membership subscriptions in advance- Australia	13,496	14,985
Unearned Winter Income - Hakuba	0	102,411
Superannuation Payable	508	0
Global Funding (Insurance Funding)	<u>51,016</u>	<u>0</u>
	<u>90,754</u>	<u>151,288</u>

10. Non-Current Liabilities – Other

	2020	2019
	\$	\$
Membership subscriptions in advance	<u>53,119</u>	<u>54,574</u>
	<u>53,119</u>	<u>54,474</u>

11. Retained Profits and Reserves

	2020	2019
	\$	\$
Retained profits at the beginning of the year	2,680,225	2,655,917
Net Profit (Loss)	<u>(355,677)</u>	<u>24,308</u>
Retained Profits at the end of the financial year	<u>2,324,548</u>	<u>2,680,225</u>

12. Remuneration of Directors

The Directors receive no remuneration or benefits. Expenditure incurred in the course of carrying out their responsibilities are reimbursed as incurred.

13. Remuneration of Auditor

	2020	2019
	\$	\$
Total amounts receivable by the auditor of the Company for -		
(a) Audit of the Company's accounts	3,600	3,600
(b) Other services	-	-
	<u>3,600</u>	<u>3,600</u>

14. Related Parties

- (a) The names of persons who were Directors at any time during the financial year are as follows: Mr C Macpherson, Ms J Barnesby, Mr D Cleland, Mr S McSweeney, Dr K Abel, Ms F Koch, Mr J Millar, Mr G Lia, Ms J Hill, Mr A Hellier, Mr R Flanagan, Mr R Cave, Mr R Walker and Mr D Rigoni. Graham Mulhall has been Treasurer for the 2020 Financial year.
- (b) During the year the Company sold club membership and lodge accommodation to Directors and Director-related parties within a normal member relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the Directors or their related parties at arm's length in the same circumstances.

15. Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities

	2020	2019
	\$	\$
Operating Profit after Income Tax	(355,677)	24,308
Depreciation	219,526	203,500
Change in Operating Assets and Liabilities		
Decrease (Increase) in Receivables	17,754	(12,491)
Decrease (Increase) Stock on hand	4,320	(2,706)
Decrease (Increase) in Prepayments	(22,088)	(12,184)
(Decrease) Increase in Accruals (Sundry Creditors)	(7000)	4,116
Increase (Decrease) in Operating Trade Creditors	(205)	7,457
Increase (Decrease) in Subscriptions in Advance	(2943)	7,904
Unearned Income - Hakuba	(102411)	(38,639)
Funding Costs	51,016	0
Other prepayments- Hakuba	(25,982)	(1,088)
Tax Obligations (GST)	(445)	(1,813)
Net Cash Inflow from Operating Activities	<u>(172,171)</u>	<u>178,365</u>

16. Members Guarantee

The Entity is Incorporated under the Corporations Act 2001 and is an Entity, Limited by Guarantee. If the Entity is wound up, the Constitution states that each Member is required to contribute a maximum of \$1 each, towards meeting any outstandings and obligations of the Entity. At 31 December 2020, the number of Members was 729, including 101 Provisional members.

DIRECTORS' DECLARATION

The Directors declare that the Financial Statements and notes set out on pages 6 to 21:

- (a) comply with Accounting Standards and the *Corporations Law Act 2001*; and
- (b) give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Directors' Opinion:

- (a) The financial statements and notes are in accordance with the *Corporations Law Act 2001*; and
- (b) At the time of making this resolution the local economy and world economies are being affected by COVID-19, better known as the Coronavirus and:
 - COVID-19 restrictions may cause the closure of the Company's ski lodges for the 2021 ski season; there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - Closure of the Company's ski lodges for the 2021 ski season may dramatically affect the entities cash flow and the ability to pay debts as and when they fall due depending on future government assistance packages (not yet announced), borrowings and raising funds from Members.

This Declaration is made in accordance with a Resolution of the Directors

Signed at Melbourne this 3rd day of March 2021.

.....
D Cleland – Director/President

.....
J Barnesby – Director/Secretary

Independent audit report to the members of University Ski Club

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of cash flows, statement of changes in equity, accompanying notes to the financial statement, and the directors' declaration for University Ski Club for the year ended 31 December 2020.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

I conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. My audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the company's financial position and its performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While I considered the effectiveness of internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

I performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and my other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors.

Independence

In conducting my audit, I have followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

In accordance with ASIC Class Order 05/83, I declare to the best of my knowledge and belief that the Auditor's independence declaration set out on page 5 of the financial report has not changed as at the date of providing my Audit opinion.

Audit Opinion

In my opinion, the financial report of University Ski Club as set out on pages 6 to 21 is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - 1) giving a true and fair view of the financial position of University Ski Club as at 31 December 2020 and of its performance for the year ended on that date; and
 - 2) complying with Accounting Standards in Australia and the *Corporations Act 2001*.
- (b) other mandatory financial reporting requirements in Australia

Mr William J Griffin
Accountant & Auditor

Melbourne
Dated:

