

Kiama Alpine Club Cooperative Limited



Annual Report 2012

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Club Contacts

President	Liz Wynn
Vice President	Trevor Wilson
Treasurer	Steven Walker
Secretary	Karyn Bartholomew
Booking Director	James Garner
Club Captain	Anton Lindell
Communications Director	Ian McKnight
Lodge Operations Director	Andrew Heggie
Property Maintenance Director	Andrew Waters
Promotions and Village Liaison Director	Phill Deer
Club Solicitors	Sandy Rendel, Kathryn Telford
Lodge Managers	Michelle Palmer and John Callaghan

Life Members

Barry Booth, Geoff Boxsell, John East, John Fraser,
Joan Fraser, Alan Fredericks, Anne Honey, Geoff Honey, Robert Walker, Sandy Rendel

Deceased Life Members

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

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NOTES

President

In 2012 we benefited from some of the best snow in over 10 years. Our skiers and boarders enjoyed outstanding snow conditions with fresh powder every weekend in August and deep snow lasting throughout September. It actually felt like European snow conditions at times and we “struggled” to find ice on the mountain. It may be short lived but it was a welcome change to the very different conditions we have experienced over the past 10 years.

The club’s finances benefited as a result of the strong winter bookings, the third highest for bed nights and revenues over the past 15 years. Our Lodge managers worked hard to maximise booking numbers throughout the year and we finished 2012 with 3952 bed nights – an improvement of 8% over 2011.

The Club remains financially strong with positive operating cash flows, solid expenditure controls and reduced debt. From a financial perspective, the club achieved a positive break even operating budget of \$12,150 which was an excellent result given the one-off maintenance work we organised this year such as the pavers, painting the back section and numerous call-outs for the heating system. The Board remains focused on keeping our operating expenditure as low as possible to offset the increasing gas and electricity costs. Trevor Wilson and Andrew completed the energy efficiency review with Mitchell Coleman replacing some of the internal lodge lighting with government subsidised low-energy options and our lodge managers continue to manage the heating closely.



Thank you to Steven and Bernadette Walker who have worked tirelessly to manage our finances.

Our race participation was also strong. The great snow made it easy for our Club Captain, Anton Lindell to attract racers to the Lodge. Club Weekend was brilliant as ever – the best snow you could wish for, a perfect race track and amazing off-piste skiing at Dead Horse Gap. The many first-time Club Weekenders all told us of their enjoyment of the camaraderie of the weekend and the funny hat competition. The senior interclub racers finished 8th and the many new faces thoroughly enjoyed the participation.

However, our year was not without its challenges. When Lodge Managers and members, Rob and Sally Walker made the difficult decision to leave the Lodge earlier than planned for personal reasons, we were obviously facing an unexpected problem in April with the snow season looming. The Board had already commenced planning to replace Rob and Sally but we had anticipated having enough time to smoothly transition to new managers at the end of the 2012 winter season. Unfortunately that wasn’t meant to be.

Instead we had the situation where our new lodge manager arrived with no handover from Rob and Sally and winter bookings needing confirming urgently in a brand new booking system. But when times are tough extraordinary people make things happen. Rob and Sally worked incredibly hard to keep things happening before they departed and I thank them wholeheartedly for their commitment to the Club and the Lodge. Outgoing Booking Director Tony Lloyd and incoming Booking Director James Garner manually managed bookings during the interim and avoided the need for any ballots over winter. New Lodge Managers Michelle and John, along with son Liam, were outstanding. It was not easy for them to walk into a new lodge and learn our culture and Club rules, the lodge operations including how to keep the heating system at its best, plus implementing a new booking system. Michelle and John worked far

too many hours with an inefficient internet system (which has now been resolved) but somehow they made everything feel smooth and achievable. They proved they are incredibly capable and we welcome their enthusiasm and joy for our Lodge and our Club.

Kiama members showed great patience in the delays to confirming winter bookings and the subsequent flow-on delay to our annual subscriptions and I wish to sincerely thank all our members for your understanding and support and for enthusiastically embracing our new Lodge managers.

Michelle and John were selected following a recruitment process where Trevor Wilson, Tony Lloyd, Andrew Heggie and myself interviewed numerous short-listed candidates. Trevor and I spent many late evenings and weekends reviewing the more than 60 applicants, organising telephone and face to face interviews, reference checking and bouncing ideas and reporting our progress to the Board. We are confident we have found the right people with the skills and experience to manage a club lodge and just as importantly the right culture fit to continue building an inclusive, open and friendly atmosphere at the Lodge.

The new booking system has now been fully implemented thanks to my husband Paul John, James Garner, Alistair Waters and Michelle and John. The new system is now maintained on a remote server which is maintained by member Alistair Waters and this “cloud based” system allows the Board to have greater visibility over our bookings and the members database. We intend to continue building the stored club information on our cloud and have commenced reviewing cloud based accounting to re-organise our bookkeeping systems. We are lucky to have James, Alistair and Paul managing our information systems so thank you.

Member Carin Bertmar volunteered to take over managing the annual subscriptions in 2012 from Sally Walker. However, the Board made a decision to focus on our winter bookings as our first priority and hence delayed the annual subscriptions until later in the year. Although we finished the year with \$8,990 outstanding this was mostly due to the late timing and I am happy to report we have already reduced this to \$4,990 (plus late fees) thanks to Carin’s persistence. Thank you Carin for taking on this under-appreciated but much-needed task.

As I said to the Board during the year, “who in their right mind would put a new booking system, mostly new Board members/roles, new Lodge Managers and a new membership bookkeeping system in place at the same time?” It certainly wasn’t planned but maybe adversity just means you have no choice but to get on with it.

Thredbo also saw some change. A new management team introduced some changes to Thredbo in 2012. A fresh coat of paint, a new winter advertising campaign, new summer mountain bike tracks and the introduction of highly discounted annual ski passes for 2013 will hopefully encourage higher Thredbo visits in 2013. We applaud KT for making change and Phill Deer and I will work hard in 2013 to actively encourage returning Thredbo to its former status of the premium Australian ski resort.

Lodge maintenance was a priority in 2012. The external back section of the Lodge was re-painted in the Summer (it was last painted when built in 2005 and was starting to look shabby); the top section of the driveway pavers were replaced and now look fantastic, the Lodge Manager’s computer was upgraded as the old one was unable to support the new booking system or simple software upgrades; we replaced the lounge suites with new comfortable Moran leather lounges; as well as other improvements such as hair dryers in the bathrooms and full length mirrors in the rooms etc (that must have something to do with a female President dare I say and influence from Andrew Heggie’s wife Paula!).

The Board welcomed three new Directors. Phillip Deer as Promotions and Village Liaison Director taking over from Karyn Bartholomew, Ian McKnight as Communications Director taking over from Tatiana Maxwell and Andrew Waters joining as Property Maintenance Director taking over from James Garner. Plus we shuffled some of the roles – Karyn

Bartholomew taking on Club Secretary from Julie Christensen, James Garner taking over Booking Director from Tony Lloyd. Thank you to our outgoing directors Julie Christensen, Tony Lloyd and Tatiana Maxwell. It was a pleasure to work with you.

Our membership continues to grow gradually as planned. We welcomed 13 new members in 2012 with two new spouse members and eleven 18 year old members. We also received eight unsolicited requests regarding membership which have been added to our existing membership waiting list.

New e-newsletters hopefully made everyone laugh. I hope everyone has enjoyed Ian's humour with our new look e-newsletters. I have been doubled over laughing at some of the comments (including the ones about myself) and the results have been far better than we ever expected with over 70% of emails being opened by members. We were a little recalcitrant with printed newsletters for those who have not supplied an email, however and we will endeavour to improve this in 2013.

Club rules updated to reflect the Cooperative legislation. Former Club Secretary Julie Christensen, worked closely with Club Solicitor Kathryn Telford and in-coming Secretary Karyn Bartholomew to present the new Club rules at a Special General Meeting held in November in Kiama. The proposed rule changes, a result of model rule changes to the Cooperative Act, were unanimously adopted by the attending members and subsequently submitted to NSW Fair Trading pending approval. An enormous amount of work went into updating the club rules and I must thank my sister Julie for the time she committed to finishing these. Thank you also to the working group – Alan Fredericks, Geoff Boxsell, Sandy Rendel, Kathryn Telford and Karyn Bartholomew for your involvement in the journey.

Congratulations to Rob Walker and Sandy Rendel on their Life Membership. Sandy was recognised for the substantial legal support he has provided since the early 80's including the club's legal structure and club rules along with the KT sub-lease and YHA Right of Access. Rob was recognised for his building support also since the early 80s. Having committed 15 years on the Board, Rob has been involved in the last three lodge re-builds, leading the last one and along with wife Sally recently managed the Lodge for three winters. Congratulations to both for your incredible support to the Club. As both were unable to attend the AGM were able to recognise them at the Special General Meeting held in Kiama in November.



Kiama Life Members attending the 2012 Special General Meeting held at The Pavilion Kiama

Top row from left: Alan Fredericks and Rob Walker, with President Liz Wynn

Bottom row from left: Barry Booth, Joan Fraser, John Fraser, Sandy Rendel

Absent Life members – Geoff Boxsell, John East, Anne Honey, Geoff Honey

Kiama Mayor Brian Petschler launched our second 50th history DVD 1984 – 2005. Part 2 covers our history from 1984 to 2008 – that being the Club's 50th Anniversary. Produced by Past President's Barry Booth and Alan Fredericks, the feedback from members has been overwhelmingly positive.

In producing the DVD, there are a number of people to thank: Barry and Alan for their endless efforts with this project; wives Sandra and Kate for their patience in supporting them to finish it; our numerous Life Members and members who contributed photos, stories, videos and interviews; the DVD team – Editor, Michael Alting, Narrator Charles McCammon and photo editor Ashley Oates for the many technical hours required to help bring this together; Margaret Piggott for packaging and distributing the DVD to all the members and a final thank you goes to Brian Petschler, Mayor of Kiama for officially launching the DVD at the Special General Meeting.



The DVD team launching Part 2 in November at The Pavilion Kiama.
From Left: Producers Alan Fredericks and Barry Booth, Narrator Charles McCammon, Editor, Michael Alting with Mayor of Kiama Brian Petschler

Members have received a copy per family to add to Part

1 and extra copies are available if required. Copies have also been provided to Kiama council, Kiama Historical Society and Thredbo Historical Society as an historical record. Barry and Alan have received many positive comments on the DVD and I think it has been highly worthwhile to document our history over the last 50 years.

As a final note I would like to thank Trevor Wilson who has decided to step down as Director following 8 years on the Board. Trevor ably took over the role of Vice-President in 2004 from Ron Wynn, driving or supporting many Club projects such as the kitchen replacement sub-committee, the YHA Right of Way sub-committee, Kiama 50th steering group and the recent Energy Efficiency review. He has successfully embedded a safety culture managing our insurances and all workplace safety practices resulting in very few accidents and no claims on our insurance policies. This has allowed Trevor to negotiate significant reductions to our policy costs. Trevor has been a vital part of the club management team, recruiting the new Lodge managers in 2012 and providing an important transition during Alan's retirement. I have sincerely appreciated Trevor's counsel over the past three years and I know Alan Fredericks feels exactly the same. I look forward to Trevor continuing to contribute to the Club and the Lodge and I thank him for his exemplary involvement.



Overall, a wonderful year. Through the hard work of the Directors, our Lodge Managers and the patience of our members we finished the year in a much better position than I could have expected. The Club continues to operate in a strong financial position, the Board remains focused on positive operating cash flows, reducing our expenditure where possible and repaying our debt. Our Lodge continues to offer some of the best value Club accommodation in Thredbo and is simply a great place to be. We continue to enjoy snow sports and being involved in interclub races, and our membership continues to grow gradually attracting others to enjoy Thredbo.

Liz Wynn

President

Vice President

Insurance

We made no insurance claims during 2012, since the few minor injuries to lodge guests were not a matter of club liability. There were no major changes on the Club's insurance side during 2012. With the help of the Club's insurance broker, we kept the level of premiums down to \$23,872, up only slightly from \$23,417 of 2011.

Workplace Safety

The Board has been improving the Club's practices on Workplace Safety. Our handling of the few issues that arose involving guests staying at the Lodge demonstrated the value of prompt and appropriate responses. The new Lodge Manager's experience with workplace safety issues, including her first aid training, were very valuable. We will be developing our procedures further, including reviewing our emergency Lodge evacuation procedures.

On behalf of Kiama Alpine Club, I congratulate two members who were honoured at the 2012 Kiama Council Australia Day Awards in January. Former Wallaby Gary Grey was honoured by Mayor Sandra McCarthy with membership in the Kiama Sports Honour Roll for his contributions to Rugby Union, and former Club President Alan Fredericks was nominated for the Australia Day Sports Award for his contribution to Kiama Alpine Club. Unfortunately he was pipped at the post by the well-deserving Werri Beach Boardriders Club. Alan said he was thrilled to be nominated for the award, he was proud of his South Coast roots and had achieved great pleasure in remaining connected through his community work for the Kiama region.



Kiama Alpine Club 2012 Directors (from left): James Garner, Anton Lindell, Steven Walker, Trevor Wilson, Karyn Bartholomew, Lodge Managers Michelle Palmer & John Callaghan with Liz Wynn

Absent Directors: Andrew Heggie, Phill Deer, Ian McKnight, Drew Waters.

Treasurer

The Club achieved a loss for the year of \$35,684 after depreciation, amortisation and abnormal expenses compared with a loss in 2011 of \$16,083. On the surface this would appear to be a poor result, however, the Club had positive net cash flow of \$12,648 hence we increased our cash holdings from \$140,747 at the beginning of the year to \$153,394 at 31 December 2012.

After adding back non cash flow items including depreciation \$47,903, amortisation \$2,156 and a one off loss on disposal of plant and equipment of \$15,739 the result is a profit of \$14,375 compared with \$36,329 for 2011.

The loss on plant and equipment disposals was a result of tidying up the Club's depreciation schedules, writing off a number of items that either no longer existed or made obsolete following the recent extensions and improvements to the Lodge. This is a one off event and has made the operating result appear worse than would otherwise be the case. The other item of abnormal expenditure was the History DVD production costs of \$12,150. This unfortunately was in excess of our original budgeted amount of \$5,000. Although this did hit our bottom line and cash balance, it also is a one off event.

Revenues grew by \$29,712 on the back of a strong accommodation result. Accommodation revenue increased by \$28,467 and was a reflection of the excellent ski season. Membership fees increased by \$3,500 to \$60,136 and is in line with the \$10 increase in subscription fees imposed during the year.

Total expenditure was \$282,263, an increase of \$58,814. Again this was largely due to the loss on disposal of plant and equipment and the DVD production helped along additional repairs and maintenance expenditures of \$23,023. Major items of R & M included the painting of the rear and side of the lodge including repair work to external facers and window sills, scaffolding hire, removal of the tree and replace a large section of the driveway paving.

We reduced the ANZ loan balance by \$25,647 to \$196,196 at year end which was achieved by our regular loan repayment which is currently \$2,641 per month and a lump sum payment of \$10,000.

In conclusion 2012 can be summarised as a year of good accommodation growth offset by some abnormal and one-off items of expenditure with the Club maintaining a positive cash flow position.

Steven Walker

Treasurer

Secretary

Membership

The total number of members in the Register of Shareholders at the end of 2012 was 379, which compares to 370 in 2011. Please note we incorrectly reported there were 372 members at the end of 2011, however, we incorrectly counted two new 18 year old members whose application was received in Dec but were approved in 2012.

Once again, the careful management of the Club receivables through annual subscriptions continues to ensure limited activity by the Board with respect to forfeiture of shares under the provision of the Club rules. No resignations were received in 2012, however, four members were cancelled due non-payment of annual subscriptions for more than 2 years – Dorla Gray, Penny Ledner, Ross Ledner and Roslyn Smith.

New Members

The following new members were introduced to the Club in 2012:

- Christopher Dickens – 18 year old
- Eleanor Burns – 18 year old
- Jordan Davies – 18 year old
- Madeline Harris – spouse
- Simon Kingston – 18 year old
- Stephanie Walker - 18 year old
- Jennifer Hutton – 18 year old
- Tessa Christensen - 18 year old
- Emma Dickens – 18 year old
- Catherine Hunt-Passlow – spouse
- Nicolas Dunster – 18 year old
- Angus Kingston – 18 year old
- Duncan Jones – 18 year old

Member Demographics

Home Region		
ACT	33	9%
Illawarra	89	23%
Sydney	190	50%
Other NSW	39	10%
Victoria	8	2%
Queensland	8	2%
South Australia	3	1%
Western Australia	1	0%
Overseas	8	2%
TOTAL	378	100%

Member Age		
Under 25	47	12%
25-34	41	11%
35-44	74	20%
45-54	88	23%
55-64	62	16%
65-74	48	13%
Over 7	19	5%

Board meetings

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

16 June 2012	Mittagong RSL	Liz Wynn, Trevor Wilson, Karyn Bartholomew, Julie Christensen, James Garner, Anton Lindell, Steven Walker, Ian McKnight, Phill Deer Apologies: Andrew Heggie, Drew Waters
15 September 2012	Garner Family home, Freshwater	Liz Wynn, Trevor Wilson, Karyn Bartholomew, Julie Christensen, James Garner, Andrew Heggie, Steven Walker, Tony Lloyd, Phill Deer, Ian McKnight Apologies: Drew Waters, Anton Lindell,
11 November 2012	The Pavilion, Kiama	Liz Wynn, Trevor Wilson, Steven Walker, Karyn Bartholomew, Phill Deer, James Garner, Anton Lindell Apologies: Ian McKnight, Andrew Heggie, Drew Waters
2 March 2013	Kiama Lodge, Thredbo	Liz Wynn, Trevor Wilson, Steven Walker, Karyn Bartholomew, James Garner, Andrew Heggie, Guest - Michelle Callaghan Apologies: Drew Waters, Ian McKnight, Anton Lindell, Phill Deer

It is important to note that, outside of the meetings, Board members regularly communicate via email about matters of significance relating to the day-to-day functioning of the Club. A Director's 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, one Director, Trevor Wilson (Vice President), will retire in rotation at the AGM.

Special General Meeting

A Special General Meeting was held following the Board Meeting at The Pavilion in Kiama on November 2012. The purpose of the SGM was three-fold: to adopt the Revised Rules dated October 12, 2012; to present Life Memberships to Robert Walker and Sandy Rendel; and to officially launch the DVD "Kiama Alpine Club - 50 years in Thredbo vol.II 1984-2008."

The SGM also provided us with the opportunity to formally thank Sally and Rob Walker for all their fine efforts as Lodge Managers and to make a small presentation to show our appreciation to them.

The SGM was very well attended by 69 members, as well as guests Kiama Mayor Brian Petschler and Mrs Sue Petschler, the DVD production team of Michael Alting and Charles McCammon, and Graeme Holloway of the Thredbo Historical Society.

AGM – 2013

The 2013 AGM will again be held at The Pavilion in Kiama. 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 prepared by Jamberoo caterer, Crust and Crumb (who provided the lovely afternoon tea at last year's SGM), has been organised. The AGM and dinner provide a fabulous opportunity for a social gathering for members outside of ski season.

Karyn Bartholomew

Secretary

Club Captain

2012 Senior Interclub Races

Kiama had a great result in the Thredbo Senior Inter-Clubs Races with lots of new faces experiencing a great weekend. The weekends focus is on participation and fun and we had a record turnout this year with 15 racers taking place. Special note to Bruce Piggot competing in his first interclub and doing Kiama Lodge proud!

The Inter-Club 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 75 years. 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 in 2013, please make sure you let our Lodge Managers know you are racing when you make your booking because a number of beds will be set aside for racers.

Club Weekend

RECORD SNOW with fresh powder on the Friday made 2012 Club Weekend the best weekend ever!!! There was a great turnout this year with families of all ages hitting the slopes for a great weekend of skiing and snowboarding complete with the first Dead Horse Gap run since 2005. The race track was in top condition which saw a number of personal best times being recorded.

Club Champions

Senior Skiing Mens	James Garner
Senior Skiing Ladies	Emma Lindell
Senior Snowboard Mens	Gavin Telford
Senior Snowboard Ladies	Susan Wynn
Junior Skiing Boys	Angus Waters
Junior Snowboard Boys	Josh Telford



And a new highly contested 'Veterans Category' was taken out by Andrew Heggie with the best 2012 Club Weekend stack (staying in the family) being awarded to Paul John (Liz's husband!!).

We all had lots of fun from racing and skiing on the mountain, beers at Dead Horse Gap, fireworks & sparklers followed by the Crazy Hat Party and the traditional Kiama Lodge communal feast. This year's theme was crazy hats - Gayle McKnight's busby emerged victorious against a very strong field. You can view some of the Club Weekend action on the link <http://www.youtube.com/watch?v=v1II0LOFm7o>, and check out the crazy hat photos on our Facebook page.

If you have never been to a Club Weekend then I really encourage you to join us in 2013. It is always a good weekend, regardless of the weather or snow conditions. Hope to see you there.

Anton Lindell

Club Captain

Bookings

2012 has been a stellar year for Kiama Alpine Lodge. The lodge lived up to its reputation of offering a friendly environment for families and friends to enjoy the great facilities and the alpine environment.

At the start of 2012, Lodge Managers Rob and Sally Walker unexpectedly had to step down due to health issues, leaving some big shoes to fill. After a great deal of work, particularly by Liz Wynn and Trevor Wilson, the club was very fortunate to find Michelle and John Callaghan along with their son Liam. The Callaghan family have been warmly welcomed by members and have proven themselves a marvelous asset to the Club and Lodge. I would like to thank them for the fabulous job they are doing managing the bookings, keeping the lodge beautiful and ensuring everyone has an enjoyable stay.

The old booking management system was replaced at the beginning of 2012 by a new system called Reservations. Thanks goes to members Paul John and Alistair Waters for setting up the new system, building reports and linking it to our website.

The total bed nights for 2012 were almost 300 more than 2011, totalling 3952. This is the fifth year in a row where we have had increased bed nights over the previous year. These increases are reflected by the increase in accommodation revenue received.

Of the 3952 bed nights in 2012, we saw an increase in friends of members visiting the lodge throughout the year, many of whom were whole families. 2012 gave us one of the best snow seasons in a while which helped us achieve strong bookings throughout winter. Post winter, Thredbo Village was very quiet and tranquil. Despite this we saw record visitors to the lodge over spring including members, guests and working parties.

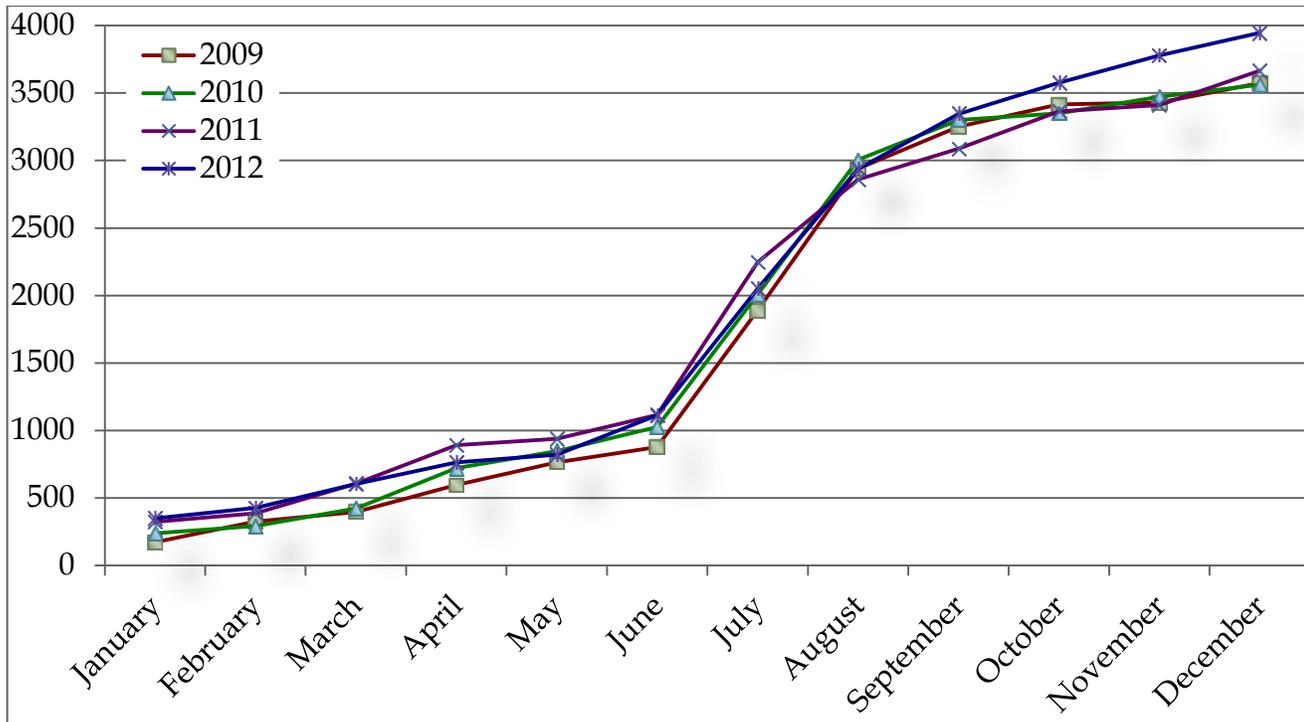
2013 is shaping up to be another great year. We have already received a good number of booking requests for the winter season, so if you intend on visiting the lodge this winter please remember to get your booking request in prior to 31 March so you do not miss out on the dates you want.

James Garner
Booking Director

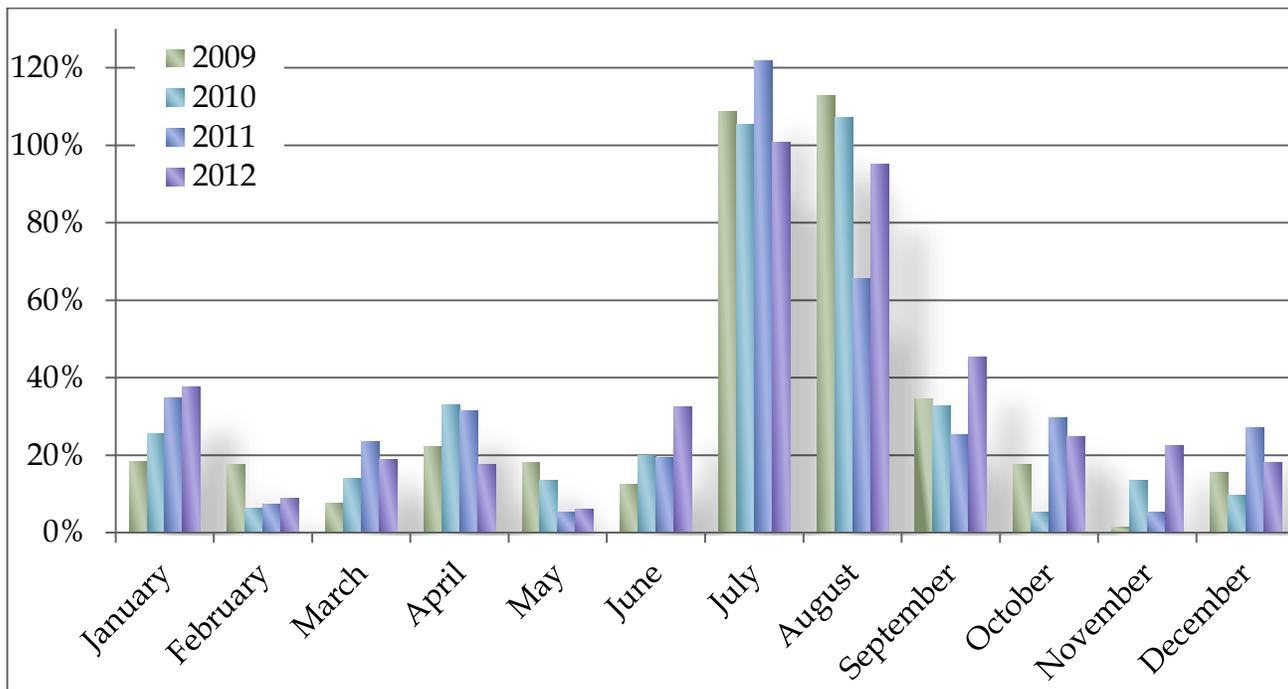


James, Cathie & Robert Garner

Comparison of Cumulative Bed Nights from 2009 to 2012:



Comparison of Monthly Bed Nights Utilisation from 2009 to 2012:



Lodge Operations

I am pleased to report a constructive program in Lodge Operations this year. Thankfully mother nature provided great snow conditions which were reflected in fantastic accommodation levels, thereby making it possible to further improve our lodge.

Those who have visited Thredbo since July will have not been able to miss the new Moran lounges. With the help of the Garner family, we were able to purchase the 4 x 2.5 seaters and 2 chairs at just \$13,500 including delivery to Thredbo, a huge discount off their retail price of over \$25,000. Moran provides a 10 year guarantee on their construction, which was a key factor in their selection. I hope you have all had an opportunity to relax on them.



Stuart Waters demonstrating the comfort of the new lounges.

The carpet has been steam cleaned and has come up well. We expect it will last at least until next year when we might revisit its replacement, finances permitting. We have installed full length wall mirrors and new wooden coat hangers to all those bedrooms that lacked them, and we have added hair dryers to all the bathrooms. A few kitchen appliances required replacement throughout the year such as a toasted sandwich press, a 4 slice toaster and a blender. With the able assistance of John our lodge manager, blinds have been fitted to two of the windows in the games room.

The old barrel vacuum cleaners have been retired and replaced with 2 brand new Dyson units much to the delight of Michelle our lodge manager, who looked like a kid at Christmas when I carried them in. Just wish I'd thought to tie a ribbon around them!

Looking ahead

We have identified some capital works for 2013. At the top of the list is to revisit the upgrade of the top level bathrooms, funds permitting. We hope to further enhance the lounge room in by improving the usability of the built-in seating under the windows and along the southern wall, under the wall decoration. We are also looking at purchasing a snow blower to assist in clearing the driveway and paths during the heavy and multiple dumps that will be coming this season! In the past we have borrowed a blower but this has proved impractical. We will also be freshening up the bedrooms and the games room plus adding / replacing some of the occasional furniture throughout the lodge. I invite all members and their guests to make suggestions that you think would help make the lodge more comfortable.

Andrew Heggie

Lodge Operations

Lodge Maintenance

The Lodge is looking a treat as always, but it takes a lot of work to keep on top of all the small and large projects to maintain the appearance inside and out. Having such capable lodge managers helps, as does the involvement of so many members over the course of a year.

This year has seen the usual jobs such as firewood and garden maintenance taken care of at working bees, along with cleaning, counting (yes, there's still just 1 lodge) staining and painting. The large tree beside the entrance was removed due to termites and replaced with a number of native alpine shrubs, and Michelle managed a long-running plumbing problem that is now sorted.

The other major maintenance project was replacing the pavers at the front of Lodge. Thank you to Craig Morris and Rob Walker for managing the paver working bee in April. Along with Craig's wife Barbra, children Madison and Ashlea and members Tony Lloyd, Mitchell Coleman and James Garner, they removed the old tatty pavers and relaid new herringbone pavers from the front door to half way down the driveway in just four days. Member Rob Fraser then followed up finishing the drain and cutting in. The driveway looks fantastic, adding to the great first impression of the Lodge and we were lucky to have the help of those concerned with this huge job.

Looking into the crystal ball, we have to treat and paint the external flue, oil around the window sills, freshen up some carpets and paint, replace the window winders, and eventually get to the upstairs bathrooms. Our maintenance continues to be guided by the 10 year expense plan we introduced a few years ago.

All this needs doing ... all help appreciated. Just part of running a lodge.

Drew Waters

Maintenance Director



The Paver working bee team. From left Mitch Coleman, James Garner (obscured, Craig Morris, Barbra Wynn and Tony Lloyd. Missing from the photo; Madison and Ashlea Morris (pictured below)



Communications

This year is my first year as communications Director, having taken over from Tatiana Maxwell who had done a fantastic job!! It's been more work than I expected, but I've tried to make the newsletters entertaining and engaging to all members. Communication with Members has been through email and Facebook as well as the club's web site, email being the most effective method of communication. I'm happy to have all feedback.

In an effort to **reduce costs**, members are encouraged to subscribe to our data base to alleviate the need to have newsletters printed and posted. To subscribe to the emails this can be done via Facebook or just email me: ian.mcknight@kiamaalpineclub.org.au

E-blasts have also effective been very effective ways for sending out last minute reminders or lodge availability. These can happen on a more regular basis, monthly or weekly during winter depending on what is happening at the time.

Ian McKnight

Communications Director

Lodge Managers' Report

2012 saw new management at Kiama Lodge. We were very kindly received by the membership, receiving letters of welcome and warm first meetings. The membership responded very positively to our management style in the end of season survey. The proactive Directorship were very supportive, as we tackled a new reservation system and tried to fill the shoes of the very much loved Sally and Rob Walker due to their unexpected early departure.

Our first experiences of the Lodge were well attended working bees which proved to be a true indicator of the type of people that make up this dynamic membership. In 2012, new pavers were laid, new lounges arrived late at night mid-snow storm and enough wood was cut to last two seasons, all with much thanks to the membership.

It is a credit to members past and present that the lodge is in such good condition. This proved apparent in 2012 with two other lodges bringing their Directors and Committee Members on site, to look at what has been so cleverly achieved at Kiama Lodge.

Our first season managing Kiama Lodge proved to be a great snow season, allowing for a minor extension. The snowfalls brought good occupancy figures which saw an increase in guest numbers over members. Guests were so delighted with their Kiama Lodge experience that we secured some whole lodge bookings for 2013 and beyond.

Work Health and Safety saw two incidents to report, both inflicted on the mountain but managed post-trauma at the lodge. Both parties have recovered well and we expect to enjoy their patronage in 2013.

KT called a "Special Meeting" pre 2012 season, full of promises of attitude change and marketing productivity which in our opinion has fallen flat of their hype. Hopefully 2013 will see the benefit of their change of management.

We look forward to entering our second year at Kiama Lodge. Bring on the snow!

Michelle and John Callaghan

Lodge Managers

Financial Statements for the Year Ended 31 December 2012

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED

DIRECTORS' REPORT

AS AT 31 DECEMBER 2012

The Directors present their report together with the accounts of Kiama Alpine Club Co-operative Limited for the year ended 31 December 2012 and the auditors' report thereon.

DIRECTORS

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

Liz Wynn	Ian McKnight
Trevor Wilson	James Garner
Steven Walker	Drew Waters
Phill Deer	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 \$35,684.

REVIEW OF OPERATIONS

The loss for the year of \$35,684 was compared with a loss of \$16,083 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 2012

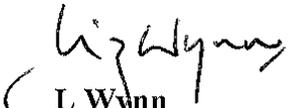
EVENTS SUBSEQUENT TO BALANCE DATE

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

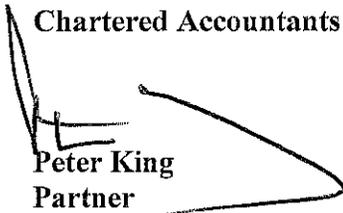
Dated this 8th March 2013

**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 2012 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
JOHN L BUSH & CAMPBELL
Chartered Accountants


Peter King
Partner

Wagga Wagga
11 March 2013

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012	2011
		\$	\$
Revenues from ordinary activities	2	246,579	214,367
Administrative expenses		(16,529)	(15,355)
Amortisation Expense		(2,156)	(2,156)
Depreciation expense		(47,903)	(50,256)
Caretaker		(32,526)	(28,956)
Rental and lease option		(41,244)	(40,282)
Heating and electricity		(29,693)	(23,743)
Insurance		(23,872)	(23,417)
Finance costs		(18,152)	(21,338)
Other expenses from ordinary activities		(70,186)	(24,947)
Profit / (loss) from ordinary activities before income tax expense		<u>(35,684)</u>	<u>(16,083)</u>
Income tax expense relating to operating activities		-	-
Net profit / (loss) from ordinary activities after income tax expense		<u>(35,584)</u>	<u>(16,083)</u>
Other comprehensive income			
Total Comprehensive Income		<u>(35,684)</u>	<u>(16,083)</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 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	4	153,394	140,747
Trade and other receivables	5	17,323	5,129
Other current assets	6	16,591	27,326
TOTAL CURRENT ASSETS		187,308	173,201
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,215,603	1,264,714
Intangibles	8	175,013	177,169
TOTAL NON-CURRENT ASSETS		1,390,616	1,441,883
TOTAL ASSETS		1,577,924	1,615,085
CURRENT LIABILITIES			
Trade and other payables	9	39,361	14,441
Interest bearing liabilities	11	31,687	31,687
TOTAL CURRENT LIABILITIES		71,048	46,128
NON-CURRENT LIABILITIES			
Other liabilities	10	92,500	93,250
Interest Bearing Liabilities	11	164,509	190,156
TOTAL NON CURRENT LIABILITIES		257,009	283,406
TOTAL LIABILITIES		328,057	329,534
NET ASSETS		1,249,867	1,285,550
EQUITY			
Retained earnings		1,249,867	1,285,550
TOTAL EQUITY		1,249,867	1,285,550

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 2012

	2012 \$	2011 \$
Retained earnings at the beginning of the year	1,285,550	1,01,633
Net Profit/(loss) from ordinary activities	(35,684)	(16,083)
Retained earnings at the end of the financial year	<u>1,249,867</u>	<u>1,285,550</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 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		267,564	215,740
Cash payments in the course of operations		(200,522)	(147,208)
Interest received		3,935	6,148
Interest paid		(18,152)	(21,338)
Net cash provided by operating activities	13(ii)	52,825	53,342
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(14,530)	(3,055)
Net cash provided by / (used in) investing activities		(14,530)	(3,055)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		(25,647)	(9,599)
Net cash provided by / (used in) financing activities		(25,647)	(9,599)
Net increase / (decrease) in cash held		12,648	40,688
Cash at the beginning of the financial year		140,747	100,059
Cash at the end of the financial year	13(i)	153,394	140,747

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 2012

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 2012

(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 2012

	2012	2011
	\$	\$
NOTE 2 - REVENUE		
Accommodation fees	174,008	145,541
Entrance fees	8,500	6,000
Membership fees	60,136	56,564
Interest received	3,935	6,148
Other	-	114
	<u>246,579</u>	<u>214,367</u>

NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES

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

Charging expenses		
Depreciation	47,903	50,256
Amortisation	2,156	2,156
Auditor's remuneration	4,500	4,400
Bad & doubtful debts	764	1,868

NOTE 4 - CASH AND CASH EQUIVALENTS

ANZ working account	27,967	2,410
ANZ membership account	62,827	3,029
ANZ Term Deposit - 10797	40,922	83,350
ANZ Term Deposit - 81026	10,295	40,960
Business online account	5,566	5,373
ANZ online	5,566	5,373
Cash on hand	250	250
	<u>153,394</u>	<u>140,747</u>

NOTE 5 - TRADE AND OTHER RECEIVABLES

Receivable from members	17,404	2,368
Less: provision for impairment of receivables	(940)	(1,673)
Goods and services tax	-	3,799
Accrued interest	860	634
	<u>17,323</u>	<u>5,129</u>

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 6 - OTHER ASSETS		
Current		
Prepaid expenses	16,591	27,326
	<u>16,591</u>	<u>27,326</u>
NOTE 7 - PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements - at cost	1,742,580	1,742,557
Less: accumulated depreciation	(593,872)	(558,998)
	<u>1,148,708</u>	<u>1,183,559</u>
Furniture, fittings and equipment - at cost	205,955	354,010
Less: accumulated depreciation	(139,060)	(272,855)
	<u>66,895</u>	<u>81,155</u>
	<u>1,215,603</u>	<u>1,264,714</u>
Leasehold improvements		
Balance at the beginning of the year	1,183,559	1,218,387
Additions	23	-
Depreciation	(34,874)	(34,828)
Carrying amount at the end of the year	<u>1,148,708</u>	<u>1,183,559</u>
Furniture, fittings and equipment		
Balance at the beginning of the year	81,155	93,528
Additions	14,530	3,056
Disposals	(15,738)	-
Depreciation	(13,052)	(15,429)
Carrying amount at the end of the year	<u>66,895</u>	<u>81,155</u>
NOTE 8 - INTANGIBLES		
Additional bed availability	80,145	80,145
Lease renewal	116,554	116,554
Less: accumulated amortisation	(21,686)	(19,530)
	<u>175,013</u>	<u>177,169</u>

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 9 - TRADE AND OTHER PAYABLES		
Current		
Income in advance	150	6,590
Trade creditors	17,296	7,851
Accrued Wages	8,630	-
Superannuation Liability	1,667	-
PAYG	4,238	-
GST Payable control account	7,381	-
	39,361	14,441
NOTE 10 - OTHER LIABILITIES		
Non-current		
369 fully paid ordinary members shares	92,500	93,250
	92,500	93,250
NOTE 11 - INTEREST BEARING LIABILITIES		
Current		
ANZ Building Loan	31,687	31,687
	31,687	31,687
Non - Current		
ANZ Building Loan	164,509	190,156
	164,509	190,156
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 2012

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:

	2012	2011
	\$	\$
Cash and cash equivalents	153,394	140,747
	<u>153,394</u>	<u>140,747</u>
 (ii) Reconciliation of operating profit to the net cash provided / (used) by operating activities		
Operating profit / (loss)	(35,684)	(16,083)
 Add / (less) non-cash items		
Depreciation	47,903	50,256
Amortisation	2,156	2,156
Loss on sale of property, plant & equipment	15,739	-
 Net cash provided by / (used in) operating activities before change in assets and liabilities	 <u>30,114</u>	 <u>36,329</u>
 Change in assets and liabilities		
(Increase) / decrease in other assets	10,735	1,062
(Increase) / decrease in receivables	(12,194)	7,429
Increase / (decrease) in payables	24,920	7,521
Increase / (decrease) in other liabilities	(750)	1,000
Net cash provided by / (used in) operating activities	 <u>52,825</u>	 <u>53,342</u>

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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.

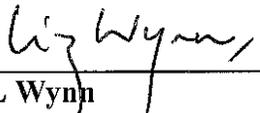
KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
DIRECTORS DECLARATION

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

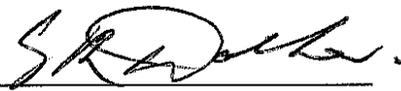
1. the financial statements and notes are in accordance with the Cooperatives Act 1992:
 - (a) comply with Accounting standards and the Co-operative's Regulations; and
 - (b) give a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date 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 8th day of March 2013

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 2012 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

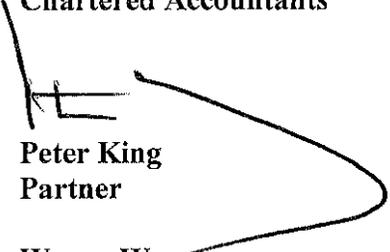
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

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 2012, 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
JOHN L BUSH & CAMPBELL
Chartered Accountants


Peter King
Partner

Wagga Wagga
11 March 2013

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED

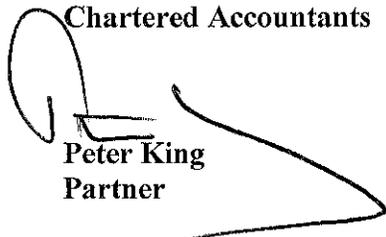
DISCLAIMER:



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 2012. 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

Wagga Wagga
11 March 2013

KIAMA ALPINE CLUB CO-OPERATIVE LIMITED
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
INCOME		
Accommodation fees	174,008	145,541
Interest	3,935	6,148
Membership fees	60,136	56,564
Sundry	-	114
	<u>238,079</u>	<u>208,367</u>
EXPENDITURE		
Accountancy	3,012	2,678
Advertising and promotion	250	5,678
Amortisation	2,156	2,156
Audit	4,500	4,400
Bad & doubtful debts	764	1,868
Bank charges	4,300	4,349
Borrowing costs	18,152	21,338
Caretaker	32,526	28,956
Depreciation - leasehold improvements	34,851	34,828
- furniture and fittings	13,052	15,428
Directors expense reimbursement	-	-
Electricity	10,421	7,596
General	2,014	2,173
Insurance	23,872	23,417
Meeting expenses	1,890	2,437
Subscriptions	-	-
Printing, postage and stationery	3,541	2,005
Rental and lease option	41,244	40,282
Repairs and maintenance	30,751	10,829
Telephone	3,786	3,886
Gas	19,272	16,146
Replacements & consumables	4,019	3,101
DVD Production (Members)	12,150	-
Loss on sale of property, plant & equipment	15,739	-
	<u>282,263</u>	<u>230,449</u>
Surplus/(deficit) before other income	(44,184)	(22,083)
Entrance fees	8,500	6,000
Profit / (loss) for the year	<u>(35,684)</u>	<u>(16,083)</u>

Minutes of the Annual General Meeting

Location: The Pavilion, Kiama

Date: 5 May 2012

Time: 3.10pm – 5.45pm

Attendees:

Bob Anderson, Maree Anderson, Wal Balak, Mary Balak, Karyn Bartholomew, Barry Booth, Sandra Booth, Viv Boxsell, Geoff Boxsell, Tony Chapman, Julie Christensen, Mitch Coleman, Marla Coleman, Phil Deer, Tanya Deer, Susan Dunster, Christine Fraser, Joan Fraser, John Fraser, Alan Fredericks, Kate Fredericks, Robert Garner, Cathie Garner, James Garner, Andrew Heggie, Peter Henry, Paul John, Len Lindell, Anton Lindell, Elaine Lindell, Ian McKnight, Gayle McKnight, Margaret Piggott, Bruce Piggott, Gary Schier, Dot Schier, Kathryn Telford, Gavin Telford, Steven Walker, Graham Walker, Stuart Waters, Trevor Wilson, Christine Wilson, Liz Wynn

Apologies:

Miles Anderson, Louise Anderson, Richard Anderson, Andrew Balak, Jeremy Balak, Darryn Booth, Andrew Braid, Jenny Braid, Jane Carroll, Rye Coleman, Amy Coleman, Fiona Dunster, Alex Dunster, Nicholas Dunster, Chris Fraser, Lucy Fraser, Alice Fraser, Scott Fraser, Anna Fredericks, Paula Heggie, James Heggie, Gigi Henry, Karen-Anne Herald, Peter Herald, Steve Honey, Ann Honey, Mark Honey, Deon Hubner, Kim Hubner, David Jones, Catherine Jones, Daniel Jones, Sven Lindell, Anna Lindell, Emma Lindell, Tony Lloyd, Anna Lloyd, Alex Lloyd, Jonathon Lloyd, Maria Lubczyk, Brian Lubczyk, Tatiana Maxwell, Cameron McKnight, Joshua McKnight, Samuel McKnight, Craig Morris, Gayle Pugh, Graham Pugh, Sandy Rendel, Dianne Rendel, Samantha Schier, David Schier, Briony Tyquin, Michael Tyquin, Bernadette Walker, Robert Walker, Sally Walker, Catharina Wallberg, Mikael Wallberg, Andrew Waters, Alistair Waters, Belinda Wilde, Damien Wilde, Scott Wilson, Simon Wilson, Geoffrey Wilson, Barbra Wynn, Susan Wynn

Introduction

Welcome and apologies – the President welcomed all members to the 2012 Annual General Meeting and introduced the Life Members attending Alan Fredericks, Geoff Boxsell, Barry Booth, Joan Fraser, John Fraser and also noted the directors in attendance.

It was noted that there were two corrections to the Annual Report: Tony Lloyd had been on the Board of Directors for 4 years (page 5) and the working bee credit was incorrectly recorded in the minutes as \$165 rather than \$125.

Confirmation of the minutes of the 2011 AGM

Minutes of the previous AGM held Saturday 14 May 2011, in Kiama were confirmed.

Motion: To adopt the minutes of the 2011 AGM as a true record:

Moved: James Garner Seconded: Kate Fredericks Carried

2011 Directors Reports

President

Liz Wynn presented the highlights of her 2011 report with the following key points:

- 2012 was generally a solid year for the Club. Early winter bookings were very promising however there was an unexpected slump in August
- Budget was well managed, with a strong focus on keeping minimising operating expenses
- A highlight of the year was the launch of the new Club website in October with special thanks to James Garner
- Safety signage around the lodge has been updated

- A recent lowlight was the sad news that Robert and Sally Walker would be unable to complete their contract as Lodge Managers due to personal reasons. On behalf of all members Liz extended warm and heartfelt thanks for their tireless work ethic and outstanding effort.
- In terms of appointing new Lodge Managers over 60 applications were received and Michelle Palmer (a former dental nurse) and John Callaghan (a chef) were appointed. They have had extensive experience, having spent a number of years as caretakers of the Boali Lodge in Thredbo and also running a bed and breakfast in the UK. John and Michelle also have a young son, Liam who is 13 and will be living with them in Thredbo. The Board have offered them a 12 month contract. Trevor Wilson commented that in making the decision they were very conscious of what is required of Lodge Managers and noted that he found them to be well rounded and pleasant
- Recent maintenance jobs included the re-painting of the back section of the Lodge and a recent paving working bee in April led by Crain Morris
- Liz also commented on the implementation of the new booking system and the success of Alex Cross' wedding with a full lodge booking in March.

Treasurer

Steven Walker presented his financial report noting:

- Operating expenses were managed very effectively resulting in a relatively good year
- There has been a strong emphasis on minimising capital expenditure
- The overall results were an excellent outcome given that, as a consequence of a strong Australian Dollar and people travelling overseas to ski
- The challenge for the future is growth in revenue as it has remained relatively stagnant
- There will be a few major expenses in the coming year – a decision has already been made to replace the lounges and possibly some beds
- The late payment fee for annual subscription has had a very positive impact
- A further one-off repayment has been made on the loan.

Alan Fredericks complimented the Board on the results and noted the effort that had been put into reducing the loan. Alan had also had an inquiry about the possibility of member's bequests and Liz noted that the Board would be considering a policy and guidelines.

Motion: To adopt the Treasurer's Report and Financial Statements for 2011

Moved: Wal Balak Seconded: Trevor Wilson Carried

Club Captain

Anton Lindell congratulated those involved in the racing season and also reminded people that the handicap arrangements for the Senior Interclubs supports the involvement of small lodges. In terms of the racing schedule for this year the Club weekend will be a little earlier, hopefully resulting in better conditions and participation.

Booking Director

Retiring Booking Director, Tony Lloyd, sent his apologies and the President presented the report on his behalf noting we received good booking results through growth in summer bookings and an increase of 100 in the overall bed nights from the year prior. Liz noted if August had experienced better snow we would have done even better.

Liz built on the Treasurer's comments and noted that 2012 will likely be challenging – again as a result of the strong Australian Dollar. The retailers in Thredbo have been suffering from this trend as well and the Board is keen to work with Kosciusko Thredbo and the Thredbo Chamber of Commerce to ensure that we remain a strong, progressive and active Club.

Election of the Directors

The President advised, in accordance with the Club Rules, three Directors were retiring including Tony Lloyd, Julie Christensen and Tatiana Maxwell and all had indicated that they would not be seeking re-election. Liz thanked the outgoing Directors for their contributions.

Two nominations for Directors had been received within the stipulated timeframe.

- Ian McKnight indicated he is keen to take a role on the Board and looked forward to improving the communication and building a relationship with other sporting associations
- Phill Deer noted a long term involvement with Thredbo village and was keen to contribute to the Board by building on those relationships he had formed.

Motion: To accept the nominations to the Board Directors for Ian McKnight and Phill Deer:

Moved: Anton Lindell Seconded: James Garner Carried

Vacant Directors

As not all vacancies were filled nominations were called from the floor. Alan Fredericks indicated that his nephew Andrew Waters would be interested in accepting a role on the Board. Alan noted that Andrew lives close to the Lodge and this would be of great assistance when support was required.

Motion: To accept the nomination of Andrew Waters to the Board Directors:

Moved: Stuart Waters Seconded: Kate Fredericks Carried

Election of Office Bearers

Alan Fredericks 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: Andrew Heggie

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

Moved: Christine Wilson Seconded: Mary Balak

Motion: to accept the nomination of Karyn Bartholomew as Secretary

Moved: Julie Christensen Seconded: Trevor Wilson

Motion: to accept the nomination of Steven Walker as Treasurer

Moved: James Garner Seconded: Gary Schier

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

Moved: James Garner Seconded: Wal Balak

All carried.

Election of Auditor and Approval of Fees

Steven Walker indicated 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: Bob Anderson Seconded: Tony Chapman 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 \$215, noting that the working bee credit would be set at \$125. A late penalty fee of \$50 will apply.

Wal Balak sought clarification that members over 65 were eligible for a working bee credit, and this was confirmed.

Motion: That the Annual Subscription for 2012 be set at \$215 with a \$125 working bee credit for eligible members

Moved: Robert Garner Seconded: Elaine Lindell Carried

Nominations for Life Membership

The Board had received two written detailed nominations for Life Membership as follows:

- Robert Walker, nominated by Gayle and Graham Pugh, noting Rob's many years of service to the Club through his participation and management of a number of building projects and long term role on the Board of Directors.
- Sandy Rendel, nominated by Alan Fredericks, who commented on Sandy's many years of managing the legal affairs of the Club, through a complex and diverse range of issues.

The President outlined the rules and guidelines for the awarding of Life Membership, and indicated that it was the Board's view that both the nominees have:

- rendered exceptional services to the Club, which can be clearly documented and substantiated.
- contributed at least 10 years' service to the Club – resulting in the Club being substantially and positively changed by that contribution - and actively contributing to the participation in alpine activities.

The Board fully supported and endorsed the nominations.

Motion: To accept the nomination that Robert Walker be awarded Life Membership:

Moved: Wal Balak Seconded: Maree Anderson Carried

Motion: To accept the nomination that Sandy Rendel be awarded Life Membership:

Moved: Alan Fredericks Seconded: Trevor Wilson Carried

Unfortunately neither Robert nor Sandy were available to accept the presentation of their awards. The President indicated arrangements would be made to do this at a Special General Meeting planned for later in the year.

Club History DVD Part 2 – chapter 1

Alan Fredericks and Barry Booth presented the first section of the part two of the Club's history on DVD and the members in attendance. President Liz Wynn thanked Alan and Barry for their tireless effort in pulling together the material and converting it to a format that will be preserved overtime. They were both presented with a small gift of thanks on behalf of members. It was noted that we will all be looking forward to seeing the DVD in full.

General Business

The President commented on the following upcoming events, activities and plans for the future:

- The next working bee will be held on 19 – 20 May and those attending will have the opportunity to meet the new Lodge Managers. It will also be timed with a wood collection activity
- Anton was organising a Warren Miller Ski Night in Sydney in April, with dinner prior
- It is the hope that some bush walks will be arranged either in Wollongong and Sydney
- A decision had been made to limit the bathroom renovation activities to an aesthetic refresh – and much simpler and cheaper exercise that originally planned that would also make the most of tiles left over from the new bathrooms
- The By-laws have been updated to reflect changes to winter check-in and check-out times and the arrangements for working bee credits, noting that some members contribute to multiple activities and the Board may apply up to two credits to one member.

Members Feedback

- Maree Anderson sought to clarify that working bee credits can be transferred to other family members and this was confirmed
- Barry Booth made special mention of the need to the check-in and times on the basis that they genuinely support the cleaning of the lodge and urged members to understand the importance of it. The Liz also confirmed that cleaning of bathrooms will be removed from the guest responsibility list and will be taken on by the Lodge Managers
- Elaine Lindell asked the Board to consider how minimum booking periods and preferences are managed, with a focus on maximising revenue and flexibility for members
- Wal Balak commented on the recent success of a Probus Club visit he organised at and how suitable the Lodge was for older guests and encouraged other members to consider it
- Len Lindell raised the possibility of saving more rooms for racing weekends
- Alan Fredericks invited members to Thredbo Historical Society events and in particular a cocktail evening in Sydney on 22 May where Les Strzelecki would be speaking.

Meeting closed at 5.45pm and was followed by a buffet dinner.

Minutes of the Special General Meeting

Location: The Pavilion, Kiama

Date: 11 Nov 2012

Time: 1.45pm – 5.00pm

Attendees:

Liz Wynn, Trevor Wilson, Steven Walker, Karyn Bartholomew, Phill Deer, James Garner, Anton Lindell, Tony Chapman, Gary & Dot Schier, Barbra Wynn, Craig Morris, Julie Christensen, Susan Wynn, Sally & Life Member Robert Walker, Barbara Walker, Graeme Walker, Bruce & Margaret Piggott, Rhonda & Arthur Moorhouse, Sandra & Life Member Barry Booth, Kate & Life Member Alan Fredericks, Geoff Wilson, Marla & Mitch Coleman, Life Members Joan & John Fraser, Kathryn Telford, Catherine & David Jones, Di & Life Member Sandy Rendel, Mary & Wal Balak, Peter Henry, Chas Keys, Elaine Lindell
Guests: Lodge Managers Michelle Palmer, John Callaghan

Apologies:

Ian McKnight, Andrew Heggie, Drew Waters, Geoff & Vivien Boxsell, Tatiana Maxwell, Richard & Alison Halliday, Carolyn & Reg Mercer, Maree & Bob Anderson, the Honey families, Ray & Gerri Mildren, the Lapin family, Andres Dubyk, Anita Rogers, Lois Woollams, Darren Booth, Stuart Waters, Alistair & Rachel Waters, Jane & Jim Carroll, Christine Wilson, Ross Elsom, the Wallberg family.

Changes to Club Rules

Julie Christensen, on behalf of the Working Group, spoke to the changes to the Club Rules and responded to questions from the attending members. The background to the proposed changes is attached below.

Liz Wynn acknowledged the huge efforts of the Working Group in revising and updating the Club Rules.

Special Resolution: That the members of the Kiama Alpine Club Cooperative Limited adopt the Revised Rules dated October 12, 2012, as distributed.

Moved: James Garner

Seconded: Susan Wynn

Following a unanimous vote the Special Resolution was adopted.

General Business

Liz Wynn gave an update on Club activities since the AGM.

Liz Wynn thanked Robert and Sally Walker for their work as Club Managers and presented them with a framed photograph.

Presentations for Life Membership

Life Memberships were presented to Robert Walker and Sandy Rendel

Official Launch of the Club History DVD

The DVD, "Kiama Alpine Club – 50 years in Thredbo vol. II 1984-2008" was officially launched by Kiama Mayor Brian Petschler. The DVD launch was attended by the following guests - Sue Petschler, Michael Alting (DVD Producer), Charles McCammon (DVD Narrator), Graeme Holloway of Thredbo Historical Society.

Meeting closed 5:00 pm

Background to Special Resolution

The Co-operatives Act 1992 and Rules

The Co-operatives Act 1992 (the Act) requires co-operatives to have rules that deal with certain matters relating to the co-operatives internal operations. The rules of a co-operative provide the basis upon which the members of the co-operative come together to pursue the co-operatives activity.

NSW Fair Trading, the administering body of co-operatives in NSW, issues 'model rules' to make provision for common activities for all co-operatives such as election of directors, cancellation of membership, practices of the Board etc. Schedules attached to the rules enable each co-operative to develop their own identity through active membership provisions, fees and charges etc.

Existing Rules

The rules of the Kiama Alpine Club Co-operative were first adopted in 1988 when the Alpine Club of Kiama first became a co-operative. They were last revised and accepted by members in April 1996. When developed, these were based on the 'model rules' applicable at that time.

Since 1996 there have been a number of changes to the rules to allow for transfer of shares, member levies and the incorporation of compulsory member loans. In addition to this, there have also been a number of changes to the Co-operative Act.

The Board also acknowledges that some rules are potentially obsolete, such as the schedule of fees and charges and agreed to a review of the rule. The identified purpose was to:

- Review the current rules in conjunction with the relevant legislation and guidelines issued by the Department of Fair Trading
- Identify particular areas to be addressed
- Consider the currency of the fees
- Prepare draft rules for consideration by members

Proposed Rules

The proposed rules are predominantly based on the current model rules issued by NSW Fair Trading, however they incorporated continue specific conditions that recognise the individual attributes of the Kiama Alpine Club Co-operative.

Major Changes

Schedule of Fees and Charges

A primary purpose of the review of the rules was to assess and review the applicability of the schedule of fees and charges. In 1996 the decision was made to cap the entrance fees to \$20,000 and this was reached in the previous membership opening period.

<i>Fee</i>	<i>Existing Amount</i>	<i>Proposed Amount</i>
Entrance fee	\$25.00 deposit on lodging application fee Plus entrance fee of not less than \$10 and not more than \$20,000	Not more than \$50,000
Annual subscription	Not less than \$10.00 and not more than \$250.00	Not more than \$1,000

Whilst these proposed amounts may seem excessive, the Board's intent is to ensure that there will be a number of years before the caps are reached again, and gives very serious consideration to any potential rises in fees.

Allocation of Share Certificates

It is no longer necessary for share certificates to be allocated under the provisions of the Act, so this requirement was removed from the model rules. The Board may continue to issue share certificates, under provisions of By-laws.

Audit

Requirements for auditing have been streamlined to reflect the provisions of the Corporations Act and mirror the model rule requirements.

Board of Directors

The flexibility of an additional two Directors has been allowed for, as has the incorporation of Deputy Directors. Unfortunately, however, the arrangements for nomination and election of Directors is much more prescriptive under the current model rules. The Board will need to address the filling of Directors' roles much earlier than they do under the current framework.

Electronic Transmission

Under the provisions of the existing rules the Board has a requirement to distribute notices of general meetings and annual financial statements to every individual member. Under the revised rules electronic mail is an acceptable form of communication and the Board will now be able to email this information to members who have a preference for this. The Club has the potential to save at least \$1,000 per year on postage and printing costs.

General information regarding the Share Register

There were some questions from the floor regarding the share register, including suggestions that the value of shares be increased, and that they be abolished altogether. The share value was discussed by the Working Group, which recommended keeping a share registry with a nominal share value (currently \$250) because it is a liability that members can forfeit if membership is cancelled, for example for non-payment of subscriptions. Further, the existence of a share allows for memberships to be transferred in limited circumstances. Most commonly this occurs on the death of a member. It also allows for the transfer of shares to the children of members who were over the age of 18 when their parents joined. The Board has discretion to approve an early transfer of shares, and will only grant approval if the transfer will enhance the Club by creating more family memberships and greater family participation.

The Share Guidelines for Early Transfer of Shares are in the process of being updated.