

## Treasurer's Report on 2019 Accounts

The Club's audited accounts, for the year ended 31 October 2019, are available on the Club's website for the information of members. All figures are net of GST. As you are aware, the Club's AGM has been deferred to a date to be determined. The operating result for year was a surplus of \$26,192, as against \$75,835 in 2018.

1. The income statement is summarised below:

	2019	2018
	\$	\$
Income	707,682	708,998
Operating Expenses before interest, depn & amtn	-482,870	-440,041
Operating Surplus before interest, depn & amtn	224,812	268,957
Less: interest on loan	-39,003	-41,446
Operating Surplus before depn & amtn	185,809	227,511
Less: depreciation & amortisation	-159,617	-156,676
Operating Surplus	26,192	70,835

- Overall income was stable with a small increase in accommodation and membership subscriptions; see Note 4 to the accounts.
- Accommodation income (net of refunds) increased by 2.5% overall. Whilst Waragun and Tiobunga were not materially different to 2018, Kyilla recorded an increase of 16.5%.
- In addition to the Tiobunga flood remediation works (\$250,000) paid by our insurer to the builder, the insurer also reimbursed \$20,500 in lost summer income and \$21,011 in other expenses.
- Membership income was \$262,673, compared to \$260,916 in 2018.
- Operating expenses increased by approximately 9.5%, mainly due to additional expenditure on maintenance and the development of a new booking system, Clubman, together with a new website. Insurance premiums went up slightly due to the lodges being revalued for insurance purposes. Some additional maintenance, including painting, was carried out at Tiobunga and the flexi-hoses in the plumbing were replaced at Tiobunga and Kyilla. Waragun's plumbing was addressed after the end of the financial year.
- The loan balance was \$439,000 at year end after an additional repayment of \$60,000. The facility currently expires on 4 December 2023, is at a variable rate of 6.2% and is reducing by payments of principal and interest. The Club currently has a redraw facility of \$410,000.

8. Cash at bank at year end was \$52,956. Net assets increased by \$79,785 to \$4,382,245.
9. The cashflow statement on page 5 shows the Club's net cashflow from operating activities, less capital expenditure of \$83,330 and loan repayments of \$99,138, which equal the bank balance.
10. The Committee has recommended that membership subscriptions for 2021 be as set at the AGM held in 2019, in other words no change from 2020. The accommodation rates are being held at 2019 rates for 2020.
11. As you are aware, due to the Covid-19 crisis it is uncertain as to whether Perisher and Thredbo will open for this winter, which will severely affect the Club's cashflow and operating result. Our lodges are currently closed for safety reasons. Even if they do open, we may have to restrict bookings. Backcountry skiing may become a lot more popular. Alternatively the NSW Government may just shut down all commercial and private operations. We have already made substantial booking refunds for summer accommodation.
12. Most of our costs are fixed, whether or not the lodges are open. We are expecting a substantial increase in insurance premiums due to the natural disasters here and around the world. The variable costs are utilities, maintenance, wages and provisions (we have wine!).
13. All non-essential (i.e. not urgent or statutory) maintenance and discretionary expenditure has been ceased by the Committee in order to preserve funds. We are in austerity mode. However, we are locked into some purchases ordered before the shutdown. The Committee is also looking at any options to defer payment of some of the overheads i.e. leases and insurance and the bank loan.
14. Although we are facing the possibility of reduced or no winter revenue, we have the cash resources and financial resources to weather the storm this season, until our membership subscriptions re-open in November. In that regard, I urge you to renew and support your Club when the time comes.

In summary, the Club can survive the Covid-19 crisis.

**Bryan Collis**

**Treasurer**

**Brindabella Ski Club Inc**