

## AAC FALLS CREEK INC

### INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022

	<i>Note</i>	2022 \$	2021 \$
<b>OPERATING STATEMENT</b>			
Accommodation Booking Income		258,621	73,677
Members' Subscriptions		90,516	80,338
Non Refundable Joining Fee		14,682	20,141
Interest		-	-
Other Fees and Income		3,565	1,289
Government Grant		-	45,400
<b>TOTAL INCOME</b>		<b>\$367,384</b>	<b>\$220,845</b>
<b><u>LESS EXPENDITUREP</u></b>			
AAC Capitation		-	6,599
Accommodation Booking Commission		25,700	14,880
Accounting & Audit		2,650	2,650
Legal Fees		-	2,000
Administration Expenses	2	26,716	25,551
Doubtful Debts		(3,000)	-
Bad Debts		-	-
Donations		-	-
Interest Paid		-	-
Lodge Depreciation		46,710	48,450
Lodge Operating Expenses	3	179,705	154,528
<b>TOTAL EXPENSES</b>		<b>278,481</b>	<b>254,658</b>
<b>OPERATING SURPLUS (LOSS)</b>		<b>\$88,903</b>	<b>(\$33,813)</b>

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

## AAC FALLS CREEK INC

### BALANCE SHEET AS AT 31ST DECEMBER, 2022

	2022 \$	2021 \$
<b>CURRENT ASSETS</b>		
Cash in Operating Account	306,017	174,206
Cash in Cash Management Accounts	-	-
Members' Subscriptions Overdue	3,419	4,545
- Less Provision for Doubtful Debts	-	(3,000)
Bendigo Visa	375	416
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<b>TOTAL CURRENT ASSETS</b>	<b>\$309,811</b>	<b>\$176,167</b>
<b>NON-CURRENT ASSETS</b>		
Lodge Building	1,556,889	1,556,889
Less Accumulated Depreciation	(755,220)	(719,373)
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Lodge Building	\$801,669	\$837,516
Lodge Furniture & Fittings	32,899	32,899
Less Accumulated Depreciation	(19,976)	(17,290)
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Lodge & Furniture Fittings	\$12,923	\$15,609
Lodge Plant & Equipment at Cost	78,640	78,640
Less Accumulated Depreciation	(54,841)	(49,757)
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Lodge Plant & Equipment	\$23,799	\$28,883
Kitchen Upgrade at Cost	123,726	123,726
Less Accumulated Depreciation	(49,863)	(46,770)
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Kitchen Upgrade	\$73,863	\$76,956
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<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$912,254</b>	<b>\$958,964</b>
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<b>TOTAL ASSETS</b>	<b>\$1,222,065</b>	<b>\$1,135,131</b>

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

## AAC FALLS CREEK INC

BALANCE SHEET AS AT 31ST DECEMBER, 2022

	Note	2022 \$	2021 \$
<b>LESS CURRENT LIABILITIES</b>			
Trade Creditors		11,159	8,769
GST Liability		(689)	(3,167)
Unearned Income - Subscriptions		27,296	32,992
Unearned – Accomodation		-	11,961
<b>TOTAL CURRENT LIABILITIES</b>		<b>\$37,766</b>	<b>\$50,555</b>
<b>NON CURRENT LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		<b>\$37,766</b>	<b>\$50,555</b>
 <b>NET ASSETS</b>		 <b>\$1,184,299</b>	 <b>\$1,084,576</b>
 <b>MEMBERS' EQUITY – OPENING BALANCE</b>			
Debenture Movement			
Debenture Inflow		22,040	16,320
Debenture Outflow		(5,220)	(8000)
Net Debenture Flow		16,820	8,320
Capital Raising Inflow		(6,000)	(6,125)
Net Surplus/(Loss)		88,903	(33,813)
<b>MEMBERS' EQUITY – CLOSING BALANCE</b>		<b>\$1,184,299</b>	<b>\$1,084,576</b>

*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, 2022

#### 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. A recent valuation has been carried valuing the lodge at \$2 million.

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, 2022

#### 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

	2022	2021
	\$	\$
Bank Charges	2,821	1,288
Secretarial	17,951	19,052
Licence Fees	2,598	3,325
Printing, Postage & Stationery	694	769
Meeting Expenses	2,652	-
Booking System Setup	-	1,117
TOTAL ADMINISTRATION EXPENSES	<u>\$26,716</u>	<u>\$25,551</u>

#### NOTE 3: LODGE OPERATING EXPENSES

FCRM Service Fee	37,333	36,675
FCRM Site Rent	6,723	5,579
Electricity	7,818	5,879
Advertising	391	-
Fire Levy	1,072	1,010
Freight	3	196
Gas	21,652	14,757
Insurances	47,322	40,963
Payroll	29,352	25,409
Repairs & Maintenance	9,828	12,611
Supplies	16,797	8,007
Security	-	-
Telephone & Internet	1,201	3,442
Travel Expenses	213	-
TOTAL LODGE OPERATING EXPENSES	<u>\$179,705</u>	<u>\$154,528</u>

## AAC FALLS CREEK INC

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2022

#### 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 \$297,016 and this amount has also been included in members' equity.

#### NOTE 5: PROVISIONS

The 2022 Financial Statements include a provision for Doubtful Debts, in the Balance Sheet totalling \$0.

#### 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:

	2022	2021
Cash at Bank – Operating Account	306,016	174,206
Cash at Bank – Cash Management Account	-	-
Bendigo – Visa	375	416
	\$306,391	\$174,622

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

Operating excess of income after expenditure	88,903	(33,813)
Non Cash Flows in Operating Profit:		
Depreciation	46,710	48,450
Provision for Doubtful Debts	(3,000)	-
Changes in Assets & Liabilities:		
Decrease (Increase) in Debtors	1,125	1,897
Decrease (Increase) in Prepayments	-	-
Increase (Decrease) in Creditors & Accruals	4,868	1,483
Increase (Decrease) in Unearned Income	(17,657)	18,574
	\$120,949	\$36,591

## AAC FALLS CREEK INC

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st DECEMBER 2022

	2022	2021
Cash Flows from Operating Activities		
Receipts from Members & Operations <i>(Including multi members)</i>	332,605	157,302
Interest	-	-
Payment to Suppliers and Clubs	(211,656)	(120,711)
Net Cash (Used In) Provided by Operating Activities 7(b)	<u>\$120,949</u>	<u>\$36,591</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets		0
Cash Flows from Financing Activities:		
Debenture Movements & Capital Raising	10,820	2,195
Increase (Decrease) Loans & Borrowings		
Net Increase (Decrease) in Cash Held	131,769	38,786
Cash at 1 <sup>st</sup> January, 2021	<u>174,622</u>	<u>135,836</u>
Cash at 31 <sup>st</sup> December, 2022 7(a)	<u>\$306,391</u>	<u>\$174,622</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 31<sup>st</sup> December, 2022.

Signed at Melbourne this 17th day of May 2023.



Justin Checcucci  
Chairman



Will Zacharin  
Treasurer



# **INDEPENDENT AUDIT 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 Inc for the year ended 31 December 2022.

In my opinion, the financial report of the AAC Falls Creek Inc fairly, in all material respects the financial position of the AAC Falls Creek Incorporated as of 31 December 2022 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 Inc 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.

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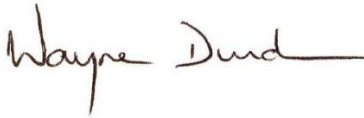
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As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 differences in internal control that I identify during my audit.



Wayne Durdin  
Registered Company Auditor  
18th April 2023

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, Will Zacharin, 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 17 May, 2023 and the  
financial statements of the association for the financial year ending on 31 December, 2022 were  
submitted to the members of the association at that annual general meeting.

Signed:



Dated: 17th of May, 2023