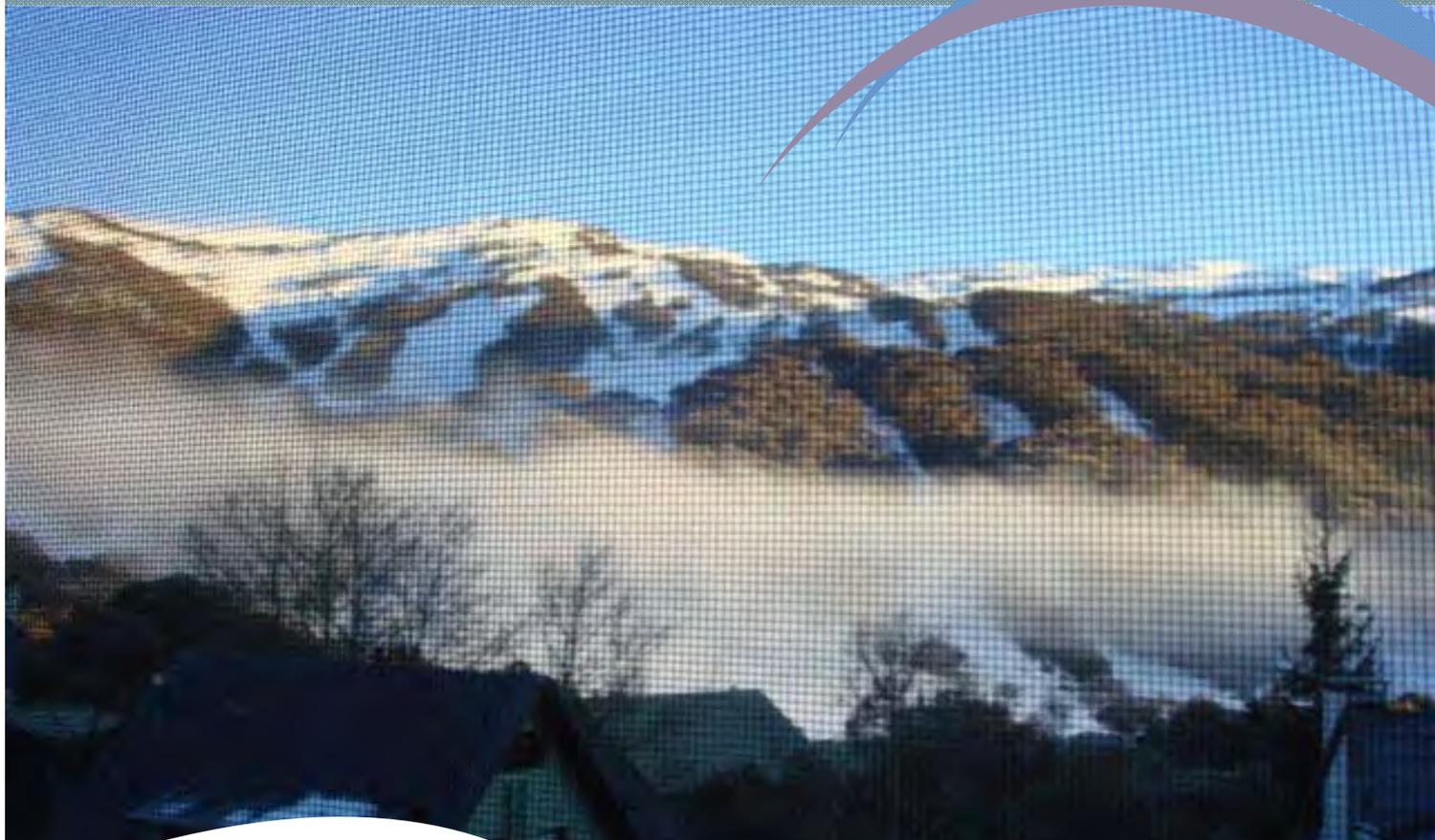


Kiama Alpine Club Cooperative Limited



Annual Report 2011

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Club Contacts

President	Liz Wynn
Vice President	Trevor Wilson
Treasurer	Steven Walker
Secretary	Julie Christensen
Booking Director	Tony Lloyd
Club Captain	Anton Lindell
Communications Director	Tatiana Maxwell
Lodge Operations Director	Andrew Heggie
Property Maintenance Director	James Garner
Promotions Director	Karyn Bartholomew
Club Solicitors	Sandy Rendel, Kathryn Telford
Lodge Managers	Robert and Sally Walker

Life Members

Barry Booth, Geoff Boxsell, John East, John Fraser,
Joan Fraser, Alan Fredericks, Anne Honey, Geoff Honey,

Deceased Life Members

Eugene Baranowsky, Lala Baranowsky,
Geoff Walker, Howard Waters, Fred Wynn,
Ron Wynn, Val Wynn, Keith Young

Kiama Alpine Club Cooperative Limited ABN 53 474 789 058
LODGE: 4 Buckwong Place Thredbo Australia PO Box 178 Thredbo NSW 2625
T 02 6457 6453 F 02 6457 6453 E lodge@kiamaalpineclub.org.au W www.kiamaalpineclub.org.au



NOTES

President

This has been another busy and productive year for Kiama Alpine Club.

The Board continued to place emphasis on building a positive future for the club, increasing the utilisation of the Lodge and staying focused on improving our financial position.

The Club remains in a strong financial position

In 2011 we improved on the Club's finances. Our operating budget in 2011 was better than the break-even budget we had forecast, the Club's loan from the last re-build has reduced to \$220,000 and with total cash reserves of \$140,000 the Board is confident we are in a strong financial position.

For the second year in a row we kept our working capital expenditure low, investing the funds allocated for the bathrooms in term deposits (as our business loan did not allow for a draw-down facility). Additional cost savings in our insurance and repairs and maintenance costs offset some of the increases in the heating and energy expenses. As a result of the increases to our energy costs we established an Energy Efficiency Working Group who commissioned a NSW Government subsidised energy efficiency Audit to determine what further improvements such as low-energy lighting should be introduced into the Lodge.

Our bookings numbers were slightly higher in 2011 than in 2010 (up 3%), however, our accommodation receipts decreased. The winter season started strongly, with great snow falls in May and June. However, the snow gods skipped Thredbo later in the season, resulting in a 40% reduction in bed nights in August (typically one of our strongest months) and causing the accommodation revenue decline.

Our Annual Subscriptions Receivables improved on previous years. A \$50 late fee introduced in 2011 successfully resulted in the lowest number of outstanding fees in memory.

To help us plan for future expenses we created a 10-year Expense Plan in which we identified all the major expenses we are likely to incur in the future. A detailed list by area was created including the estimated cost of replacing beds and other furniture, carpet, internal and external painting, and kitchen equipment such as cooktops and ovens. The expense plan has already been used to determine the most effective use of our funds in 2012 to keep the Lodge looking in top shape. The second part of the expense plan consists of estimating a potential longer term "sinking fund", to allocate funding for future large investments - including replacing the hot water/heating system (in approx 20 years). Work will continue in 2012 to determine the best ways to fund these.

Thank you to Lodge Managers – Rob and Sally Walker

In 2011 we were pleased to extend the contract of our Lodge Managers, Rob and Sally Walker for another year until Jan 2013. Unfortunately, as I reported in the March 2012 newsletter, Rob and Sally have had to make the decision to leave the Lodge early due to health issues and we are currently in the process of recruiting new Lodge Managers for the 2012 winter season.

Rob and Sally joined as Lodge Managers on 14 February 2009 and have managed the Lodge for three winters. The Lodge and the Club has benefited greatly from their tireless work ethic and we thank them for their outstanding efforts. The Lodge has been sparkling clean and well-maintained, the atmosphere welcoming and enjoyable and the bookings very efficiently managed. Rob and Sally have both worked closely with the Board and have been fantastic assets to the Club and the Lodge. We wish them well and good health, and will miss them at the Lodge.

2011 Annual General Meeting held in Kiama

The 2011 AGM was held at the Kiama Leagues Club. Around 40 members attended the meeting along with a number of our Life Members. We farewelled Directors Gayle Pugh and Rob Molino and welcomed new Directors Andrew Heggie - as Property Maintenance Director - and Anton Lindell - as Club Captain - both long-standing members. The AGM was followed by a buffet dinner at the Leagues Club.

www.kiamaalpineclub.org.au revamped and relaunched

A massive thank you to Director and IT expert, James Garner who spent many hours to completely rebuild the club's website during 2011. The new website, launched in October, includes much more information and photos on the Club and the Lodge. The website is considered by the Board to be essential to promoting the Lodge and to provide members with a central location for our membership information.

Thank you also to member Alistair Waters, who built the original website and has maintained all of our online information, web hardware and software for many years.

Other club activities and initiatives in 2011

- 2011 winter accommodation rates were increased following a competitor analysis
- Implementation of the new booking system, replacing Guestmaster, was delayed due to some technical glitches but has progressed in 2012
- Lodge booking policies were further reviewed. New winter checkin/checkout times were introduced to help with the cleaning of the Lodge and flow of the car park. The changes were received with positive and some mixed feedback. We have subsequently tweaked the checkout time in 2012 to allow improved access on the last day of skiing/boarding
- Summer bed nights (Dec – Mar) improved by >70% compared to 2010 with the Lodge being well frequented by members and guests. We continue to promote the Lodge to Kiama and Canberra sporting clubs
- Our Lodge Workplace Health & Safety procedures were reviewed due to a slipping accident on the driveway where a member sustained a serious injury
- Member feedback was gained on the proposed updates to the Club Rules at the 2011 AGM
- We distributed four newsletters to members – the majority via email
- Two working bees were held in May and October. Volunteer help has traditionally helped us keep our maintenance costs lower but attendance was not as strong in 2011 – which probably reflects our changed lifestyles
- We congratulated our 2011 Club Champions at the Club Weekend
- Ten new members were welcomed, including six 18 year old children of existing members and one new spouse membership. We unfortunately farewelled three members including Life Member Val Wynn bringing our membership to 372 members at 31 December 2011.
- Part 2 of the Kiama history DVD was progressed throughout 2011 and Barry Booth and Alan Fredericks are thrilled to be launching the video at the 2012 Annual General Meeting.

As I said, it has been a busy and productive year for the Club.

Thank you to Julie, Tony and Tatiana

I would like to take the opportunity to thank the three directors retiring at the 2012 AGM.

Julie Christensen is retiring after 8 years in the role of Club Secretary. Julie's skills have been well utilised to manage registration of all members, recording the Board meeting minutes, answering queries on membership and producing working Board guidelines on the major membership rules. She has produced and distributed more than 10 Annual Reports, has coordinated 7 Annual General Meetings and dinner, and was a major contributor in the 50th Anniversary celebrations in 2008. Recently Julie has overseen a complete overhaul of the Club Rules working closely with Club Solicitors Sandy Rendel and Kathryn Telford, and members Geoff Boxsell and Alan Fredericks. Julie has been a pivotal part of the decision making at Board level and we will miss her involvement as well as her outstanding catering skills.

Tony Lloyd is retiring from the role of Booking Director after 3 years on the Board. Whilst Tony has been in the role he has introduced numerous improvements to greatly improve the booking conditions, and has worked closely with Lodge Managers Caroline Simmons and Rob and Sally Walker to ensure our bookings are closely managed. Tony has been a strong contributor to the Board. He has brought excellent business expertise to the role resulting in improving our booking activity and maximising our accommodation revenues in both winter and summer.

Tatiana Maxwell is retiring from the role of Communications Director, also after three years on the Board. Tatiana has been responsible for our club news, creating many newsletters and eblasts to keep us all informed of the club activities and latest news. Judging by the overwhelming positive feedback, our members have certainly enjoyed Tatiana's updates. Tatiana has been responsible for creating our logo and has created our club clothing including the club branded fleece vests which were created as part of the 50th celebrations.

I am sure all members will join me in thanking Julie, Tony and Tatiana for their time and commitment to our Club.

The way forward

We face some significant challenges in the future – particularly the lack of development and investment in Thredbo and the high Australian dollar making overseas skiing destinations far more appealing than Australia. However, the Club's Directors are confident we are well placed to tackle these challenges.

I look forward to seeing you at the Lodge in 2012.

Liz Wynn

President



2011 Board of Directors Steven Walker, Trevor Wilson, Karyn Bartholomew, Tony Lloyd, Anton Lindell, Andrew Heggie, Liz Wynn, James Garner, Julie Christensen
Missing from photo: Tatiana Maxwell
(Photo: J Garner)

Vice President

Insurance

There were no major insurance matters before the Board in 2011, and no claims were initiated. We secured a reduction in the price of the premium on the major policy for Lodge.

OHS

The Board increased the attention it gave to Occupational Health and Safety (now called Workplace Health and Safety WHS) matters generally to ensure it performed its duty of care responsibilities fully. Because of the cold winter, some guests had falls on black ice in the driveway. The Board followed up each incident, within the bounds of the Lodge, effective warnings and advice was issued and we are endeavouring to improve the water run-off across the driveway. This could involve consulting neighboring lodges who share the driveway.

Trevor Wilson

Vice President

Communications

Communication with members through the newsletter via email has been very effective. The newsletters are sent four times a year with information and updates on membership, the Lodge, dates to remember and the Club in general.

There are a small number of newsletters that are still printed and posted out. We try to keep costs down so the more email addresses we have the better. We realise that not *everyone* has an email address. We rely on 'volunteer printing' so the costs come down to envelopes and postage only.

E blasts are also very effective, sending out last minute reminders or information for Members; for example Working Bee volunteers required. These can happen on a more regular basis and when they are required.

Tatiana Maxwell

Communications Director

Treasurer

I am once again delighted to present the Treasurer's Report to the members of the club. This will be my second last report as it is my intention to resign as Treasurer and from the Board at the 2013 AGM.

The 2011 Financial Result was achieved on the back of a year that had mixed outcomes for the Thredbo Village in general. Despite the above average snow conditions, accommodation occupancy rates were significantly down in the village than in previous years. The strong Australian dollar, making international travel more affordable, combined with the global uncertainties affecting consumer confidence have had a significant impact upon the trading conditions for everybody in the village. The Board has responded to the challenges by concentrating on containing both operational and capital expenditure for a second year in a row, building upon our cash reserves and looking at further opportunities to promote the Lodge in our prime geographical area of the Illawarra and South Coast.

Financial Results

Financially the club had a good year particularly in terms of increasing our cash reserves. Although we ended the year with a net operating loss of \$16,083 this was after depreciation and amortisation expenses of \$52,412. Our net cash provided by net operating activities (refer cash flow statement) was \$53,342 and after taking into account capital expenditure and loan repayments we finish the year with an increase in cash of \$40,688 which was above our budget increase of \$11,050. As at 31 December 2011 the club had total cash available of \$140,747.

The 2011 profit and loss results are very similar to the prior year. Revenues grew \$8,500 to \$208,367 on the back of increased subscriptions income of \$4,500 to \$56,564 and interest income of \$4,600 to \$6,148. Accommodation revenue remains flat and at best weak with zero growth achieved over the past twelve months. Growing accommodation revenue remains a challenge for the Board despite our very competitive rates and A class facilities and member value. In all, total revenues were \$4,500 above budget.

Other Financial Highlights

Other financial highlights for the year were:

- Total expenditure up \$7,000, including some one-off costs such as promotional expenditure surrounding video production
- Electricity increased 11.4% and gas increased 7.3%
- Insurances were contained to \$23,417
- The downward trend of member Receivables continues with only \$2,368 outstanding at year end helped by tighter collection policies introduced at the last AGM
- ANZ loan principal outstanding reduced by \$9,599. Balance outstanding at 31.12.11 is \$221,843. Current monthly repayments are \$2,641

2012 Budget

The Board has approved a preliminary budget prior to finalising subscriptions for 2012 to achieve a breakeven cash flow position for 2012 comprising a net operating cash excess of \$33,600, share sales of \$2,500 entrance fees of \$14,000, capital expenditure of \$18,000 and loan repayments of \$32,700.

Steven Walker

Treasurer

Promotions

The past twelve months have been relatively quiet on the promotional front. Our attempt at a Club bushwalk in the Heathcote National Park was washed out and the Board decided not to attempt to organise any other Club activities over the summer.

Summer usage of the Lodge by guests has increased with many members taking advantage of the reduced summer rates and group booking special. While it would be nice to think that this increase is directly linked to our promotional efforts, in the future I would like us to collect statistics on where the guests are from and how they heard of us.

I again did a mailout of the summer flyer and summer rates to bushwalking and cycling clubs in the Illawarra and ACT regions to promote the Lodge to their members. Testimonials from guests who have stayed at the Lodge have been included on the website.

The Board would like to attempt to bring members together outside of the ski season and so we are looking to organising some more social events. These will include a rescheduled bushwalk in the Heathcote National Park and a movie night, with possibly another Lodge-based summer activity if there is sufficient interest from members.

Karyn Bartholomew

Promotions Director

Secretary

Membership

The total number of members in the Register of Shareholders at the end of 2011 was 372, which compares to 367 in 2010. Once again, the careful management of the Club receivables by Sally Walker through annual subscriptions continues to ensure limited activity by the Board with respect to forfeiture of shares under the provision of the Club rules.

New Members

The following new members were introduced to the Club in 2011:

- Alice Fraser – transfer share of Peter Fraser (dec) to his daughter
- Melanie Thomas – re-instated membership
- Colette Molino – 18 year old
- Daniel Jones – 18 year old
- Jonathon Lloyd – 18 year old
- Graeme Walker – transfer of Share of Geoff Walker (dec) to his son
- Michelle Gifford – spouse of Peter Garrard
- Cameron McKnight – 18 year old
- Alexandra de Zwart – 18 year old
- Jackson Anderson – 18 year old

Member Demographics

Home Region		
ACT	30	8%
Hunter	7	2%
Illawarra	80	22%
Northern Territory	0	0%
NSW Country	43	12%
Overseas	8	2%
Queensland	9	2%
South Australia	3	1%
Sydney	184	49%
Victoria	6	2%
Other	2	1%
TOTAL	372	100%

Member Age			
<25		44	12%
>=25	<35	48	13%
>=35	<45	80	22%
>=45	<55	82	22%
>=55	<65	67	18%
>=65		51	14%
Total		372	100%

Gender		
M	203	54%
F	169	46%
Total	372	100%

Board meetings

The Board held a total of four meetings since the last Annual General Meeting (AGM) with attendance as follows:

4 June 2011	Southern Cross Club, Jamison ACT	Liz Wynn, Trevor Wilson, Karyn Bartholomew, Julie Christensen, James Garner, Andrew Heggie, Anton Lindell, Steven Walker, Tony Lloyd Apologies: Tatiana Maxwell
17 September 2011	Briars, Moss Vale	Liz Wynn, Karyn Bartholomew, Julie Christensen, James Garner, Andrew Heggie, Anton Lindell, Steven Walker, Tony Lloyd, Tatiana Maxwell Apologies: Trevor Wilson
18 February 2012	Level 10, 51 Druitt St Sydney, NSW 2000	Liz Wynn, Karyn Bartholomew, Julie Christensen, Andrew Heggie, Anton Lindell, Steven Walker, Tony Lloyd, Tatiana Maxwell, Trevor Wilson

		Apologies: James Garner
31 March 2012	Kiama Lodge, Thredbo	Liz Wynn, Karyn Bartholomew, Julie Christensen, Andrew Heggie, Steven Walker, Tatiana Maxwell, Trevor Wilson James Garner Apologies: Anton Lindell , Tony Lloyd

It is important to note that, outside of the meetings, Board members regularly communicate via email (almost daily) about matters of significance relating to the day-to-day functioning of the Club. A Directors role is generally very active with most operating in peaks and troughs based in the nature of the position.

In accordance with Club Rules 46 and 47, three Directors will retire in rotation at the AGM. Those retiring are:

- Julie Christensen
- Tony Lloyd
- Tatiana Maxwell

AGM – 2012

The AGM returns to the very pleasant surroundings of the Pavilion complex this year and members are invited to attend and are encouraged to comment on the operation of the Club and to provide feedback to the Board. As with previous years dinner will follow the AGM and a buffet meal has been organised. The AGM and dinner provide a fabulous opportunity for a social gathering for members outside of ski season. Also at the 2012 AGM we will launch the second part of the Club's history – produced by Barry Booth and Alan Fredericks with assistance from various members to record the activities since 1984.

[Julie Christensen](#)

[Secretary](#)



Life Member Joan Fraser, presenting Val Wynn with flowers at the 2008 AGM (Photo: L Wynn)

Farewell to Val Wynn, Life Member

The Club said farewell to Life Member Val Wynn who passed away in 2011. Val, who will always be remembered for her tireless efforts during the building of the third Lodge in 1983 – 84, and her on-going contribution to the Club at major events such as Annual General Meetings and working bees. She was a warm and generous person who will be missed by many.

Val was the wife of Ron Wynn, also a Life Member, and mother of Liz, Susan, Barbra and Julie, all of whom continue play an active role in the Club.

Club Captain

2011 Interclubs

Kiama had a great result finishing 8th overall in the Thredbo Senior Inter-Clubs. With a host of new faces experiencing all the enjoyable elements that Thredbo Mountain could throw at us. Driving rain, gusty winds, melting snow, but there was still lots of laughter. With the focus being on participation and fun, the Senior Interclubs race handicap system favours small clubs like Kiama. The handicap system is based on ski times, sex, age and size of ski lodge, resulting in a great team effort from our Kiama skiers ranging in ages from 18 to 73 years. It was also good to see Sven Lindell finish 4th fastest male overall behind several Olympians and Ian Boxsell taking out the Telemark award.

From the Mountain, to the cocktail party, to finishing up dancing the night away at Ski Club of Australia, the Kiama team did us all very proud on and off the slope.

Those keen to join us next year please make sure you let the booking director know you are racing when you make your booking.

Club Weekend

Blue skies, top to bottom skiing with a cold night offered some fun spring skiing. Unfortunately our Club Weekend had a very poor turn out with only half the Lodge full.

But for those that did attend, they witnessed the Presidents Stack! Liz showed her figure skating style with a beautiful little fall on the Rossi race track, with the style and grace that only a President can achieve!

Club Champions

Senior Skiing Men	James Garner
Senior Skiing Ladies	Sally Walker
Senior Snowboard	Gavin Telford
Junior Skiing Boys	Josh Telford
Junior Snowboard Boys	Cameron Telford

It was a great result by the Telford family with the fastest Senior, Junior Snowboarders and Junior Skier's titles. We all had lots of fun from racing and skiing on the mountain, fireworks & sparklers followed by toga dress-up and a traditional Kiama Lodge communal feast.

Look forward to see you all very soon.

[Anton Lindell](#)

[Club Captain](#)

Maintenance Director

Working Bees

Over the past 12 months we have had a number of working bees and working parties that have worked hard to maintain and improve our fantastic Lodge in Thredbo. We got off to a great start with the autumn working bee when a group of us spent a weekend at the Lodge sprucing it up from top to bottom both inside and out to prepare the Lodge for the 2011 ski season and get it looking the best it can be. We ploughed through all the regular tasks and got a number of mini projects done too.

Maintenance

Thanks to the great job Rob and Sally Walker do looking after the Lodge, the Spring working bee was a success even though there were only a few attendees. The participants took the opportunity to get into all the rooms and give them a good clean as well as replacing our veranda BBQ. Over summer we hired professionals to paint the back half of the Lodge and had the leaning tree at the back entrance safely removed.

Paving

At the beginning of March 2012 we set out to replace the pavers at the top half of the driveway but flooding across the state, including at Cooma and on Thredbo Road, prevented this from going ahead as planned, instead it was rescheduled for after Easter. After the first paving project was snowed on and the first attempt at the second paving project was aborted as a result of flooding, we are holding our breath for a beautiful weekend in April to complete the replacement of the wearing pavers on the top half of our driveway.

Many thanks to everyone who has been involved in the working bees and working parties.

Website

This last year has also seen the launch of our new website which has been well received by both members and guests. If you have not seen it yet, get online and have a look at www.kiamaalpineclub.org.au.

James Garner

Maintenance Director



Removal of Tree at Back of Lodge
(Photo: J Garner)

Bookings

The 2011 year saw another solid year of occupancy for our Lodge in Thredbo. Total bed nights were about 100 up on the previous year. Member bed nights were down, however, guest bed nights were significantly up which helped our cash flow. There was one aberration during the year, when our August occupancy was 40% down on last year. Unfortunately it was the worst August for at least 15 years. The snow was poor that month, however, if it had not been for this very poor but crucial month we would have had an excellent year with occupancy.

The growth in summer and shoulder season bookings is particularly pleasing. I would like to again emphasize the factors that contribute to our strong occupancy compared to the rest of the village which is not performing as well:

- Firstly the excellent condition that the Lodge was kept in by our Lodge Managers Rob and Sally Walker. First impressions count for a lot and many guests staying for the first time are very impressed with the condition of the Lodge on arrival.
- Our marketing efforts continue to slowly raise the profile of our Lodge and increase the number of enquiries which quite often convert to bookings. A special thank you to Karyn Bartholomew, Liz Wynn and Tatiana Maxwell who together coordinate all our effective marketing.
- Finally our Lodge itself does a wonderful job of selling itself. A great position. Very roomy and comfortable bedrooms and space galore in all the common areas. We also have excellent and well maintained facilities.

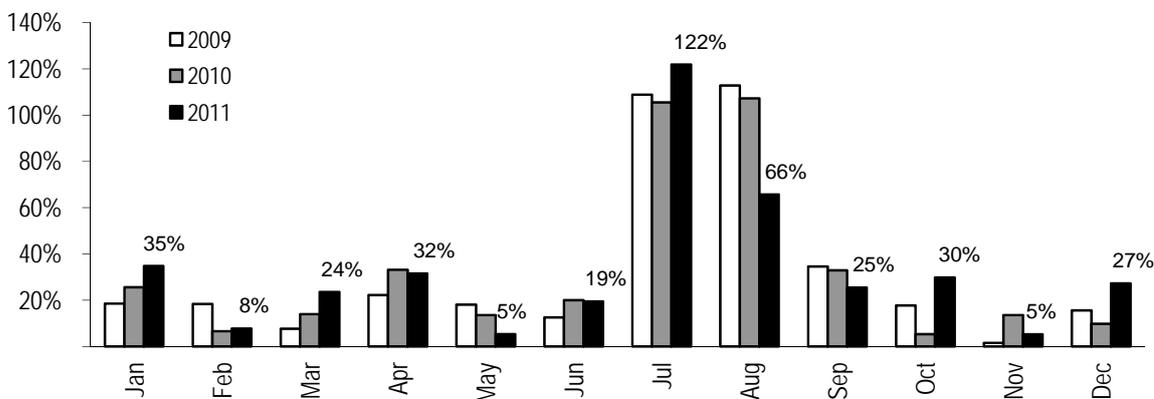
I will be stepping down in my role as Booking Director and also as a Board Member, but would like to thank my fellow Board Members and also the Members as a whole in helping make my role an enjoyable and rewarding one. I hope that in the future when I again have time to contribute I can consider standing for the Board for another term.

Best wishes and I will continue to see everyone at the snow.

Tony Lloyd

Booking Director

Bed Night Utilisation for the past 3 years



Lodge Operations

Thanks to all the other directors for welcoming me onto the board this, my first year. It has been most enjoyable and I strongly encourage all members to put their hand up to contribute to the operations of our club whenever a vacancy comes up.

Operations of the lodge have run relatively smoothly over the past year especially with the tireless, on-site assistance of our Lodge Managers, Sally and Rob Walker.

There have been only a couple of major purchases required being required those being the BBQ and the new computer and printer system for the Lodge Managers office.

The computer was over ten years old, and was dying an increasingly rapid death over the past few months. Additionally the lodge computer has never has any anti-virus or internet security software which left it vulnerable to an attack, to which it succumbed earlier this year.

Replacement of the balcony BBQ was well over due. Those who have enjoyed a meal from the new Weber® Q™ have all reported it to be a great improvement. Please remember when you use the BBQ - and all communal facilities at the lodge- that you leave it clean and ready for the next person, just as you'd like to find it.

As a Board we have plans over the next 12 to 18 months to replace the lounges and carpet in the lounge room and revisit the upgrading of the top floor bathrooms to bring in line with the others. We are mindful that these are all major expenditure items and we will only proceed with these once we are sure of a strong revenue base from accommodation bookings. I also hope to add full length mirrors to each bedroom and hair dryers to each bathroom over the coming months.

The Board welcome any input from members and guests as to how we can improve your stay at the lodge, so please call or write with your thoughts. It is your lodge after all and I see it as part of my job to make it a better place for you during your stay.

Andrew Heggie

Lodge Operations

Mountain bike riding is an emerging summer activity (Photo: J Garner)



Financial Statements for the Year Ended 31 December 2011

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED

DIRECTORS' REPORT

AS AT 31 DECEMBER 2011

The Directors present their report together with the accounts of Kiama Alpine Club Co-operative Limited for the year ended 31 December 2011 and the auditors' report thereon.

DIRECTORS

The Directors in office at the date of this report are:-

Liz Wynn	Anthony Lloyd
Trevor Wilson	James Garner
Steven Walker	Tatiana Maxwell
Julie Christensen	Karyn Bartholomew
Anton Lindell	Andrew Heggie

PRINCIPAL ACTIVITIES

The principal activity of the co-operative in the course of the financial year was the maintenance of a ski lodge at Thredbo NSW. There were no significant changes in the nature of activities of the co-operative during the year.

RESULT

The operating loss amounted to \$16,083.

REVIEW OF OPERATIONS

The loss for the year of \$16,083 was compared with a loss of \$18,833 from the previous year.

STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the co-operative that occurred during the financial year under review not otherwise disclosed in this report or the accounts.

SECRETARIAL, ADMINISTRATIVE AND ACCOUNTING SERVICES

During the course of the financial year secretarial, administration and accounting services have been performed by various members of the co-operative on a voluntary basis.

Services performed by related parties where a fee has been charged are disclosed at Note 15 of this report.

**KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
DIRECTORS' REPORT**

AS AT 31 DECEMBER 2011

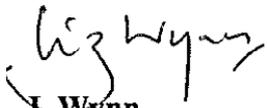
EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the co-operative, the results of those operations, or the state of affairs of the co-operative in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of Directors.



**L. Wynn
Director**



**S Walker
Director**

Dated this 18th day of February 2012

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF KIAMA ALPINE CLUB CO-OPERATIVE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2011 there have been:

- (a) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

JOHN L BUSH & CAMPBELL

Chartered Accountants

Peter King

Partner

Wagga Wagga

John L Bush & Campbell
JOHN L BUSH & CAMPBELL
Chartered Accountants

Peter King
Peter King
Partner

18 February 2012

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
Revenues from ordinary activities	2	214,367	204,875
Administrative expenses		(15,355)	(16,904)
Amortisation Expense		(2,156)	(2,156)
Depreciation expense		(50,256)	(53,661)
Caretaker		(28,956)	(25,266)
Rental and lease option		(40,282)	(39,082)
Heating and electricity		(23,743)	(21,859)
Insurance		(23,417)	(23,256)
Finance costs		(21,338)	(20,872)
Other expenses from ordinary activities		(24,947)	(20,652)
Profit / (loss) from ordinary activities before income tax expense		<u>(16,083)</u>	<u>(18,833)</u>
Income tax expense relating to operating activities		-	-
Net profit / (loss) from ordinary activities after income tax expense		<u>(16,083)</u>	<u>(18,833)</u>
Other comprehensive income			
Total Comprehensive Income		<u>(16,083)</u>	<u>(18,833)</u>

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts.

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	4	140,747	100,059
Trade and other receivables	5	5,129	12,558
Other current assets	6	27,326	28,388
TOTAL CURRENT ASSETS		173,201	141,005
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,264,714	1,311,915
Intangibles	8	177,169	179,325
TOTAL NON-CURRENT ASSETS		1,441,883	1,491,240
TOTAL ASSETS		1,615,085	1,632,245
CURRENT LIABILITIES			
Trade and other payables	9	14,441	6,920
Interest bearing liabilities	11	31,687	31,687
TOTAL CURRENT LIABILITIES		46,128	38,607
NON-CURRENT LIABILITIES			
Other liabilities	10	93,250	92,250
Interest Bearing Liabilities	11	190,156	199,755
TOTAL NON CURRENT LIABILITIES		283,406	292,005
TOTAL LIABILITIES		329,534	330,612
NET ASSETS		1,285,550	1,301,633
EQUITY			
Retained earnings		1,285,550	1,301,633
TOTAL EQUITY		1,285,550	1,301,633

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts.

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
Retained earnings at the beginning of the year	1,301,633	1,320,466
Net Profit/(loss) from ordinary activities	(16,083)	(18,833)
Retained earnings at the end of the financial year	<u>1,285,550</u>	<u>1,301,633</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements.

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		215,740	201,800
Cash payments in the course of operations		(147,208)	(138,254)
Interest received		6,148	1,774
Interest paid		(21,338)	(20,872)
Net cash provided by operating activities	13(ii)	53,342	44,448
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(3,055)	(1,017)
Net cash provided by / (used in) investing activities		(3,055)	(1,017)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		(9,599)	(9,310)
Net cash provided by / (used in) financing activities		(9,599)	(9,310)
Net increase / (decrease) in cash held		40,688	34,137
Cash at the beginning of the financial year		100,059	65,922
Cash at the end of the financial year	13(i)	140,747	100,059

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts.

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Co-operatives Act 1992 and the relevant regulations (NSW).

The financial report is for Kiama Alpine Club Co-operative Limited as an individual entity, incorporated and domiciled in Australia. Kiama Alpine Club Co-operative Limited is a co-operative.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Property, plant & equipment

Each class of property, plant and equipment is capitalised at historical cost and depreciated as outlined below:-

(b) Depreciation

The depreciable amount of all fixed assets including building is depreciated on a diminishing value basis over their useful lives to the Co-operative commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Leasehold buildings	2%
Plant, furniture and equipment	10-40%

(c) Leasehold buildings

Leasehold buildings refer to buildings on land leased by The Department of Environment and Conservation to the Co-operative. This lease is due to expire on 30 June 2057. The purchase option lease asset is amortised over the period of the lease.

(d) Income tax

The Co-operative operates for the mutual benefit of members. Accordingly, the Director's are of the opinion that the Co-operative is not liable for income tax on income received from members, nor are the related outgoings allowable as an income tax deduction.

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

(e) Share capital repayable on demand

The Co-operative's share capital consists of the amount of shares issued to the members by the Co-operative. From time to time, existing members leave the Co-operative and new members join the Co-operative. Members who leave the Co-operative are entitled to have their share capital amounts repaid to them. New members have to buy shares in the Co-operative. The Co-operative's Rules (and the Co-operatives Act) requires that when a member is not presently an active member and has not been an active member at any time during the past three years, the Co-operative must declare the membership of the member cancelled and then has twelve months within which to repay to the former member the amount of the paid up value of the former member's shares. Due to the Co-operative's above obligations, the Co-operative's share capital meets the definition of financial liabilities as per AASB 132: Financial Instruments: Disclosure and Presentation and hence the issued paid up capital is classified as a financial liability.

(f) Financial instruments recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(h) Amendments to Australian Accounting Standards

The directors have considered the application of AASB108 "Accounting Policies, Changes in Accounting Estimates and Errors" and are of the opinion that the standard does not result in a material impact on the entity's financial report.

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
NOTE 2 - REVENUE		
Accommodation fees	145,541	145,433
Entrance fees	6,000	5,000
Membership fees	56,564	51,963
Interest received	6,148	1,774
Other	114	705
	<u>214,367</u>	<u>204,875</u>

NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax
has been determined after:

Charging expenses		
Depreciation	50,256	53,661
Amortisation	2,156	2,156
Auditor's remuneration	4,400	4,450
Bad & doubtful debts	1,868	209

NOTE 4 - CASH AND CASH EQUIVALENTS

ANZ working account	2,410	5,136
ANZ membership account	3,029	14,419
ANZ Term Deposit - 10797	83,350	50,000
ANZ Term Deposit - 81026	40,960	20,000
Business online account	5,373	5,127
ANZ online	5,373	5,127
Cash on hand	250	250
	<u>140,747</u>	<u>100,059</u>

NOTE 5 - TRADE AND OTHER RECEIVABLES

Receivable from members	2,368	5,470
Less: provision for impairment of receivables	(1,673)	(1,200)
Goods and services tax	3,799	7,727
Accrued interest	634	561
	<u>5,129</u>	<u>12,558</u>

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
NOTE 6 - OTHER ASSETS		
Current		
Prepaid expenses	27,326	28,388
NOTE 7 - PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements - at cost	1,742,557	1,742,557
Less: accumulated depreciation	(558,998)	(524,170)
	1,183,559	1,218,387
Furniture, fittings and equipment - at cost	354,010	350,952
Less: accumulated depreciation	(272,855)	(257,424)
	81,155	93,528
	1,264,714	1,311,915
Leasehold improvements		
Balance at the beginning of the year	1,218,387	1,253,239
Additions	-	-
Depreciation	(34,828)	(34,852)
Carrying amount at the end of the year	1,183,559	1,218,387
Furniture, fittings and equipment		
Balance at the beginning of the year	93,528	111,321
Additions	3,056	1,017
Depreciation	(15,429)	(18,810)
Carrying amount at the end of the year	81,155	93,528
NOTE 8 - INTANGIBLES		
Additional bed availability	80,145	80,145
Lease renewal	116,554	116,554
Less: accumulated amortisation	(19,530)	(17,374)
	177,169	179,325

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
NOTE 9 - TRADE AND OTHER PAYABLES		
Current		
Income in advance	6,590	-
Trade creditors	7,851	6,920
	14,441	6,920
 NOTE 10 - OTHER LIABILITIES		
Non-current		
369 fully paid ordinary members shares	93,250	92,250
	93,250	92,250
 NOTE 11 - INTEREST BEARING LIABILITIES		
Current		
ANZ Building Loan	31,687	31,687
	31,687	31,687
Non - Current		
ANZ Building Loan	190,156	199,755
	190,156	199,755
 NOTE 12 - DIRECTORS REMUNERATION AND EXPENSES		
Amounts received or due and receivable by all directors of the company	Nil	Nil
Number of directors of the company whose total income received or due and receivable from the company fell within the following bands:		
Nil	10	10

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 13 - NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2011	2010
	\$	\$
Cash and cash equivalents	140,747	100,059
	<u>140,747</u>	<u>100,059</u>

(ii) Reconciliation of operating profit to the net cash provided / (used) by operating activities

Operating profit / (loss)	(16,083)	(18,833)
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Add / (less) non-cash items

Depreciation	50,256	53,661
Amortisation	2,156	2,156

Net cash provided by / (used in) operating activities before change in assets and liabilities	<u>36,329</u>	<u>36,984</u>
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Change in assets and liabilities

(Increase) / decrease in other assets	1,062	3,815
(Increase) / decrease in receivables	7,429	(1,301)
Increase / (decrease) in payables	7,521	2,200
Increase / (decrease) in other liabilities	1,000	2,750

Net cash provided by / (used in) operating activities	<u>53,342</u>	<u>44,448</u>
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KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 14 – CAPITAL COMMITMENTS

There are no capital commitments outstanding at the end of the year.

NOTE 15 – RELATED PARTY TRANSACTIONS

Walker BDS has received remuneration for bookkeeping services rendered to the club throughout the course of the year. Steve Walker has a beneficial interest in Walker BDS. These transactions were made on normal commercial terms.

No other Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the accounts) because of a contract made by the company or a related corporation with a Director or with a firm of which a Director is a member, or with a company in which the Director has a substantial interest.

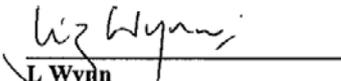
**KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
DIRECTORS DECLARATION**

The director's of the co-operative declare that:

1. the financial statements and notes are in accordance with the Cooperatives Act 1992:
 - (a) comply with Accounting standards and the Co-operative's Regulations; and
 - (b) give a true and fair view of the financial position as at 31 December 2011 and of the performance for the year ended on that date of the Co-operative.

2. In the Directors' opinion there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due and payable.

This declaration is made in accordance with a resolution of the Directors.


L Wynn
Director


S Walker
Director

Dated this 18th day of February 2012

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF:

KIAMA ALPINE CLUB

CO-OPERATIVE LIMITED



Report on the Financial Report

We have audited the accompanying financial report of Kiama Alpine Club Co-operative Limited, which comprises the statement of financial position as at 31 December 2011 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the co-operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Co-operatives Act 1992. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

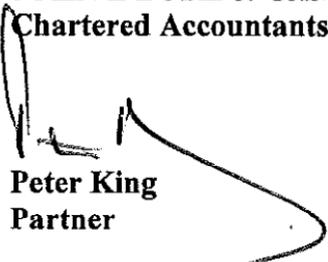
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion the financial report of Kiama Alpine Club Co-operative Limited is in accordance with the provisions of the Co-operatives Act 1992 and relevant regulations (NSW):

- a) so as to give a true and fair view of:
 - (i) the state of affairs of the Co-operative as at 31 December 2011, and the result of the Co-operative for the financial year ended on that date; and
 - (ii) the rules relating to the administration of the co-operative have been observed.
- b) are in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia.


JOHN L BUSH & CAMPBELL
Chartered Accountants


Peter King
Partner

18 February 2012

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED

DISCLAIMER:

John L
**BUSH &
CAMPBELL**

CHARTERED ACCOUNTANTS

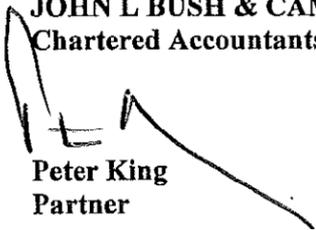
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DISCLAIMER:

The additional financial data presented with this report being the profit and loss statement is in accordance with the books and records of the Kiama Alpine Club Co-Operative Limited which have been subjected to the audit procedures applied in our statutory audit of the entity for the year ended 31 December 2011. It will be appreciated that our statutory audit did not cover all details of additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our Firm's policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person (other than the entity) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

JOHN L BUSH & CAMPBELL
Chartered Accountants



Peter King
Partner

18 February 2012

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
INCOME		
Accommodation fees	145,541	145,433
Interest	6,148	1,774
Membership fees	56,564	51,963
Sundry	114	705
	<u>208,367</u>	<u>199,875</u>
EXPENDITURE		
Accountancy	2,678	3,261
Advertising and promotion	5,678	-
Amortisation	2,156	2,156
Audit	4,400	4,450
Bad & doubtful debts	1,868	209
Bank charges	4,349	4,146
Borrowing costs	21,338	20,872
Caretaker	28,956	25,266
Depreciation - leasehold improvements	34,828	34,851
- furniture and fittings	15,428	18,810
Directors expense reimbursement	-	182
Electricity	7,596	6,816
General	2,173	4,328
Insurance	23,417	23,256
Meeting expenses	2,437	2,104
Subscriptions	-	1,278
Printing, postage and stationery	2,005	3,495
Rental and lease option	40,282	39,082
Repairs and maintenance	10,829	10,205
Telephone	3,886	3,898
Gas	16,146	15,043
	<u>230,449</u>	<u>223,708</u>
Surplus/(deficit) before other income	(22,083)	(23,833)
Entrance fees	6,000	5,000
	<u>(16,083)</u>	<u>(18,833)</u>
Profit / (loss) for the year	<u>(16,083)</u>	<u>(18,833)</u>

Minutes of the Annual General Meeting

Location: Kiama Leagues Club, Kiama

Date: 14 May 2011

Time: 3.10pm – 6.10pm

Attendees:

Mary Balak; Wal Balak; Karyn Bartholomew; Sandra Booth; Barry Booth; Viv Boxsell; Geoff Boxsell; Tony Chapman; Marla Coleman; Mitchell Coleman; Joan Fraser; Alan Fredericks; Kate Fredericks; Kate Fredericks; Alan Fredericks; James Garner; Peter Garrard; Peter Henry; Peter Hewlett; Anne Honey; Geoff Honey; Catherine Jones; David Jones; Anton Lindell; Emma Lindell; Tony Lloyd; Tatiana Maxwell; Rob Molino; Craig Morris; Margaret Piggott; Bruce Piggott; Sandy Rendel; Steven Walker; Trevor Wilson; Geoff Wilson; Lois Woollams; Liz Wynn; Julie Wynn; Val Wynn.

Apologies:

Bob Anderson; Maree Anderson; Andrew Braid; Jenny Braid; Sam Carroll; Claudia Carroll; Jane Carroll; Stephen Colagiuri; Ruth Colagiuri; Paul Colagiuri; Ben Colagiuri; Rye Coleman; Amy Coleman; Chris Fraser; Lucy Fraser; Alice Fraser; Anna Fredericks; Frank Hodgkinson; Janice Hodgkinson; Paul Hodgkinson; Paul John; Chas Keys; Len Lindell; Elaine Lindell; Sven Lindell; Anna Lindell; Taras Lubczyk; Brian Lubczyk; Maria Lubczyk; Anne McCarthy; Reg Mercer; Carolyn Mercer; Gerri Mildren; Ray Mildren; Carla Molino; Craig Morris, Arthur Moorhouse; Rhonda Moorhouse; Greg Moorhouse; Rose Moorhouse; Gayle Pugh; Graeme Pugh; Dianne Rendel; James Rendel; Philippa Rendel (Stearn); Samantha Schier; David Schier; Dorothy Schier; Gary Schier; Stephen Smith; Greg Taylor; Jenell Taylor; Melanie Thomas; Mike Tyquin; Briony Tyquin; Robert Walker; Sally Walker; Calle Walberg; Mikael Wallberg; Catharina Wallberg; Andrew Wearne; Belinda Wearne; Belinda Wilde; Damien Wilde; Scott Wilson; Barbra Wynn; Susan Wynn.

Introduction

Welcome and apologies – the President welcomed all Members to the 2011 Annual General Meeting and introduced the Life Members attending Alan Fredericks, Geoff Boxsell, Barry Booth, Geoff Honey, Anne Honey, Val Wynn and Joan Fraser. It was noted Life Member John Fraser was unable to attend as a result of poor health and best wishes were sent to him and the Fraser family. A special welcome was made to Past President Alan Fredericks who, for the first time in many years, was attending the meeting without a formal responsibility.

The President noted an error in the 2010 Annual Report that failed to give Mitchell Coleman the credit for competing on the Thredbo Top-to-Bottom who was present at the 2011 AGM.

Confirmation of the minutes of the 2010 AGM

Minutes of the previous AGM held Saturday 1 May 2010, in Kiama were confirmed.

Motion: To adopt the minutes of the 2010 AGM as a true record:

Moved: Kate Fredericks Seconded: James Garner Carried

2010 Directors Reports

President

Liz Wynn presented the highlights of her 2010 report with the following key points:

- From a financial perspective, the Club had a positive year which was better than originally budgeted
- The focus of the Board has been to continue to improve and streamline the operations of the Lodge which has resulted in significant savings
- Lodge Managers, Robert and Sally Walker have accepted a further 12 month appointment which will see them finish their term in January 2013
- A review of Booking Conditions and our pricing against our competitors was a major activity that has resulted in changes to practices and procedures along with increases in winter rates and decreases in summer rates
- Ten new members were welcomed in 2010, noting that they were all 18 year olds and all but two took up the offer to join.
- The proposed upgrade to the bathrooms was a key item for consideration by the Board and feedback gathered from the previous AGM and throughout the year was reviewed and a decision made to postpone the bathroom upgrade until 2012-13 and pursue a modified version of option 3 (further discussion was held as part of the capital works program)
- Condolences were offered to the Walker family, noting the loss of Life Member, Geoff Walker as well as the Fraser family for the loss of their son Peter.

Other key activities were progressing the Club Rules and the development of an upgraded website which were to be discussed later in the meeting.

Treasurer

Steven Walker also presented the highlights of his report as follows:

- Financially the year was characterised by a consolidation of finances
- Overall there was an operating loss of \$18k once adjustments for depreciation and amortisation were made
- Significant savings were found with insurance policies which was helped with no claims
- Interest rate rises were budgeted for an incorporated in repayments
- Electricity and gas remained steady although it is recognised that this is likely to change in the future

Motion: To adopt the financial statements for 2010

Moved: Lois Woolams Seconded: Barry Booth Carried

Club Captain

Arising from his report Rob Molino noted:

- Disappointment that the weather had marred some of the events on the calendar, in particular the Club Weekend
- Overall in the interclub races the Club was well represented noting that we have a strong contingent of juniors coming through the ranks
- In the future he would like to see more training opportunities for people and would like to encourage more members to participate
- Rob also indicated that he is stepping down from his role this year but enjoyed the experience, has a genuine appreciation for how much work goes into the running of the Club and Lodge and hopes to be involved again in the future when he has more time to commit.

Booking Director

Tony Lloyd provided the following comments relating to the booking trends and activities:

- The Lodge accommodation forms a crucial part of the operations as it forms the basis of the Clubs revenue
- We are competing against a very strong Australian Dollar which gave people a more affordable opportunity to ski overseas and can impact our bookings
- There was a shift in the number of guests versus members staying at the Lodge towards guests which was financially beneficial to the Club from the higher nightly rates.
- The recent Lodge renovations continue to be well received making the Lodge more appealing and there has been very positive feedback
- Sally Walker makes a concerted effort to backfill cancellations which has seen a reduction on vacancy rates in the peak periods
- The work being carried out by Karyn Bartholomew as Promotions Director to promote summer bookings was starting to gain momentum
- This year also saw a tightening of the procedures for cancellations with a sliding scale of fees now acting as a deterrent to last minute cancellations
- Overall Tony noted that the number one priority for bookings remains members however the value of the contribution of non-member guests cannot be disregarded.

Feedback

A number of comments were made from the floor relating to the Directors Reports which covered:

- Barry Booth noted the **special summer rates** and Tony observed that there has been very positive feedback and encouraged members to spread the word. He explained that the principal behind the promotion is to increase the volume of people staying during these months and to encourage repeat stays. Wal Balak questioned if the rates were too cheap and were we at risk of “giving it away”. It was explained that a competitor review showed that the rates compared favourably with other Lodges and accommodation in Thredbo in summer.
- Karyn Bartholomew give a brief rundown on the success of the **summer promotions** and noted that she has been in touch with numerous bushwalking and cycling clubs
- Alan Fredericks took the opportunity to congratulate the Board on the **financial position** as the initial budget was a break-even cash flow.
- Alan also questioned whether the Board had given any consideration to raising funds by bequests or donations. The President noted that the aspect may have some legs going forward for significant capital works and would touch on these briefly later in the meeting.
- Trevor Wilson commented that we are now **communicating better with the membership** but also encourages feedback and on this note Barry Booth added that Tatiana Maxwell is doing a fantastic job with the **newsletters**.

Election of the Directors

The President noted that, in accordance with the Club Rules three Directors were retiring – Gayle Pugh, Rob Molino and Steven Walker. Gayle, who is currently travelling around Australia and Rob were not seeking re-election. Liz

took the opportunity to thank them both and commented on their achievements whilst on the Board. The Board received nominations from three potential candidates within the specified period from:

- Steven Walker
- Anton Lindell
- Andrew Heggie

Motion: To accept the nominations to the Board Directors for Steven Walker, Anton Lindell and Andrew Heggie.

Moved: Rob Molino Seconded: Tony Lloyd Carried

In response to the nomination Anton gave a short history of his involvement with the Club from adolescent to adulthood and indicated that he is looking forward to joining the Board to continue the good work he benefitted from.

Whilst Andrew was unable to attend the meeting he sent his apologies with a comment on his history with the Club and indicated that he too is keen to contribute.

Motion: To offer a formal thank you from members to Gayle Pugh and Rob Molino for their contribution to the Board.

Moved: Trevor Wilson Seconded: Lois Woolams Carried

Election of Office Bearers

Barry Booth took the chair for the purpose of calling for nominations for President.

Motion: to accept the nomination of Liz Wynn as President

Moved: Geoff Boxsell Seconded: Sandy Rendel

Motion: to accept the nomination of Trevor Wilson as Vice President

Moved: Geoff Boxsell Seconded: Barry Booth

Motion: to accept the nomination of Julie Christensen as Secretary

Moved: Tony Chapman Seconded: Liz Wynn

Motion: to accept the nomination of Steven Walker as Treasurer

Moved: Barry Booth Seconded: Alan Fredericks

Motion: to accept the nomination of Anton Lindell as Club Captain

Moved: Mary Balak Seconded: Rob Molino

All carried

Election of Auditor and Approval of Fees

Steven Walker indicated that Bush and Campbell of Wagga Wagga are interested in continuing as auditors for the Club.

Motion: To accept Bush & Campbell Pty Limited of Wagga as the auditor of the Club and to accept an estimate of \$4000 for fees.

Moved: Wal Balak Seconded: Sandy Rendel Carried

Determination of Annual Subscriptions

In accordance with the agenda circulated in advance of the meeting the Board recommended that the annual subscription be set at \$205, with a working bee credit for eligible members set at \$165, consistent with no increases over 2010.

Added to this the Board informed members of its intention to incorporate a late payment penalty of 50% should members not pay their subscriptions before 31 August.

The President explained that there is a heavy administrative burden placed on the Club with regards to the follow-up of late payment of subscriptions and the intent of the penalty was to reduce this. Whilst the By-Laws enable the Board to implement practices relating to the operations the Club the Board was keen to bring this to member's attention and to seek their feedback.

Wal Balak expressed his concerns the 50% penalty fee could be considered draconian and would rather see the Board adopt a practice of talking to members about the late payment and agree to terms. He sees this more reflective of the Club philosophy and should a penalty be applied it should be smaller than the proposed 50%.

With regards to outstanding subscriptions Steven Walker commented that this can range from \$5k - \$25k outstanding each year and stressed that the penalty amount should be set as an incentive to ensure people pay by the required date.

Other members commented that the time-frame the application could be extended to the end of October and saw that a 12 week window did not seem unreasonable.

In accordance with improved communications Trevor Wilson pointed out that we are making further efforts to keep in touch with members and this is applicable to those experiencing financial difficulty and the Board is happy for members to contact and make arrangements if there is extenuating circumstances.

It was also noted by Barry Booth that if members are not financial they are required to pay at non-member rates and so you would expect that the people who pay their subscriptions late are generally not using the Lodge and on this basis is it an opportunity for them to give genuine thought to continuing their membership?

Given the cross-section of comments the President sought a show of hands for the adoption of a late payment penalty being applied to annual subscriptions and there was overwhelming support for this. It is clear however that the amount and time-frame was open to further debate.

With the feedback in mind the President **agreed** to give these factors further consideration at Board level and communicate outcomes to members through the newsletter.

Motion: That the Annual Subscription for 2011 be set at \$205 with a \$165 working bee credit for eligible members

Moved: Wal Balak Seconded: James Garner Carried

Club Rules

A short presentation was provided by the Club Secretary regarding the status of the review of the Club Rules.

Whilst the project has been delayed progress has been made and an approach to the Club Solicitors and Fair Trading NSW will be made for a formal review of the draft rules which have been based on the standards approved under the relevant legislation.

The Rule change review was established by past president Alan Fredericks to update our rules with the latest changes to the Cooperative Act and reflect the changes in our club operations and member demographics. The key changes are a number of administration updates including allowing the electronic transmission of information such as Annual Notices, adding the provision to expand the Directors from 10 to 12 if required and streamlining the rules around the fees and charges.

Members can expect to hear more information about this as any changes need to be adopted by Special Resolution at a General Meeting in which due notice has been given.

Website Upgrade

James Garner, Property Maintenance Director gave a demonstration of the framework for the Club's new website which is due for rollout during the Winter Season. Key features of the website will include:

- Updated and refreshed information about the Club and Lodge
- Link to the booking system ensuring the most current and accurate availability
- Members portal for updating and sharing information that is member specific

Feedback from members was very positive however a concern was raised about presenting the Lodge as a commercial entity with Barry Booth pointing out that our rules preclude us from marketing the Club for profitable purposes. Liz and James clarified that they were very particular about the manner in which they will target the Club and this is also taken into consideration when indexing the site with search engines.

Ten Year Capital Works Program

The President gave a demonstration of and a run down on the Boards progress on developing a 10 Year Capital Works Program. The need for the Program arose from discussions associated with the proposed upgrade to the top floor bathrooms and the ability to finance the works. It was the Boards opinion that a commitment to any significant works to the Lodge should be supported by a suitable road map to ensure financial security.

Liz, with the assistance of member Paul John in developing an excel schedule that enables financial projections based on CPI. Gayle Pugh, Rob Walker and Craig Morris have collated as many potential significant capital expenses as possible. This has been in conjunction with review of on-going operational expenses.

The expected outcomes of the exercise include:

- The preparation of a capital works schedule and related expenses
- An estimate of the monies required to be set aside to fund any proposed capital works (such as an upgrade to the bathrooms)
- Consideration of options to fund the activities.

Overall the program can be considered to be similar to a body corporate 'sinking fund'. The Board recognises that revenue from accommodation is simply not enough to fund any significant capital works in the future and will need to give consideration to the way in which monies are raised for these activities. This may involve allocating specific monies from accommodation, subscriptions and entrance fees to a 'sinking fund' style of account.

Further work is required and the Board will establish a working party to consider the Program and expected outcomes. Members were supportive of the plans and were keen to hear the outcomes of discussions, in particular the upgrade of the bathrooms now that a modified version of option had been selected.

Members Feedback and Other Business

- Wal Balak sought clarification of By-Law 1.8 Minimum Booking Periods and Preferences and expressed concerns that people could be gazumped by a longer stay. Tony explained that the conditions applied to the peak season only and was generally only exercised in the peak period of the school holidays.
- Comments were made about the change to the checkout time of 11.00am and the applicability to the carpark (By-Law 1.11) and the Board stressed the need for this for the convenience of all members. Anton suggested that some of the problems that have occurred in the past may have involved people staying at YHA although Trevor noted that there have been no formal complaints of this. It was also noted that most Lodges have a check-out of 10.00am.
- Rationale behind child rates and ages were discussed and Liz indicated that the travel industry recognises that "under 3" as the threshold for babies and children and this is consistent with the By-Laws. It is also important to note that within the existing framework the age extends to 18, whereas the industry would ordinarily see this as over 12 or 15.
- Barry Booth made a suggestion that the minutes of the AGM be made available to members earlier than the following Annual Report and the Board supports this. Note: the AGM minutes were added to the website following the meeting
- Liz took the opportunity to thank those who acted as Lodge Managers whilst Rob and Sally Walker were on leave in January / February including Sandra and Barry Booth, Alan Fredericks, Tony Lloyd and Geoff Wilson.
- James Garner took the opportunity to remind people of the upcoming working bee
- Alan Fredericks invited all members to attend the upcoming Historical Society function recognising the 150th Anniversary of skiing.

Meeting closed at 6.10pm and was followed by a buffet dinner.