

AAC FALLS CREEK INC

ABN 77 885 651 266

Financial Reports

**For the year ended
31 December 2020**

AAC FALLS CREEK INC

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2020

	<i>Note</i>	2020 \$	2019 \$
OPERATING STATEMENT			
Accommodation Booking Income		8,369	200,224
Members' Subscriptions		81,097	81,064
Non Refundable Joining Fee		8,618	14,745
Interest		-	819
Other Fees and Income		2,571	2,639
Government Grant		20,000	-
TOTAL INCOME		\$120,655	\$299,491
<u>LESS EXPENDITURE</u>			
AAC Capitation		6,268	6,300
Accommodation Booking Commission		5,622	18,322
Accounting & Audit		2,500	3,650
Administration Expenses	2	23,097	26,761
Doubtful Debts		-	-
Bad Debts		-	1,625
Donations		500	100
Interest Paid		-	-
Lodge Depreciation		69,499	53,755
Lodge Operating Expenses	3	108,744	191,458
TOTAL EXPENSES		216,230	\$301,971
OPERATING SURPLUS (LOSS)		(\$95,575)	(\$2,480)

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

AAC FALLS CREEK INC

BALANCE SHEET AS AT 31ST DECEMBER, 2020

	2020 \$	2019 \$
CURRENT ASSETS		
Cash in Operating Account	134,675	165,516
Cash in Cash Management Accounts	-	-
Members' Subscriptions Overdue	6,442	3,262
- Less Provision for Doubtful Debts	(3,000)	(3,000)
Bendigo Visa	1,161	1,308
	\$139,278	\$167,086
NON-CURRENT ASSETS		
Lodge Building	1,556,889	1,590,318
Less Accumulated Depreciation	(683,527)	(681,110)
	\$873,362	\$909,208
Lodge Furniture & Fittings	32,899	83,931
Less Accumulated Depreciation	(14,212)	(61,726)
	\$18,687	\$22,205
Lodge Plant & Equipment at Cost	78,640	152,452
Less Accumulated Depreciation	(43,324)	(95,239)
	\$35,316	\$57,213
Kitchen Upgrade at Cost	123,726	126,159
Less Accumulated Depreciation	(43,677)	(43,018)
	\$80,049	\$83,141
	\$1,007,414	\$1,071,767
TOTAL ASSETS	\$1,146,692	\$1,238,853

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

AAC FALLS CREEK INC

BALANCE SHEET AS AT 31ST DECEMBER, 2020

	Note	2020 \$	2019 \$
LESS CURRENT LIABILITIES			
Trade Creditors		6,265	8,420
GST Liability		(2,146)	(1,766)
Unearned Income - Subscriptions		24,175	15,685
Unearned – Accomodation		2,204	8,765
TOTAL CURRENT LIABILITIES		\$30,498	\$31,104
NON CURRENT LIABILITIES			
TOTAL LIABILITIES		\$30,498	\$31,104
NET ASSETS		\$1,116,194	\$1,207,749
MEMBERS' EQUITY – OPENING BALANCE		\$1,207,749	\$1,211,424
Debenture Movement			
Debenture Inflow		15,320	21,620
Debenture Outflow		(6,000)	(10,815)
Net Debenture Flow		9,320	10,805
Capital Raising Inflow		(5,300)	(12,000)
Net Surplus/(Loss)		(95,575)	(2,480)
MEMBERS' EQUITY – CLOSING BALANCE		\$1,116,194	\$1,207,749

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, 2020

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 also 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, 2020

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

	2020	2019
	\$	\$
Bank Charges	818	2,875
Secretarial	17,200	16,800
Licence Fees	327	2,664
Printing, Postage & Stationery	1,510	1,044
Meeting Expenses	540	1,385
Booking System Setup	2,702	1,993
	\$23,097	\$26,761

NOTE 3: LODGE OPERATING EXPENSES

FCRM Service Fee	36,675	37,743
FCRM Site Rent	1,698	10,021
Electricity	8,813	9,039
Advertising	1,024	-
Fire Levy	492	1,204
Freight	14	105
Gas	14,346	18,632
Insurances	23,395	19,031
Payroll	9,513	30,855
Repairs & Maintenance	4,266	45,168
Supplies	5,821	16,481
Security	188	-
Telephone & Internet	2,356	2,647
Travel Expenses	143	532
	\$108,744	\$191,458

AAC FALLS CREEK INC

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

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 \$341,850 and this amount has also been included in members' equity.

NOTE 5: PROVISIONS

The 2020 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:

	2020	2019
Cash at Bank – Operating Account	134,675	165,516
Cash at Bank – Cash Management Account	-	-
Bendigo – Visa	1,161	1,308
	<u>\$135,836</u>	<u>\$166,824</u>

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

Operating excess of income after expenditure	(95,575)	(2,480)
Non Cash Flows in Operating Profit:		
Depreciation	69,499	53,755
Provision for Doubtful Debts	-	-
Changes in Assets & Liabilities:		
Decrease (Increase) in Debtors	(3,180)	1,190
Decrease (Increase) in Prepayments	-	-
Increase (Decrease) in Creditors & Accruals	(2,535)	(1,840)
Increase (Decrease) in Unearned Income	1,929	15,617
	<u>(\$29,862)</u>	<u>\$66,242</u>

AAC FALLS CREEK INC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st DECEMBER 2020

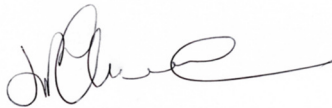
	2020	2019
Cash Flows from Operating Activities		
Receipts from Members & Operations <i>(Including multi members)</i>	209,630	310,666
Interest	-	819
Payment to Suppliers and Clubs	(239,492)	(245,243)
Net Cash (Used In) Provided by Operating Activities 7(b)	<u>(\$29,862)</u>	<u>\$66,242</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(5,146)	(109,037)
Cash Flows from Financing Activities:		
Debenture Movements & Capital Raising	4,020	(1,195)
Increase (Decrease) Loans & Borrowings		
Net Increase (Decrease) in Cash Held	(30,988)	(43,990)
Cash at 1 st January, 2019	<u>166,824</u>	<u>210,814</u>
Cash at 31 st December, 2020 7(a)	<u>\$135,836</u>	<u>\$166,824</u>

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

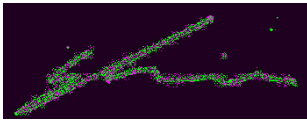
We, Justin Checcucci and Will Zacharin, being members of the Committee of AAC Falls Creek Inc, certify that -

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, 2020.

Signed at Melbourne this 12th March 2021.



Justin Checcucci
Chairman



Will Zacharin
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 2020.

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

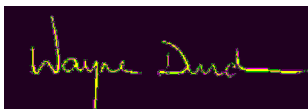
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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.



Wayne Durin
Registered Company Auditor
12th March 2021

E F McPhail and Partners
Suite 12, 602 Whitehorse Road
Mitcham Vic 3132



Submission of financial statements to annual general meeting

Associations Incorporation Reform Act 2012

Approved form Sections 94(3), 97(3), 100(3), 102(4)(a)&(b)

This form is required to be provided to the Registrar with the association's accounts.

I, Justin Checcucci, being a member of the Committee of Australian Alpine Club Falls Creek Inc., certify that:

I attended the Annual General Meeting of Australian Alpine Club Falls Creek Inc. on 18th May, 2021 and the financial statements of the association for the financial year ending on 31 December, 2020 were submitted to the members of the association at that annual general meeting.

A handwritten signature in black ink, appearing to read "Justin Checcucci".

Signed:

Dated: 27th of May, 2021