

AAC FALLS CREEK INC

ABN 77 885 651 266

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2019

AAC FALLS CREEK INC

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2019

	<i>Note</i>	2019 \$	2018 \$
OPERATING STATEMENT			
Accommodation Booking Income		200,224	169,870
Members' Subscriptions		81,064	78,268
Non Refundable Joining Fee		14,745	15,945
Interest		819	2,233
Other Fees and Income		2,639	2,530
TOTAL INCOME		\$299,491	\$268,846
<u>LESS EXPENDITURE</u>			
AAC Capitation		6,300	6,090
Accommodation Booking Commission		18,322	15,351
Accounting & Audit		3,650	3,400
Administration Expenses	2	26,761	26,510
Doubtful Debts		-	(3,000)
Bad Debts		1,625	-
Donations		100	-
Interest Paid		-	-
Lodge Depreciation		53,755	41,270
Lodge Operating Expenses	3	191,458	148,512
TOTAL EXPENSES		\$301,971	\$238,133
OPERATING SURPLUS (LOSS)		(\$2,480)	\$30,713

These statements should be read in conjunction with the accompanying notes.

AAC FALLS CREEK INC

BALANCE SHEET AS AT 31ST DECEMBER, 2019

	2019 \$	2018 \$
CURRENT ASSETS		
Cash in Operating Account	165,516	87,649
Cash in Cash Management Accounts	-	121,875
Members' Subscriptions Overdue	3,262	4,452
- Less Provision for Doubtful Debts	(3,000)	(3,000)
Bendigo Visa	1,308	1,290
TOTAL CURRENT ASSETS	\$167,086	\$212,266
NON-CURRENT ASSETS		
Lodge Building	1,590,318	1,532,982
Less Accumulated Depreciation	(681,110)	(645,617)
Lodge Building	\$909,208	\$887,365
Lodge Furniture & Fittings	83,931	75,335
Less Accumulated Depreciation	(61,726)	(57,762)
Lodge & Furniture Fittings	\$22,205	\$17,573
Lodge Plant & Equipment at Cost	152,452	109,347
Less Accumulated Depreciation	(95,239)	(84,035)
Lodge Plant & Equipment	\$57,213	\$25,312
Kitchen Upgrade at Cost	126,159	126,159
Less Accumulated Depreciation	(43,018)	(39,924)
Kitchen Upgrade	\$83,141	\$86,235
TOTAL NON-CURRENT ASSETS	\$1,071,767	\$1,016,485
TOTAL ASSETS	\$1,238,853	\$1,228,751

These statements should be read in conjunction with the accompanying notes.

AAC FALLS CREEK INC

BALANCE SHEET AS AT 31ST DECEMBER, 2019

	Note	2019 \$	2018 \$
LESS CURRENT LIABILITIES			
Trade Creditors		8,420	10,965
GST Liability		(1,766)	(2,471)
Unearned Income - Subscriptions		15,685	8,833
Unearned – Accomodation		8,765	-
Unearned - NRJF		-	-
Sundry Creditor		-	-
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TOTAL CURRENT LIABILITIES		\$31,104	\$17,327
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NON CURRENT LIABILITIES			
		<hr/>	<hr/>
TOTAL LIABILITIES		\$31,104	\$17,327
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 NET ASSETS		 \$1,207,749	 \$1,211,424
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 MEMBERS' EQUITY – OPENING BALANCE		 \$1,211,424	 \$1,176,063
Debenture Movement			
Debenture Inflow		21,620	21,320
Debenture Outflow		(10,815)	(9,640)
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Net Debenture Flow		10,805	11,680
Capital Raising Inflow		(12,000)	(7,032)
Net Surplus/(Loss)		(2,480)	30,713
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MEMBERS' EQUITY – CLOSING BALANCE		\$1,207,749	\$1,211,424
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These statements should be read in conjunction with the accompanying notes.

AAC FALLS CREEK INC

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial statements are a special purpose financial report that have been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (*Urgent issues Group Consensus Views*) and the requirements of the Associations Incorporation Reform Act 2012. The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by AAC Falls Creek Inc. in the preparation of the financial statements.

a) Income Tax

The Club is not liable for income tax because its income is exempt under section 23(g) of the Income Tax Assessment Act 1936 (Clth), and as a member income is excluded under the principal of mutuality.

b) Inventories

Inventories consist of sundry general stocks and are measured at the lower of cost and net realisable value.

c) Fixed Assets and Depreciation

The Club's building is brought to account at cost. No independent valuation has been carried out since incorporation.

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements over the shorter of either the unexpired period of the lease, or the estimated useful lives of the improvements.

Depreciation has been applied on the following basis:

Lodge Building & Extensions	2.5%	Prime Cost
Floor Coverings	15%	Diminishing Value
Fixtures & Fittings	15%	Diminishing Value
Plant & Equipment	15%	Diminishing Value
Computer & Equipment & Kitchen Utensils	100%	Prime Cost

The carrying amount of fixed assets is reviewed regularly by the Committee, to ensure it is not in excess of the recoverable amount of those assets.

d) Leases

The Club's lease payments to the Alpine Resorts Commission are charged as an operating lease expense in the periods in which they are incurred. All leasehold improvements amortised over their estimated useful lives or the remaining unexpired lease term, whichever is the shorter.

AAC FALLS CREEK INC

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Cont'd)

e) Employee Entitlements

Provision is made for the Club's liability for employee entitlements arising from services rendered by employees arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. There are no employee entitlements payable later than one year.

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

f) Income Recognition

Annual subscriptions are recognised as income when invoices are due and payable. Booking fees are recognised as income when a booking is paid for. Instalments of joining fees are recognised as a receivable when past due, and debentures are only issued when joining fees are paid in full.

NOTE 2: ADMINISTRATION EXPENSES

	2019	2018
	\$	\$
Bank Charges	2,875	2,666
Secretarial	16,800	15,950
Licence Fees	2,664	2,549
Printing, Postage & Stationery	1,044	1,396
Meeting Expenses	1,385	1,149
Booking System Setup	1,993	2,800
TOTAL ADMINISTRATION EXPENSES	\$26,761	\$26,510

NOTE 3: LODGE OPERATING EXPENSES

FCRM Service Fee	37,743	35,963
FCRM Site Rent	10,021	10,050
Electricity	9,039	9,124
Fire Levy	1,204	1,071
Freight	105	520
Gas	18,632	19,105
Insurances	19,031	17,372
Payroll	30,855	30,112
Repairs & Maintenance	45,168	6,409
Supplies	16,481	16,543
Telephone & Internet	2,647	2,243
Travel Expenses	532	-
TOTAL LODGE OPERATING EXPENSES	\$191,458	\$148,512

AAC FALLS CREEK INC

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 4: MEMBERS EQUITY

The Association's members' equity comprises monies received for debentures plus retained earnings (accumulated losses) and as such the accounts do not show an individual split up of members' equity. In the 2010 year the Association implemented a capital raising program and so far capital raisings have amounted to \$347,150 and this amount has also been included in members' equity.

NOTE 5: PROVISIONS

The 2019 Financial Statements include a provision for Doubtful Debts, in the Balance Sheet totalling \$3,000.

NOTE 6: SEGMENT REPORTING

The Club operates in the sporting sector, providing ski accommodation facilities to members, reciprocal members and their guests, at the Falls Creek Alpine Resort in Australia.

NOTE 7: NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of cash flows, cash includes on hand and in the banks, at call deposits and investments in money marketing instruments, net of bank overdrafts.

Cash at the end of the year is shown in the balance sheet as:

	2019	2018
Cash at Bank – Operating Account	165,516	87,647
Cash at Bank – Cash Management Account	-	121,875
Bendigo – Visa	1,308	1,290
CBA – Online Saver	-	2
	\$166,824	\$210,814

(b) Reconciliation of Cash Flow from Operating Activities with Operating Surplus

Operating excess of income after expenditure	(2,480)	30,713
Non Cash Flows in Operating Profit:		
Depreciation	53,755	41,270
Provision for Doubtful Debts	-	(3,000)
Changes in Assets & Liabilities:		
Decrease (Increase) in Debtors	1,190	2,672
Decrease (Increase) in Prepayments	-	-
Increase (Decrease) in Creditors & Accruals	(1,840)	1,136
Increase (Decrease) in Unearned Income	15,617	(15,076)
	\$66,242	\$57,715

AAC FALLS CREEK INC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st DECEMBER 2019

	2019	2018
Cash Flows from Operating Activities		
Receipts from Members & Operations <i>(Including multi members)</i>	310,666	257,678
Interest	819	2,233
Payment to Suppliers and Clubs	(245,243)	(202,196)
Net Cash (Used In) Provided by Operating Activities 7(b)	<u>\$66,242</u>	<u>\$57,715</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(109,037)	(13,768)
Cash Flows from Financing Activities:		
Debenture Movements & Capital Raising	(1,195)	4,648
Increase (Decrease) Loans & Borrowings		-
Net Increase (Decrease) in Cash Held	(43,990)	48,595
Cash at 1 st January, 2018	<u>210,814</u>	<u>162,219</u>
Cash at 31 st December, 2019 7(a)	<u>\$166,824</u>	<u>\$210,814</u>

**ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND
PERFORMANCE OF INCORPORATED ASSOCIATION**

We, Nigel Cowie and Michael Szkilnik, being members of the Committee of AAC Falls Creek Inc, certify that -

The Statements attached to this Certificate give a true and fair view of the financial position and performance of AAC Falls Creek Inc during and at the end of the financial year of the Association ending on 31st December, 2019.

Signed at Melbourne this 13th day of March 2020



Nigel Cowie
Chairman



Michal Szkilnik
Treasurer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AAC FALLS CREEK INC

Report on the audit of the financial report

Opinion

I have audited the attached financial report, being a special purpose financial report of the AAC Falls Creek Incorporated for the financial year ended on 31 December 2019.

In my opinion, the financial report of the AAC Falls Creek Incorporated presents fairly, in all material respects the financial position of the AAC Falls Creek Incorporated as of 31 December 2019 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1. to the financial statements and the requirements of the Associations Incorporation Reform Act 2012.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Report section in my report. I am independent of the association in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist AAC Falls Creek Incorporated meet the requirements of the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

The Responsibility of the Committee for the Financial Report

The committee are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Reform Act 2012 and for such internal control as the committee determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

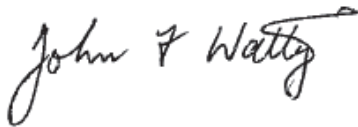
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If I conclude that a material uncertainty exists I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



John F Watty
Registered Company Auditor
13th March 2020

E F McPhail and Partners
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Mitcham Vic 3132