

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**  
**ACN 006 516 874**  
**Financial Statements**  
**For the Year ended 31st December 2010**

*The accompanying notes form part of these financial statements.  
These financial statements have not been subject to audit or review and should be read in conjunction  
with the attached Compilation Report.*

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**  
**Contents**

Income and Expenditure Statement

Balance Sheet

Notes to and forming part of the Accounts

Schedule of Fixed Assets

Directors' Report

Statement by Directors

Compilation Report

Independent Auditors Report

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED****ACN 006 516 874****Income and Expenditure Statement  
For the Year ended 31 December 2010**

	2010 \$	2009 \$
<b><u>INCOME</u></b>		
Accommodation	101,139	100,730
Annual Subscriptions	63,250	63,250
Interest Received	16,244	15,954
Entrance Fees	12,023	9,000
Late Fees Collected	542	-
Miscellaneous Income	227	1,428
	<u>193,425</u>	<u>190,362</u>
<b><u>EXPENDITURE</u></b>		
Accounting & Administration	9,500	9,000
ASIC Fees	310	105
Auditor's Remuneration	1,795	1,759
Bad Debts Written Off	-	460
Bank Charges	4,365	4,268
Booking Agents Commission	11,017	10,576
Cleaning	573	2,671
Clubhouse Supplies	13,617	11,035
Depreciation	69,103	70,308
Electricity	5,141	6,398
Freight	1,101	2,619
Gas	15,068	15,693
General Expense	573	469
Insurance	15,488	15,565
Internet Costs	1,185	826
Laundry	3,769	3,967
Licence Fees	-	551
Maintenance & Repairs	10,013	11,694
Meeting Costs	1,057	625
Postage	715	905
Printing	430	200
Stationery	150	215
Race Week	2,360	2,739
Site Rental & Rates	30,693	37,234
Superannuation Contributions	900	864
Telephone	4,607	4,154
Wages	10,000	9,600
Workers Compensation	157	163
	<u>213,687</u>	<u>224,663</u>
<b>OPERATING SURPLUS (DEFICIT)</b>	<u>(20,262)</u>	<u>(34,301)</u>
Accumulated Surplus at the Beginning of the Financial Year	464,805	499,106
	<u>444,543</u>	<u>464,805</u>
<b>ACCUMULATED SURPLUS AT THE END OF THE FINANCIAL YEAR</b>	<u>444,543</u>	<u>464,805</u>

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**PATSCHERKOFEL LODGE (MT BULLER) LIMITED****ACN 006 516 874****Balance Sheet****As at 31 December 2010**

	2010 \$	2009 \$
<b>MEMBERS EQUITY</b>		
Members Debentures		
283 Non Redeemable Debentures of \$1(283 in 2009)	283	283
Asset Revaluation	1,191,774	1,191,774
Building Fund Reserve	140,588	140,588
Debenture Premium Reserve	349,645	349,645
Unappropriated Profit	444,543	464,805
<b>TOTAL MEMBERS EQUITY</b>	<u>2,126,833</u>	<u>2,147,095</u>
Represented By:		
<b>CURRENT ASSETS</b>		
Cash at Bank	79,601	73,121
Petty Cash	100	100
Term Deposit	342,435	326,203
Trade Debtors	4,923	6,042
Prepayments	14,600	8,850
GST Refund	3,425	555
	<u>22,948</u>	<u>15,447</u>
<b>NON CURRENT ASSETS</b>		
Land and Building - Director's Valuation	2,299,770	2,299,770
Less: Accumulated Depreciation	<u>(652,746)</u>	<u>(597,406)</u>
	1,647,024	1,702,364
Plant and Equipment - at Cost	90,236	85,891
Less: Accumulated Depreciation	<u>(66,761)</u>	<u>(59,975)</u>
	23,475	25,916
Furniture and Fittings - at Cost	353,158	350,436
Less: Accumulated Depreciation	<u>(326,495)</u>	<u>(319,995)</u>
	26,663	30,441
Computer Software	2,525	2,525
Less Accumulated Depreciation	<u>(2,525)</u>	<u>(2,048)</u>
	-	477
	<u>1,697,162</u>	<u>1,759,198</u>
<b>TOTAL ASSETS</b>	<u>2,142,246</u>	<u>2,174,069</u>
<b>CURRENT LIABILITIES</b>		
Trade Creditors	11,283	-
PAYG Withholding Tax Payable	-	520
Other Creditors	4,130	26,454
	<u>15,413</u>	<u>26,974</u>

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**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

**ACN 006 516 874**

**Balance Sheet**

**As at 31 December 2010**

	2010 \$	2009 \$
<b>TOTAL LIABILITIES</b>	<u>15,413</u>	<u>26,974</u>
<b>NET ASSETS</b>	<u><u>2,126,833</u></u>	<u><u>2,147,095</u></u>

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**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

**ACN 006 516 874**

**Statement of Recognised Income and Expense  
For the Year ended 31 December 2010**

	2010 \$	2009 \$
<b>Retained Earnings</b>		
Balance at 1 January 2010	464,805	499,106
Profit Attributable to Members	(20,262)	(34,301)
Balance at 31 December 2010	<u>444,543</u>	<u>464,805</u>
<b>Issued Capital</b>		
283 Non Redeemable Debentures of \$1(283 in 2009)	283	283
<b>Total Issued Capital</b>	<u>283</u>	<u>283</u>
<b>Asset Revaluation</b>		
Asset Revaluation	1,191,774	1,191,774
Balance at 31 December 2010	<u>1,191,774</u>	<u>1,191,774</u>
<b>Building Fund Reserve</b>		
Balance at 1 January 2010	<u>140,588</u>	<u>140,588</u>
Balance at 31 December 2010	<u>140,588</u>	<u>140,588</u>
<b>Debenture Premium Reserve</b>		
Balance at 1 January 2010	<u>349,645</u>	<u>349,645</u>
Balance at 31 December 2010	<u>349,645</u>	<u>349,645</u>
<b>Balance at 31 December 2010</b>	<u>2,126,833</u>	<u>2,147,095</u>

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conjunction with the attached Compilation Report.*

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

**ACN 006 516 874**

**Income Statement**

**For the Year ended 31 December 2010**

	Note	2010 \$	2009 \$
Revenue	2	193,425	190,362
Expenses excluding Finance Costs	3	213,687	224,663
<b>Loss before Income Tax</b>	4	<u>(20,262)</u>	<u>(34,301)</u>
<b>Loss Attributable to Members of the Company</b>		<u><u>(20,262)</u></u>	<u><u>(34,301)</u></u>

*The accompanying notes form part of these financial statements.  
These financial statements should be read in conjunction with the attached .*

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED****Balance Sheet****As at 31 December 2010**

	Note	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	5	422,136	399,424
Trade and Other Receivables	7	8,348	6,597
Other	8	14,600	8,850
<b>Total Current Assets</b>		<u>445,084</u>	<u>414,871</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	<u>1,697,162</u>	<u>1,759,198</u>
<b>Total Non-Current Assets</b>		<u>1,697,162</u>	<u>1,759,198</u>
<b>Total Assets</b>		<u>2,142,246</u>	<u>2,174,069</u>
<b>Current Liabilities</b>			
Trade and Other Payables	10	<u>15,413</u>	<u>26,974</u>
<b>Total Current Liabilities</b>		<u>15,413</u>	<u>26,974</u>
<b>Total Liabilities</b>		<u>15,413</u>	<u>26,974</u>
<b>Net Assets</b>		<u>2,126,833</u>	<u>2,147,095</u>
<b>Equity</b>			
Contributed Equity	11	283	283
Reserves	12	1,682,007	1,682,007
Retained Profits	13	444,543	464,805
<b>Total Equity</b>		<u>2,126,833</u>	<u>2,147,095</u>

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with the attached Compilation Report.*



# **PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

## **Notes to the Financial Statements For the Year ended 31 December 2010**

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### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report covers PATSCHERKOFEL LODGE (MT BULLER) LIMITED as an individual entity. PATSCHERKOFEL LODGE (MT BULLER) LIMITED is a company limited by guarantee, incorporated and domiciled in Australia.

#### **Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and

conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial

assets and financial liabilities.

#### **Accounting Policies**

##### **(a) 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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

##### **(b) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employees may not satisfy vesting requirements. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

##### **(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**  
**Notes to the Financial Statements**  
**For the Year ended 31 December 2010**

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Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity 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 asset are:

Buildings	4 %
Plant and Equipment	5 - 10 %
Leased Plant and Equipment	10 %
Computer Software	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

# **PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

## **Notes to the Financial Statements For the Year ended 31 December 2010**

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### **(d) Financial Instruments**

#### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

#### **Classification and Subsequent Measurement**

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

#### Financial Assets at Fair Value through Profit and Loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for

trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

# **PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

## **Notes to the Financial Statements For the Year ended 31 December 2010**

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### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

### **(e) Financial Guarantees**

Where material, financial guarantees issued, which requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and

the amount initially recognised less, when appropriate, cumulative amortisation in accordance

with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

### **(f) Revenue and Other Income**

All revenue is stated net of the amount of goods and services tax (GST).

### **(g) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remains unpaid.

### **(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### **(i) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

*These notes should be read in conjunction with the attached Compilation Report.*

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**  
**Notes to the Financial Statements**  
**For the Year ended 31 December 2010**

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(j) **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates - Impairment

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(k) **New Accounting Standards for Application in Future Periods**

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. The company does not anticipate early adoption of any of the reporting requirements would have any material effect on the company's financial statements.

# **PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

## **Notes to the Financial Statements For the Year ended 31 December 2010**

	2010 \$	2009 \$
<b>2. Revenue</b>		
<b>Sales Revenue</b>		
Sale of Goods	193,425	190,362
	<u>193,425</u>	<u>190,362</u>
	<u>193,425</u>	<u>190,362</u>
<b>3. Expenses</b>		
Employee Benefits Expense	10,900	10,464
Depreciation and Amortisation	69,103	70,308
Bank Charges	4,365	4,268
Insurance	15,488	15,565
Postage	715	905
Printing	430	200
Site Rental & Rates	30,693	37,234
Telephone	4,607	4,154
Other Expenses	77,386	81,565
	<u>213,687</u>	<u>224,663</u>
<b>4. Profit for the Year</b>		
Profit before income tax expense has been determined after accounting for;		
<b>Charging as Expense</b>		
Movements in Provisions		
Depreciation		
- Plant and Equipment	69,103	70,308
	<u>69,103</u>	<u>70,308</u>
Net Expenses Resulting from Movement in Provisions		
	<u>69,103</u>	<u>70,308</u>
Bad & Doubtful Debts:-		
- Bad debts written off	-	460
	<u>-</u>	<u>460</u>
<b>5. Cash and Cash Equivalents</b>		
Cash at Bank	79,601	73,121
Petty Cash	100	100
Term Deposit	342,435	326,203
	<u>422,136</u>	<u>399,424</u>
<b>Cash Reconciliation</b>		
Cash and Cash Equivalents	422,136	399,424
	<u>422,136</u>	<u>399,424</u>

*These notes should be read in conjunction with the attached Compilation Report.*

# PATSCHERKOFEL LODGE (MT BULLER) LIMITED

## Notes to the Financial Statements For the Year ended 31 December 2010

	2010 \$	2009 \$
<b>6. Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Loss after Income Tax	(20,262)	(34,301)
<b>Adjustments for Non-Cash Components in Profit:</b>		
Payments for plant and Equipment	(7,067)	(70,932)
Depreciation	69,103	70,308
<b>Changes in Assets and Liabilities</b>		
Increase in Trade and Other Receivables	(7,501)	91
Decrease in Trade and Other Payables	(11,561)	26,954
<b>Net Cash Increase in Cash Held</b>	<u>22,712</u>	<u>(7,881)</u>
<b>7. Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	4,923	6,042
GST Liability	3,425	555
	<u>8,348</u>	<u>6,597</u>
<b>Total Trade and Other Receivables</b>	<u>8,348</u>	<u>6,597</u>
<b>8. Other Assets</b>		
<b>Current</b>		
Prepayments	14,600	8,850
	<u>14,600</u>	<u>8,850</u>
<b>9. Property, Plant &amp; Equipment</b>		
<b>Land &amp; Buildings</b>		
Land and Building - Director's Valuation	2,299,770	2,299,770
	<u>2,299,770</u>	<u>2,299,770</u>
Less: Accumulated Depreciation	(652,746)	(597,406)
	<u>(652,746)</u>	<u>(597,406)</u>
<b>Total Land &amp; Buildings</b>	<u>1,647,024</u>	<u>1,702,364</u>
<b>Plant &amp; Equipment</b>		
Plant and Equipment - at Cost	90,236	85,891
Less: Accumulated Depreciation	66,761	59,975
	<u>23,475</u>	<u>25,916</u>
<b>Furniture and Fittings - at Cost</b>	353,158	350,436
Less: Accumulated Depreciation	326,495	319,995
	<u>26,663</u>	<u>30,441</u>

*These notes should be read in conjunction with the attached Compilation Report.*



# PATSCHERKOFEL LODGE (MT BULLER) LIMITED

## Notes to the Financial Statements For the Year ended 31 December 2010

	2010	2009
	\$	\$
Computer Software	2,525	2,525
Less Accumulated Depreciation	<u>2,525</u>	<u>2,048</u>
	-	477
 Total Plant & Equipment	 <u>50,138</u>	 <u>56,834</u>
 <b>Total Property, Plant &amp; Equipment</b>	 <u><u>1,697,162</u></u>	 <u><u>1,759,198</u></u>
 <b>10. Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	11,283	-
PAYG Withholding Tax Payable	-	520
Other Creditors	4,130	26,454
 <b>Total Trade and Other Payables</b>	 <u><u>15,413</u></u>	 <u><u>26,974</u></u>
 <b>11. Contributed Equity</b>		
<b>Issued Capital</b>		
Issued Capital	283	283
	<u>283</u>	<u>283</u>
 <b>Debenture Movements</b>		
Debentures on Issue at Beginning of the Year	283	284
Movement in Issued Capital	-	(1)
Debentures on Issue at End of the Year	<u>283</u>	<u>283</u>
 <b>12. Reserves</b>		
Asset Revaluation	1,191,774	1,191,774
Building Fund Reserve	140,588	140,588
Debenture Premium Reserve	<u>349,645</u>	<u>349,645</u>
	<u><u>1,682,007</u></u>	<u><u>1,682,007</u></u>
 Movements during the year		
<b>Asset Revaluation</b>		
Asset Revaluation	1,191,774	1,191,774
 <b>Building Fund Reserve</b>		
Building Fund Reserve	140,588	140,588
 <b>Debenture Premium Reserve</b>		
Debenture Premium Reserve	349,645	349,645

# **PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

## **Notes to the Financial Statements For the Year ended 31 December 2010**

	2010 \$	2009 \$
<b>13. Retained Earnings</b>		
Retained Earnings at the Beginning of the Financial Year	464,805	499,106
<b>Less</b>		
Net loss attributable to members of the company	20,262	34,301
Retained Earnings at the End of the Financial Year	<u>444,543</u>	<u>464,805</u>

### **14. Auditors Remuneration**

ProAcct Advisors + Accountants Pty Ltd were the auditors of PATSCHERKOFEL LODGE (MT BULLER) LIMITED

Auditor's Remuneration	1,795	1,759
	<u>1,795</u>	<u>1,759</u>

### **15. Company Details**

The registered office of the company is:  
PATSCHERKOFEL LODGE (MT BULLER) LIMITED  
C/- Nicol + Nicol Suite 8/79 High Street Kew Vic 3101  
The principal place of business is:  
PATSCHERKOFEL LODGE (MT BULLER) LIMITED  
CNR The Avenue + Breathtaker Road Mt Buller Vic 3722

The principal activities of the business include:  
Ski Lodge

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

**ACN 006 516 874**

**Cash Flow Statement**

**For the Year ended 31 December 2010**

	Note	2010 \$	2009 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		188,794	197,873
Payments to Suppliers and Employees		(159,015)	(134,821)
Payment of Fixed Assets		(7,067)	(70,932)
<b>Net Cash Inflow from Operating Activities</b>	6	<u>22,712</u>	<u>(7,880)</u>
<b>Cash Flows from Investing Activities</b>			
<b>Net Cash Inflow from Investing Activities</b>		<u>-</u>	<u>-</u>
Net Increase in Cash Held		<u>22,712</u>	<u>(7,881)</u>
Cash and Cash Equivalents as at 1 January 2010		399,424	407,305
<b>Cash and Cash Equivalents as at 31 December 2010</b>		<u><u>422,136</u></u>	<u><u>399,424</u></u>

*The accompanying notes form part of these financial statements.  
These financial statements have not been subject to audit or review and should be read in conjunction  
with the attached Compilation Report.*

# PATSCHERKOFEL LODGE (MT BULLER) LIMITED

## Depreciation Schedule

### For the Year Ended 31 December 2010

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/01/2010	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation ---- Rate	\$	Accum Deprec 31/12/2010	Closing W.D.V 31/12/2010
<b><u>Buildings</u></b>											
OLd Lodge		75,746						0.0% PC	0	75,746	0
New Lodge		795,275		113,989				4.0% PC	31,811	713,097	82,178
Humphries & Cooke		10,189		1,828				4.0% PC	408	8,769	1,420
Spa Relocation		39,849		11,213				4.0% PC	1,594	30,230	9,619
Additions		4,211		1,344				4.0% PC	169	3,036	1,175
Humphries & Cook & Rider Hunt		6,300		2,520				4.0% PC	252	4,032	2,268
Downstairs Lounge		98,500		43,340				4.0% PC	3,940	59,100	39,400
Carpet		2,276		1,129				4.0% PC	92	1,239	1,037
Heated Pathway		3,295		2,292				4.0% PC	132	1,135	2,160
Car Park		1,058		731				4.0% PC	43	370	688
Wiring		6,160		4,283				4.0% PC	247	2,124	4,036
Lockers		7,103		5,145				4.0% PC	285	2,243	4,860
Stage 1 Renovation		84,929		61,795				4.0% PC	3,398	26,532	58,397
Stage 2 Renovation		84,000		63,343				4.0% PC	3,360	24,017	59,983
Stage 2 Renovation		3,454		2,620				4.0% PC	139	973	2,481
Stage 2 Renovation		19,175		14,602				4.0% PC	767	5,340	13,835
Stage 2 Renovation		47,719		36,437				4.0% PC	1,909	13,191	34,528
Stage 2 Renovation		19,069		14,616				4.0% PC	763	5,216	13,853
Variations		19,156		14,745				4.0% PC	767	5,178	13,978
Variations		15,195		11,756				4.0% PC	608	4,047	11,148
Variations		9,332		7,234				4.0% PC	374	2,472	6,860
Locks & Keys		4,960		3,810				4.0% PC	199	1,349	3,611
Lockers		9,091		6,990				4.0% PC	364	2,465	6,626
Locks & Keys		14,531		11,239				4.0% PC	582	3,874	10,657
Electrical Wiring		6,313		5,108				4.0% PC	253	1,458	4,855
Humphries & Cooke		12,182		10,229				4.0% PC	488	2,441	9,741
Carpentry		3,358		3,151				4.0% PC	135	342	3,016
Survey		2,000		1,890				4.0% PC	80	190	1,810
Building Works		34,781		33,885				4.0% PC	1,392	2,288	32,493
Building Works		19,722		19,326				4.0% PC	789	1,185	18,537
Total Buildings		1,458,929		510,590					55,340	1,003,679	455,250
<b><u>Plant &amp; Equipment</u></b>											
Old Lodge		10,906						10.0% PC	0	10,906	0

Note: This Statement is to be read in conjunction with the accompanying Notes and the Accountant's Disclaimer

# PATSCHERKOFEL LODGE (MT BULLER) LIMITED

## Depreciation Schedule

### For the Year Ended 31 December 2010

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/01/2010	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation ---- Rate	\$	Accum Deprec 31/12/2010	Closing W.D.V 31/12/2010
Steam Electrics		8,818						10.0%CP	0	8,818	0
Tivoli Hi Fi		1,180		64				10.0%CP	64	1,180	0
Fisher & Paykel Dryer		317		17				10.0%PC	17	317	0
Sony CD Radio/Cassette/VCR		455		28				10.0%CP	28	455	(0)
Sharp Microwave		363		39				10.0%CP	37	361	2
Door Refrigerator		635		81				10.0%CP	64	618	17
Vertical Freezer		790		106				10.0%CP	79	763	27
Vacuum Cleaner		363		50				10.0%CP	37	350	13
TV Room Heaters		498		79				10.0%CP	50	469	29
Telephone		68		10				10.0%CP	7	65	3
Safety Matting		604		135				10.0%CP	61	530	74
Cordless Phone		417		101				10.0%CP	42	358	59
Bunks & Mattresses		2,655		659				10.0%CP	266	2,262	393
Blankets, Sheets & Pillows		788		204				10.0%CP	79	663	125
Clock		54		10				10.0%CP	6	50	4
Rinnai Hot Water System		1,610		430				10.0%CP	161	1,341	269
Astro Vac		1,364		371				10.0%CP	137	1,130	234
Ski Racks		9,800		2,897				10.0%PC	980	7,883	1,917
Wardolf Oven		4,000		1,344				10.0%CP	400	3,056	944
Roband Salamander		580		195				10.0%CP	58	443	137
6 Door Fridge		13,481		4,522				10.0%CP	1,349	10,308	3,173
Miele 97773 Dishwasher		6,142		2,058				10.0%CP	615	4,699	1,443
Grill		149		50				10.0%CP	15	114	35
210 Hr Vertical Freezer		772		255				10.0%CP	78	595	177
1200 w Microwave		226		74				10.0%CP	23	175	51
4 Slice Toaster		32		6				10.0%CP	4	30	2
Electrolux Vacuum Clearner		218		77				10.0%CP	22	163	55
210L Vertical Freezer		772		277				10.0%CP	78	573	199
2 Steps Ladder		54		16				10.0%CP	6	44	10
Cordless Phone		294		112				10.0%CP	30	212	82
Barbeque		1,636		695				10.0%CP	164	1,105	531
DVD Player		181		76				10.0%CP	19	124	57
Micro System		816		357				10.0%CP	82	541	275
Classic 4 Slice Toasters (2)		235		101				10.0%CP	24	158	77
Playstation & Games		684		301				10.0%CP	69	452	232
Flat Screen Television		262		112				10.0%CP	27	177	85

Note: This Statement is to be read in conjunction with the accompanying Notes and the Accountant's Disclaimer

# PATSCHERKOFEL LODGE (MT BULLER) LIMITED

## Depreciation Schedule

### For the Year Ended 31 December 2010

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/01/2010	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation ---- Rate	\$	Accum Deprec 31/12/2010	Closing W.D.V 31/12/2010
Spa Blowers (2)		845		384				10.0%CP	85	546	299
Kleenmaid Washer		1,545		752				10.0%CP	155	948	597
Kleenmaid Washing Machine		1,545		810				10.0%PC	155	890	655
Ski Racks		960		511				10.0%CP	96	545	415
4.5kg Dryer		456		346				10.0%CP	46	156	300
Hobart Dishwasher		5,753		4,810				10.0%PC	576	1,519	4,234
Coffee Machine		1,410		1,306				10.0%PC	141	245	1,165
320 Lt Chest Freezer		725		681				10.0%PC	73	117	608
Dryer		435		409				10.0%CP	44	70	365
54" Plasma TV					1,722			10.00Yr PC	94	94	1,628
100CM LED TV					2,624			10.00Yr PC	143	143	2,481
Total Plant & Equipment		85,893		25,918	4,346				6,786	66,761	23,478
<b><u>Furniture &amp; Fittings</u></b>											
Lockers - H & C		16,780						10.0%PC	0	16,780	0
Carpet - Otto		28,800						10.0%CP	0	28,800	0
Washing Machine		1,078						10.0%CP	0	1,078	0
Coffee Tables		2,030						10.0%CP	0	2,030	0
Lounge Chairs		4,194						10.0%CP	0	4,194	0
Lounge Furniture		10,400						10.0%CP	0	10,400	0
Dining Room		6,800						10.0%CP	0	6,800	0
Curtains		8,273						10.0%CP	0	8,273	0
Curtains		4,200						10.0%CP	0	4,200	0
Central Vacuum		2,679						10.0%CP	0	2,679	0
Sharp Microwave		570						10.0%CP	0	570	0
Ski Locks		8,190						10.0%CP	0	8,190	0
Dishwasher		4,643						10.0%CP	0	4,643	0
Refrigerator		3,983						10.0%CP	0	3,983	0
Kitchen Equipment		14,100						10.0%CP	0	14,100	0
Sauna & Spa		12,800						10.0%CP	0	12,800	0
Internal Heating		65,600						10.0%PC	0	65,600	0
Kitchen Cupboards		18,900						10.0%PC	0	18,900	0
Fridge		800						10.0%CP	0	800	0
K Kimball		524						10.0%CP	0	524	0
N Steedman		32						10.0%PC	0	32	0

Note: This Statement is to be read in conjunction with the accompanying Notes and the Accountant's Disclaimer

# PATSCHERKOFEL LODGE (MT BULLER) LIMITED

## Depreciation Schedule

### For the Year Ended 31 December 2010

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/01/2010	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation ---- Rate	\$	Accum Deprec 31/12/2010	Closing W.D.V 31/12/2010
Locker Keys		50						10.0%PC	0	50	0
K Kimball		510						10.0%PC	0	510	0
Freezer		650						10.0%PC	0	650	0
Fax		1,383						10.0%PC	0	1,383	0
Plumbing		760						10.0%CP	0	760	0
Pots & Pans		1,781						10.0%PC	0	1,781	0
Captain Snooze		2,450						10.0%PC	0	2,450	0
Brash's		450						10.0%PC	0	450	0
Billy Guyatts		800						10.0%PC	0	800	0
B Arnall		367						10.0%PC	0	367	0
Fire Controls		17,078						10.0%PC	0	17,078	0
ARC Reticulation		2,989						10.0%PC	0	2,989	0
Bar Fridge		300						10.0%PC	0	300	0
Wood Wizards		370						10.0%PC	0	370	0
Pantry Cupboard		260						10.0%PC	0	260	0
Reproduction Lighting		270						10.0%PC	0	270	0
Surrey Lighting		720						10.0%PC	0	720	0
About Matting		337						10.0%PC	0	337	0
Antenna		914						10.0%PC	0	914	0
Freedom Furniture		815						10.0%PC	0	815	0
D Burrows		1,215						10.0%PC	0	1,215	0
Camberwell Electrics		1,735						10.0%PC	0	1,735	0
Washing Machine		900						10.0%PC	0	900	0
Myers		1,210						10.0%PC	0	1,210	0
Michaels of Brighton		1,660						10.0%CP	0	1,660	0
Rose Furniture		1,186						10.0%CP	0	1,186	0
Beacon Lighting		839						10.0%PC	0	839	0
Forty Winks		250						10.0%PC	0	250	0
Accolade Interiors		1,560						10.0%PC	0	1,560	0
Myers		245						10.0%PC	0	245	0
B & B		1,570						10.0%PC	0	1,570	0
Denmar Kitchen		5,000						10.0%PC	0	5,000	0
Lounge Furniture		5,788						10.0%PC	0	5,788	0
Accolade Interiors		1,945						10.0%PC	0	1,945	0
Dishwasher		4,997						10.0%PC	0	4,997	0
Upgrade		1,772						10.0%PC	0	1,772	0

Note: This Statement is to be read in conjunction with the accompanying Notes and the Accountant's Disclaimer

# PATSCHERKOFEL LODGE (MT BULLER) LIMITED

## Depreciation Schedule

### For the Year Ended 31 December 2010

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/01/2010	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation ---- Rate	\$	Accum Deprec 31/12/2010	Closing W.D.V 31/12/2010
Refrigerator		9,762						10.0%PC	0	9,762	0
Michaels of Brighton		350						10.0%PC	0	350	0
Telephones/Answering Machine		237						10.0%PC	0	237	0
HWS (Managers Flat)		2,840						10.0%PC	0	2,840	0
Sharp Microwave		351						10.0%PC	0	351	0
Toaster		440						10.0%PC	0	440	0
4 Lotus Tub Charis		2,415		29				10.0%PC	29	2,415	0
Somerset Chair		299		3				10.0%PC	3	299	0
Logo TV Stand Swivel Top		319		3				10.0%PC	3	319	0
Somerset Coffee Table		1,028		12				10.0%PC	12	1,028	0
Draws & Robes		590		55				10.0%PC	55	590	0
Bunk Beds		709		231				10.0%CP	71	549	160
Laundry Cabinet		1,310		440				10.0%CP	131	1,001	309
Linen		828		294				10.0%CP	83	617	211
Mobile Cabinet		410		161				10.0%CP	41	290	120
Robe Unit		1,500		514				10.0%PC	150	1,136	364
Locker Doors (27)		459		159				10.0%PC	46	346	113
Blinds Snow Gum		2,500		1,066				10.0%PC	250	1,684	816
Double Bed		380		166				10.0%PC	38	252	128
Single Beds (4)		1,140		499				10.0%PC	114	755	385
Posters & Framing		1,109		485				10.0%PC	111	735	374
Posters		90		39				10.0%PC	9	60	30
Picture Frames		204		87				10.0%PC	21	138	66
Linen		365		160				10.0%PC	37	242	123
Linen		446		202				10.0%PC	45	289	157
Ottomans		360		198				10.0%PC	36	198	162
Bedding		418		236				10.0%PC	42	224	194
Outdoor lighting		3,354		1,018				5.00Yr	670	3,006	348
								PC			
Microwave		181		120				10.0%PC	19	80	101
Coffee Machine		1,279		387				5.00Yr	255	1,147	132
								PC			
Picture Frames		2,300		1,524				10.0%PC	230	1,006	1,294
20 Beaux Single quilt Cover		636		471				10.0%PC	64	229	407
2 Beaux Queen Quilt Cover		82		60				10.0%PC	9	31	51
Towels		235		178				10.0%PC	24	81	154
Sheets		427		326				10.0%PC	43	144	283
62 Single Quilt Covers		1,530		1,203				10.0%PC	153	480	1,050

Note: This Statement is to be read in conjunction with the accompanying Notes and the Accountant's Disclaimer



# PATSCHERKOFEL LODGE (MT BULLER) LIMITED

## Depreciation Schedule

For the Year Ended 31 December 2010

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/01/2010	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation ---- Rate	\$	Accum Deprec 31/12/2010	Closing W.D.V 31/12/2010
4 Queen Quilt Covers		153		119				10.0%PC	16	50	103
Photos		2,690		1,996				10.0%PC	269	963	1,727
Quilts and Sheets		3,527						2.00Yr PC	0	3,527	0
Laundry, Cupboard and Bookcases		4,250		3,597				10.0%PC	425	1,078	3,172
Linen		4,093		1,266				2.00Yr PC	1,266	4,093	0
20 Single Quilt Covers		478		90				2.00Yr PC	90	478	0
36 Beds		13,860		13,047				10.0%PC	1,386	2,199	11,661
TV Table					345			10.00Yr PC	16	16	329
Linen					982			5.00Yr PC	142	142	840
Quilt Cover					130			5.00Yr PC	10	10	120
Bed Linen					1,266			5.00Yr PC	86	86	1,180
Total Furniture & Fittings		350,436		30,441	2,723				6,500	326,495	26,664
<b>Computer Software</b>											
MYOB Version 13		300						40.0%PC	0	300	0
Mc Cann playstation games		453						40.0%PC	0	453	0
Di Palmas playstation games		390						40.0%PC	0	390	0
D Syne Web Page Design		1,382		477				40.0%PC	477	1,382	0
Total Computer Software		2,525		477					477	2,525	0
<b>Total</b>		1,897,783		567,426	7,069				69,103	1,399,460	505,392

Note: This Statement is to be read in conjunction with the accompanying Notes and the Accountant's Disclaimer

# **PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

**ACN 006 516 874**

## **Directors Report for the Year Ended 31 December 2010**

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Your directors present their report on the company and its controlled entity for the financial year ended 31 December 2010.

The names of the directors in office at any time during or since the end of the year are:

Name	Special Responsibilities	Meetings Possible	Attended
Abraham Goethals	Chairman	7	7
Danusia Zayler	Company Secretary	7	6
Michael Monester	Membership Officer	7	7
Damian Moloney	Lodge Facilitator	7	4
Elizabeth McCann	Lodge Facilitator	7	6
Anne Louise Soust	Social Secretary	7	6
Arash Harandian	Lodge Facilitator	7	6

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The consolidated loss of the consolidated group for the financial year after providing for income tax and eliminating minority equity interests amounted to \$20,262.

A review of the operations of the consolidated group during the financial year and the results of those operations are as follows;

The company's operations during the year performed as expected in the opinion of the directors.

No significant changes in the consolidated group's state of affairs occurred during the financial year.

The principal activities of the consolidated group during the financial year were;

### **Ski Lodge**

No significant change in the nature of these activities occurred during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Likely developments in the operations of the consolidated group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends paid or declared since the start of the financial year are as follows.

- a) There were no dividends paid during the year.
- b) There were no dividends or distributions recommended or declared for payment to members during the year that have not been paid or credited to the member throughout the year.

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

**ACN 006 516 874**

**Directors Report  
for the Year Ended 31 December 2010**

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No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

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

The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included with the financial reports.

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

ABRAHAM JOHN GOETHALS  
Director

DANUSIA ZAYLER  
Director

Dated this.....day of..... 2011

**Auditors Independence Declaration**  
**Under Section 307C of the Corporations Act 2001**

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To the Directors of PATSCHERKOFEL LODGE (MT BULLER) LIMITED

I declare that, to the best of my knowledge and belief, in relation to the audit of PATSCHERKOFEL LODGE (MT BULLER) LIMITED for the year ended 31 December 2010 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 Watty  
ProAcct Advisors + Accountants Pty Ltd  
\*

Dated this.....day of.....2011

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

**ACN 006 516 874**

**Statement by Directors  
for the Year Ended 31 December 2010**

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In the opinion of the directors of the Company;

1. (a) the Profit and Loss Account gives a true and fair view of the profit or loss of the company for the financial year;  
    (b) the Balance Sheet gives a true and fair view of the state of affairs of the company as at the end of the financial year; and  
    (c) the Statement of Cash Flows gives a true and fair view of the cash flows for the financial year
2. At the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

ABRAHAM JOHN GOETHALS  
Director

DANUSIA ZAYLER  
Director

Dated this.....day of.....2011

# **PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

**ACN 006 516 874**

## **Compilation Report**

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### **Scope**

On the basis of information provided by the directors of PATSCHERKOFEL LODGE (MT BULLER) LIMITED, we have compiled in accordance with APS 9 'Statement on Compilation of Financial Reports' the following special purpose financial report of PATSCHERKOFEL LODGE (MT BULLER) LIMITED for the year ended 31 December 2010, as set out in the attached Profit and Loss Statement, Balance Sheet, Notes to and forming part of the Financial Statements and Directors' Declaration.

The general purpose for which the general purpose financial report has been prepared is set out in Note 1. The extent to which Accounting Standards and Urgent Issues Group Consensus Views have or have

not been adopted in the preparation of the general purpose financial report is set out in Note 1.

The directors are solely responsible for the information contained in the general purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of PATSCHERKOFEL LODGE (MT BULLER) LIMITED's constitution and are appropriate to meet the needs of the directors and members of the company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the general purpose financial report without having an audit or review conducted.

The general purpose financial report was prepared for the benefit of the directors and members of PATSCHERKOFEL LODGE (MT BULLER) LIMITED and the purpose identified above. We do not

accept responsibility to any other person for the contents of the general purpose financial report.

**Nicol & Nicol Pty Ltd**

Suite 8, 79 High Street

KEW 3101

20th April 2011

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**  
**INDEPENDENT AUDIT REPORT**  
**TO THE MEMBERS OF**  
**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

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**Scope**

We have audited the attached financial report, being a special purpose financial report of PATSCHERKOFEL LODGE (MT BULLER) LIMITED for the year ended 31 December 2010. The association's committee are responsible for the financial report and the committee have determined that the accounting policies described at Note 1 to the financial statements are appropriate to meet the needs of members and also the Associations Incorporation Act, \*. We have conducted an independent audit of this financial report in order to express an opinion on them to the members of the association. No Opinion is expressed as to whether the accounting policies used within Note 1 to the financial statements are appropriate to the needs of the members.

The financial statements have been prepared to distribute to members of the association so as to fulfill the reporting requirements under the Associations Incorporations Act, \*. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included the evaluation of accounting policies and significant accounting estimates, examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with accounting policies as described in Note 1 so as to present a view which is consistent with our understanding of the Association's financial position, the results of its operations and its cash flows. The accounting policies within Note 1 do not require the application of all Australian Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion, the financial report presents fairly in accordance with the accounting policies stated in Note 1 to the financial statements the financial position of PATSCHERKOFEL LODGE (MT BULLER) LIMITED as at 31st December 2010 and the results of its operations and its cash flows for the year then ended.

John Watty

ProAcct Advisors + Accountants Pty Ltd

Dated this.....day of.....2011

**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**  
**ACN 006 516 874**  
**Independent Audit Report**  
**to the Members of**  
**PATSCHERKOFEL LODGE (MT BULLER) LIMITED**

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**Report on the Financial Report**

We have audited the accompanying financial report of PATSCHERKOFEL LODGE (MT BULLER) LIMITED (the company), which comprises the balance sheet as at 31 December 2010, and the income statement, 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 of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

The Responsibility of the Directors for the Financial Report

The directors of the company 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 Corporations Act 2001. This responsibility includes designing, implementing 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of PATSCHERKOFEL LODGE (MT BULLER) LIMITED on , would be in the same terms if provided to the directors as at the date of this auditor's report.



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Auditor's Opinion

In our opinion:

- a. the financial report of PATSCHERKOFEL LODGE (MT BULLER) LIMITED is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2010 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

John Watty  
ProAcct Advisors + Accountants Pty Ltd  
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Dated this.....day of.....2011