

**HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED**

**A B N 48 302 491 360**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
29 FEBRUARY 2020**

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

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## CONTENTS

Directors' report

Independent Auditor's Review Report

Income statement

Balance sheet

Statement of recognised income and expenditure

Cash flow statement

Notes to and forming part of the financial statements

Directors' declaration

Compilation report on additional financial data

Detailed income statement

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## DIRECTORS' REPORT

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Your directors present this report on the Co-operative for the financial year ended 29 February 2020.

### Directors

The names of the directors in office at the date of this report are:

A Brnabic  
J Bussing  
P Byrne  
J Fanous  
J Juniper  
D Longhurst  
G Wakeman  
L S Winnacott

### Principal activities

The principal activity of the Co-operative during the financial year was that of a co-operative ski club. No significant change in the nature of these activities occurred during the year.

### Operating results

The Co-operative's profit for the year ended 29 February 2020 amounted to \$10,659 and as the Co-operative is exempt from income tax, no provision for income tax expense was made.

### Dividends

No dividends were paid or recommended during the financial year as the payment of dividends is prohibited by the rules of the Co-operative.

### Financial position

The Co-operative has had a small operating cash flow surplus during the year due to a reasonable ski season and increased use of Highway Lodge through summer, though the club will need to continue to invest in maintaining and improving the ski lodge.

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## DIRECTORS' REPORT

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### After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative in subsequent financial years.

### Information on directors

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

: J Bennett (Resigned 23 April 2020)  
: A Brnabic  
: J Bussing  
: P Byrne  
: J Fanous  
: B Hutchinson (Resigned 24 April 2020)  
: J Juniper  
: D Longhurst  
: G Wakeman  
: L S Winnacott

### Meetings of directors

During the financial year 5 meetings of directors and committees were held. Attendances were:

Directors	Directors' meetings	
	Meetings entitled to attend	Meetings attended
J Bennett	5	0
A Brnabic	3	3
J Bussing	5	3
P Byrne	3	3
J Fanous	5	5
B Hutchinson	5	5
J Juniper	5	5
D Longhurst	5	5
M P Martin	2	1
G Wakeman	5	4
L S Winnacott	5	5

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## DIRECTORS' REPORT

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### Indemnifying officer or auditor

The Co-operative has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Co-operative:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

### Proceedings on behalf of Co-operative

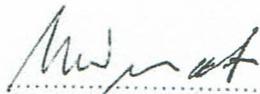
No person has applied for a leave of Court to bring proceedings on behalf of the Co-operative or intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or part of those proceedings.

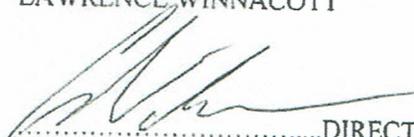
The Co-operative was not party to any such proceedings during the year.

### Directors' benefits

No director of the Co-operative has received or become entitled to receive, during or since the financial year, a benefit by reason of a contract made by the Co-operative with the director or with a firm of which the director is a member, or with a Co-operative in which the director has a substantial financial interest.

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

  
.....DIRECTOR  
LAWRENCE WINNACOTT

  
.....DIRECTOR  
GRAHAM WAKEMAN

Dated 8<sup>th</sup> July 2020

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## INDEPENDENT AUDITOR'S REVIEW REPORT

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### Report on the 29 February 2020 Financial Report

#### Conclusion

We have reviewed the 2020 financial report of Highway Alpine Club Co-operative Limited which comprises the statement of financial position as at the 29 February 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information, and the director's declaration. Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying 2020 financial report of Highway Alpine Club Co-operative Limited has not been prepared, in all material respects, in accordance with *Co-operatives (Adoption of National Law) Act 2012*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Highway Alpine Club Co-operative Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Responsibility of Management for the Financial Report

Management of the Highway Alpine Club Co-operative Limited are responsible for the preparation of the 2020 financial report and for such internal control management determine is necessary to enable the preparation of the 2020 financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the financial report has not been prepared, in all material respects in accordance with *Co-operatives (Adoption of National Law) Act 2012*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



David Duff  
Dated

49 Bowral Street, BOWRAL, NSW

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The income statement is to be read in conjunction with the notes to the financial accounts numbered 1 to 13.

HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2020

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		2020 \$	2019 \$
Revenue from ordinary activities	2	113,789	123,426
Administration expenses		<u>(103,130)</u>	<u>(109,411)</u>
<b>Profit/(loss) before income tax</b>		<u>10,659</u>	<u>14,015</u>
Income tax expense		<u>-</u>	<u>-</u>
<b>Profit attributable to members of the entity</b>		<u>10,659</u>	<u>14,015</u>

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The income statement is to be read in conjunction with the notes to the financial accounts numbered 1 to 13.

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## BALANCE SHEET AS AT 29 FEBRUARY 2020

	Note	2020 \$	2019 \$
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	3	5,383	5,240
Trade and other receivables	4	<u>76,494</u>	<u>66,623</u>
<b>Total current assets</b>		<u>81,877</u>	<u>71,863</u>
<i>Non-current assets</i>			
Property, plant and equipment	5	<u>287,519</u>	<u>304,872</u>
<b>Total non-current assets</b>		<u>287,519</u>	<u>304,872</u>
<b>Total assets</b>		<u>369,396</u>	<u>376,735</u>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	6	129,892	123,898
Short term borrowings	7	<u>22,245</u>	<u>40,738</u>
<b>Total current liabilities</b>		<u>152,137</u>	<u>164,636</u>
<i>Non-current liabilities</i>			
Long term borrowings	8	90,416	95,915
Long term provisions	9	<u>32,470</u>	<u>32,470</u>
Share capital and share premium	10	328,820	328,820
Less: Uncalled capital		<u>(3,807)</u>	<u>(3,807)</u>
<b>Total non-current liabilities</b>		<u>447,899</u>	<u>453,398</u>
<b>Total liabilities</b>		<u>600,036</u>	<u>618,034</u>
<b>Shareholder net equity</b>		<u>(230,640)</u>	<u>(241,299)</u>
<b>Represented by:</b>			
Capital reserve		47,617	47,617
Retained earnings		<u>(278,257)</u>	<u>(288,916)</u>
<b>Total equity</b>		<u>(230,640)</u>	<u>(241,299)</u>

The balance sheet is to be read in conjunction with the notes to the financial accounts numbered 1 to 13.

**HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED**

A B N 48 302 491 360

**CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2020**

	Share capital \$	Retained earnings \$	Capital reserve \$	Share premium reserve \$	Total \$
<b>Balance at 29 February 2013</b>	<u>313,720</u>	<u>(266,165)</u>	<u>47,617</u>	<u>23,500</u>	<u>118,672</u>
Shares issued during the year				(500)	(500)
Shares resigned during the year	(4,840)				(4,840)
(Loss) attributable to members	<u>-</u>	<u>(16,165)</u>	<u>-</u>	<u>-</u>	<u>(16,165)</u>
<b>Balance at 28 February 2014</b>	<u>308,880</u>	<u>(282,330)</u>	<u>47,617</u>	<u>23,000</u>	<u>97,167</u>
Shares issued during the year	8,800			1,000	9,800
Shares resigned during the year	(220)				(220)
(Loss) attributable to members	<u>-</u>	<u>1,072</u>	<u>-</u>	<u>-</u>	<u>1,072</u>
<b>Balance at 28 February 2015</b>	<u>317,460</u>	<u>(281,258)</u>	<u>47,617</u>	<u>24,000</u>	<u>107,819</u>
Shares issued during the year	8,800			1,000	9,800
Shares resigned during the year	(9,240)				(9,240)
Profit attributable to members	<u>-</u>	<u>(18,381)</u>	<u>-</u>	<u>-</u>	<u>(18,381)</u>
<b>Balance at 28 February 2016</b>	<u>317,020</u>	<u>(299,639)</u>	<u>47,617</u>	<u>25,000</u>	<u>89,998</u>
Shares issued during the year					0
Shares resigned during the year					0
(Loss) attributable to members	<u>-</u>	<u>(5,689)</u>	<u>-</u>	<u>-</u>	<u>(5,689)</u>
<b>Balance at 28 February 2017</b>	<u>317,020</u>	<u>(305,328)</u>	<u>47,617</u>	<u>25,000</u>	<u>84,309</u>
Shares issued during the year	4,400				4,400
Shares resigned during the year	(13,200)				(13,200)
(Loss) attributable to members	<u>-</u>	<u>2,397</u>	<u>-</u>	<u>-</u>	<u>2,397</u>
<b>Balance at 28 February 2018</b>	<u>308,220</u>	<u>(302,931)</u>	<u>47,617</u>	<u>25,000</u>	<u>77,906</u>
Shares issued during the year	4,400			500	4,900
Shares resigned during the year	(8,800)			(500)	(9,300)
Profit attributable to members	<u>-</u>	<u>14,015</u>	<u>-</u>	<u>-</u>	<u>14,015</u>
<b>Balance at 28 February 2019</b>	<u>303,820</u>	<u>(288,916)</u>	<u>47,617</u>	<u>25,000</u>	<u>87,521</u>
Shares issued during the year					
Shares resigned during the year					
Profit attributable to members	<u>-</u>	<u>10,659</u>	<u>-</u>	<u>-</u>	<u>10,659</u>
<b>Balance at 29 February 2020</b>	<u>303,820</u>	<u>(278,257)</u>	<u>47,617</u>	<u>25,000</u>	<u>98,180</u>

The cash flow statement is to be read in conjunction with the notes to the financial accounts numbered 1 to 13.

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		96,460	103,258
Payments to suppliers		<u>(71,370)</u>	<u>(78,026)</u>
<b>Net cash provided by operating activities</b>		<u>25,090</u>	<u>25,232</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		<u>(955)</u>	<u>(1,959)</u>
<b>Net cash (used in) investing activities</b>		<u>(955)</u>	<u>(1,959)</u>
<b>Cash flows from financing activities</b>			
Capital, subscriptions, application money and premiums received		-	4,900
Repayment of share capital		-	(9,300)
Proceeds/Repayment of borrowings		<u>(5,500)</u>	<u>69</u>
<b>Net cash provided by/(used in) financing activities</b>		<u>(5,500)</u>	<u>(4,331)</u>
<b>Net increase (decrease) in cash held</b>		18,635	18,942
Cash at the beginning of the financial year		<u>(35,497)</u>	<u>(54,439)</u>
Cash at the end of the financial year	11	<u><u>(16,862)</u></u>	<u><u>(35,497)</u></u>

The cash flow statement is to be read in conjunction with the notes to the financial accounts numbered 1 to 13.

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

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### 1. Statement of significant accounting policies

This financial report is a special purpose financial report prepared for use by directors and members of the co-operative. The directors have determined that the co-operative is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 101	Presentation of financial statements
AASB 107	Cash flow statements
AASB 108	Accounting policies, changes in accounting estimates and errors
AASB 1048	Interpretation and application of standards

No other Australian Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the presentation of this report:

#### **Income tax**

The Co-operative is not subject to income tax.

#### **Property, plant and equipment**

Property, plant and equipment are included at cost or valuation, the method of which is described. All items in property, plant and equipment are depreciated over their estimated useful lives commencing from the time the asset is held ready for use. No account has been taken for potential capital gains tax on assets acquired after the introduction of capital gains tax.

**HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED**

A B N 48 302 491 360

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	2020	2019
	\$	\$
<b>2. Income statement</b>		
<i>a) Revenue</i>		
Accommodation charge	87,707	94,848
Other revenue	<u>26,083</u>	<u>28,578</u>
	<u>113,789</u>	<u>123,426</u>
<i>b) Expenses</i>		
Depreciation and amortization	18,309	18,720
Operating lease rentals	15,412	15,212
Auditors remuneration - audit services	2,420	2,200
Finance cost	<u>470</u>	<u>1,486</u>
	<u>36,611</u>	<u>37,618</u>
<b>3. Cash and cash equivalents</b>		
Cash at bank	<u>5,383</u>	<u>5,240</u>
<b>4. Trade and other receivables</b>		
<i>Current</i>		
Annual subscription in arrears	75,368	65,526
Ski locker rent in arrears	<u>1,126</u>	<u>1,097</u>
	<u>76,494</u>	<u>66,623</u>
<b>5. Property, plant and equipment</b>		
<i>Land and buildings</i>		
Home unit at Nelson Bay - at directors' valuation	<u>160,000</u>	<u>160,000</u>
Lodge building - at cost	524,708	524,708
Less accumulated depreciation	<u>(422,188)</u>	<u>(407,542)</u>
	<u>102,520</u>	<u>117,166</u>

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

	2019	2018
	\$	\$
<b>5. Property, plant and equipment (continued)</b>		
<i>Land and buildings (continued)</i>		
Capitalized leasing costs- at cost	53,954	53,954
Less accumulated amortisation	<u>(32,534)</u>	<u>(29,474)</u>
	<u>21,420</u>	<u>24,480</u>
<i>Furniture and fittings</i>		
Furniture and fittings (lodge) - at cost	96,720	95,764
Less accumulated depreciation	<u>(93,651)</u>	<u>(93,150)</u>
	<u>3,069</u>	<u>2,614</u>
Furniture and fittings (Nelson Bay) - at cost	27,122	27,122
Less accumulated depreciation	<u>(26,612)</u>	<u>(26,510)</u>
	<u>510</u>	<u>612</u>
<b>Total property, plant and equipment</b>	<u><u>287,519</u></u>	<u><u>304,872</u></u>
<b>6. Trade and other payables</b>		
<i>Current</i>		
Annual subscription in advance	374	862
Associates' deposits (refundable)	-	-
Ski locker deposits (refundable)	-	-
Working party credits	124,809	120,686
Other creditors	4,620	2,200
Ski locker subscriptions in advance	90	150
Capital subscription in advance	<u>-</u>	<u>-</u>
	<u><u>129,892</u></u>	<u><u>123,898</u></u>
<b>7. Short term borrowings</b>		
<i>Current</i>		
Bank overdraft	<u><u>22,245</u></u>	<u><u>40,738</u></u>

The National Bank of Australia Ltd has provided overdraft facility to the amount of \$128,000 secured by registered first mortgage over Thurlow Lodge Strata Title together with registered mortgage debenture over all of the assets of the Co-operative.

**HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED**

A B N 48 302 491 360

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>8. Long term borrowings</b>		
<i>Non-current</i>		
Members' loans	<u>90,416</u>	<u>95,915</u>
<b>9. Long term provisions</b>		
<i>Non-current</i>		
Provision for site restoration	32,000	32,000
Provision for return of capital on forfeited shares	<u>470</u>	<u>470</u>
	<u>32,470</u>	<u>32,470</u>
<b>10. Issued capital</b>		
151,910 (2019: 151,910) fully paid ordinary shares of \$2 each	<u>303,820</u>	<u>303,820</u>
<b>11. Cashflow information</b>		
<i>Reconciliation of cash</i>		
Cast at bank	5,383	5,240
Bank overdraft	<u>(22,245)</u>	<u>(40,737)</u>
	<u>(16,862)</u>	<u>(35,497)</u>
<b>12. Contingent liabilities and assets</b>		
The directors are not aware of any contingent liabilities that will become payable as at the end of the financial year.		
<b>13. Events after the balance date</b>		
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative in subsequent financial years.		

**HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED**

**A B N 48 302 491 360**

**DIRECTORS' DECLARATION**

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The directors of the Co-operative have determined that the Co-operative is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

In the opinion of the directors of the Co-operative:

1. the financial statements and notes attaching present fairly the Co-operative's financial position at 29 February 2020 and its performance for the year ended on that date in accordance with the accounting policies described in note 1 to the financial statements; and
2. there are reasonable grounds to believe that the entity 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  
LAWRENCE WINNACOTT

  
.....DIRECTOR  
GRAHAM WAKEMAN

Dated 8<sup>th</sup> July 2020

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2020

	2020	2019
	\$	\$
<b>Income</b>		
Accommodation charge		
- ski lodge winter	75,582	83,049
- ski lodge summer	5,992	7,890
- ski lodge Nelson Bay	6,133	3,910
Annual subscriptions	25,375	27,190
Application fees	25	198
Ski lockers rent	540	1,120
Interest Received	143	69
<b>Total income</b>	<u>113,789</u>	<u>123,426</u>
<b>Expenditure</b>		
Accommodation discounts	10,607	8,900
Administration costs	1,942	2,999
Advertising	-	-
Agents commission - Nelson bay	-	-
Annual community service charges	17,344	16,830
Audit fee	2,420	2,200
Bank fees, excl interest	1,394	1,394
Cleaning - Nelson bay	-	-
Electricity - ski lodge	11,546	16,133
Electricity - Nelson Bay	841	821
Heating gas	202	535
Home unit levies	12,331	4,339
Home unit rates	1,987	2,185
Insurance - ski lodge	3,506	9,223
Insurance - Nelson Bay	417	399
Interest paid	470	1,486
Lease rentals	15,412	15,212
Postage and stationery	-	-
Repairs and maintenance - ski lodge	3,572	5,432
Repairs and maintenance - Nelson Bay	-	1,085
Subscriptions	275	275
Telephone - ski lodge	556	1,244
Telephone - Nelson Bay	-	-
<b>Total expenses</b>	<u>84,822</u>	<u>90,692</u>
<b>Profit before depreciation</b>	<u>28,967</u>	<u>32,734</u>

These disclosures should be read in conjunction with the attached Compilation Report of Kelly Partners  
(Southern Highlands) Pty Limited.

# HIGHWAY ALPINE CLUB CO-OPERATIVE LIMITED

A B N 48 302 491 360

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2020

	2020	2019
	\$	\$
Depreciation - building	17,706	17,706
Depreciation - furniture ski lodge	500	809
Depreciation - furniture Nelson Bay	102	204
Amortisation - capitalised leasing costs	<u>-</u>	<u>-</u>
Total depreciation	<u>18,308</u>	<u>18,719</u>
<b>(Loss) after depreciation</b>	<u>10,659</u>	<u>14,015</u>

### MEMBERS' CREDITS AS AT 29 FEBRUARY 2020

(Not forming part of audited financial statements)

<b>Accommodation credit points</b>	<b>Points</b>	<b>Value</b>
		\$
Unused points at beginning of year (01/03/2019)	60,343	120,686
Add: Points issued for working parties	1,843	3,686
Points issued on loans from members	2,230	4,460
Pointed issued on refunds /loan converted	<u>1,791</u>	<u>3,581</u>
Total Points Granted		
Less: Points redeemed	<u>(3,803)</u>	<u>(7,605)</u>
<b>Balance of unused points at end of year</b>	<u>62,404</u>	<u>124,808</u>

These disclosures should be read in conjunction with the attached Compilation Report of Kelly Partners  
(Southern Highlands) Pty Limited.