



Financial Statements

For the year ended 31 October 2010

Statement by the Mount Buller and Mount Stirling Alpine Resort Management Board Chairman and Chief Executive Officer

We certify that the attached financial statements for the Mount Buller and Mount Stirling Alpine Resort Management Board has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial statements, present fairly the financial transactions during the year ended 31 October 2010 and financial position of the Mount Buller and Mount Stirling Alpine Resort Management Board as at 31 October 2010.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 7 January 2011.

Geoff Provis
Chairman

John Huber
Chief Executive Officer

7 January 2011

Comprehensive Operating Statement

For the financial year ended 31 October 2010

	Note	2010 \$'000	2009 \$'000
Income from transactions			
Gate entry		3,929	3,391
Site rental		3,716	3,529
Service charges		3,101	3,069
Service charge – Infrastructure Fee		78	117
Marketing revenue		200	251
Taxi transport commission		116	108
Sale of rights to lease and develop Crown land		50	50
Government grants		1,039	69
Interest income		295	197
Other income		361	401
Total income from transactions		12,885	11,182
Expenses from transactions			
Village operations		3,542	3,890
Visitor services		2,414	1,666
Administration and corporate services		2,249	2,135
Land management and environmental services		1,179	1,008
Health services		206	224
Marketing		1,500	1,555
Interest expense	2	159	164
Total expenses from transactions		11,249	10,642
Net result from transactions (net operating balance)		1,636	540
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	3	40	(1)
Other gains/(losses) from other economic flows	3	-	(1)
Total other economic flows included in net result		40	(2)
Net (and comprehensive) result		1,676	538

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 31 October 2010

	Note	2010 \$'000	2009 \$'000
Assets			
<i>Financial Assets</i>			
Cash and deposits	17	8,859	6,903
Receivables	4	480	516
Other	7	365	330
Total Financial Assets		9,704	7,749
<i>Non-Financial Assets</i>			
Inventories	5	35	21
Infrastructure, property, plant and equipment	6	189,387	189,565
Total Non-Financial Assets		189,422	189,586
Total Assets		199,126	197,335
Liabilities			
Payables	8	933	569
Borrowings	9	2,878	3,103
Employee provisions	10	510	438
Other	12	155	251
Total Liabilities		4,476	4,361
Net Assets		194,650	192,974
Equity			
Contributed capital		137,157	137,157
Accumulated surplus		5,825	4,149
Reserves	18	51,668	51,668
Total Equity		194,650	192,974
Commitments for expenditure	14		
Contingent assets and contingent liabilities	15		

The above Balance Sheet should be read in conjunction with the accompanying notes.

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For the year ended 31 October 2010

NOTE 1

Summary of Significant Accounting Policies

The Mount Buller and Mount Stirling Alpine Resort Management Board (ARMB) is constituted under the *Alpine Resorts (Management) Act 1997* and has its principal place of business located at Mount Buller, Victoria, Australia.

The annual financial statements represent the audited general purpose financial statements for the Mount Buller and Mount Stirling Alpine Resort Management Board.

(a) Statement of compliance

The financial statements have been prepared on an accrual basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, including interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

Where applicable, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

(b) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

These financial statements are presented in Australian dollars, the functional and presentation currency of the ARMB.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

The report has been prepared in accordance with the historical cost convention except for:

- non-current physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally based on its depreciated replacement value.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 October 2010 and the comparative information presented for the year ended 31 October 2009.

Not-for-profit status

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The ARMB has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently where appropriate the ARMB has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

(c) Reporting entity

The financial statements cover the Mount Buller and Mount Stirling Alpine Resort Management Board (ARMB) as an individual reporting entity. The ARMB is an entity established under the *Alpine Resorts (Management) Act 1997*. Its principal address is:

Mount Buller and Mount Stirling Alpine Resort Management Board
Buller Community Centre
Summit Road
Mount Buller VIC 3723

The ARMB is a public body acting on behalf of the Crown, and reporting to the Department of Sustainability and Environment.

(d) Scope and presentation of financial statements

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of financial statements*.

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods 2005* Cat. No. 5514.0 published by the Australian Bureau of Statistics.

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible

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assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

The net result is equivalent to profit or loss derived in accordance with AASs.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into, financial assets and non-financial assets.

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of cash flows*.

(e) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the ARMB and the income can be reliably measured. Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the ARMB's major activities as follows:

Service charges

Service charge revenue is brought to account when a rate/tariff is levied or determined for service charges leviable under Section 13 of the *Alpine Resorts (Management) Act 1997*. A service charge infrastructure fee is also levied upon site holders where development or redevelopment leading to an increased number of beds occurs. This is levied upon completion of the development.

Site rental

Site rental income from leased Crown land is recognised annually in the comprehensive operating statement in accordance with the terms and conditions of individual leases.

Gate entry

Gate entry revenue (including from the sale of season access passes) is recognised when received.

Land release

Revenue from the sale of rights to lease and develop crown land is recognised on the execution of a contract of sale, following approval by the Minister. Any deposits received prior to approval from the Minister and execution of contract of sale are recorded as unearned revenue.

Interest

Interest revenue is recognised upon the control of the right to receive the interest payment existing.

Grants

Government grants and contributions are recognised as operating revenue when an entitlement is established, and disclosed in the operating statement as government grants. However grants and contributions received from the Victorian State Government which were originally appropriated by Parliament as additions to net assets or where the Minister for Finance and the Minister for Environment have indicated are in the nature of owners' contributions are accounted for as equity (contributed capital).

(f) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee Benefits

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These are recognised when incurred, except for contributions in respect of defined benefit plans.

Superannuation

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

The Department of Treasury and Finance (DTF) in their Annual Financial Statements, recognise on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

Performance payments

Performance payments for the ARMB's Executive Officers and staff are based on a percentage of the annual salary package provided under their employment contracts. Unpaid, but committed, employee performance payments are recognised as a liability in the financial statements. Performance payments are assessed and paid annually where applicable.

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-current physical assets that have a limited useful life are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated

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useful life. Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Interest expense

Interest expenses are recognised as expenses in the period in which they are incurred. Interest expenses include interest on Treasury Corporation of Victoria loans, and increases in the non-interest bearing loan with La Trobe University due to the unwinding of the discount to reflect the passage of time.

(g) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments, and disposals of all physical assets.

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of non-financial assets

Items of infrastructure, property, plant and equipment are assessed annually for indicators of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

- transfer of amounts from the reserves and/or accumulated surplus to net result due to disposal or derecognition or reclassification; and
- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

(h) Financial assets

Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Impairment of financial assets

The ARMB assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The bad debts not written off by mutual consent and allowance for doubtful receivables are classified as 'other economic flows'.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, the ARMB applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with AASB 136 *Impairment of assets*.

(i) Non-financial assets

Inventories

Inventories comprise stores and materials used in the construction of new works, operation of the waste treatment plant, repair and maintenance of existing assets and minor amounts of merchandise material. These items are stated at the lower of cost and current replacement cost.

Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Non-current physical assets such as Crown land are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

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Road network assets (including earthworks of the declared road networks) and other infrastructure assets are measured at fair value, determined by reference to the asset's depreciated replacement cost.

Land under declared roads acquired prior to 1 July 2008 is measured at fair value. Land under declared roads acquired on or after 1 July 2008 is measured initially at cost of acquisition and subsequently at fair value.

The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Non-current physical assets constructed by the ARMB

The cost of non-current physical assets constructed by the ARMB includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

Revaluations of non-current physical assets

Non-current physical assets are measured at fair value in accordance with FRD 103D issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in other comprehensive income and accumulated in equity under the revaluation surplus, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same asset class previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of the same asset class. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

Revaluation increases and decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes. Any revaluation surplus is not normally transferred to accumulated funds on de recognition of the relevant asset.

Other non-financial assets

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(j) Liabilities

Payables

Payables consist predominantly of accounts payable and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to the ARMB prior to the end of the financial year that are unpaid, and arise when the ARMB becomes obliged to make future payments in respect of the purchase of those goods and services.

Other liabilities included in payables mainly consist of unearned/prepaid income.

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

Borrowings

Borrowings are initially measured at fair value, being the cost of the borrowings, net of transaction costs (refer to Note 1(k) Leases).

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest method.

Provisions

Provisions are recognised when the ARMB has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave which are expected to be settled within 12 months of the reporting period, are recognised in the provision for employee benefits. These liabilities are classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability – unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the ARMB does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- nominal value—component that the ARMB expects to settle within 12 months; and
- present value—component that the ARMB does not expect to settle within 12 months.

Non-current liability – conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability due is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow (refer to Note 1(g) Other economic flows include in net result).

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The ARMB recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Employee benefits on-costs

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised as part of the provision for employee benefits.

(k) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

ARMB as lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

(l) Equity

Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

(m) Commitments

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

(n) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(o) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(p) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the ARMB and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

(q) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

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(r) AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 31 October 2010 reporting period. DTF assesses the impact of these new standards and advises the ARMB of their applicability and early adoption where applicable.

As at 31 October 2010, the following standards and interpretations (as applicable to the ARMB) had been issued but were not mandatory for the financial year ending 31 October 2010. The ARMB has not early adopted these standards.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on ARMB financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial instruments: recognition and measurement</i> (AASB 139 <i>financial Instruments: recognition and measurement</i>).	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 124 Related party disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 January 2011	Preliminary assessment suggests that impact is insignificant. However, the ARMB is still assessing the detailed impact and whether to early adopt.
AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 January 2010	Terminology and editorial changes. Impact minor.
AASB 2009-8 Amendments to Australian Accounting Standards – group cash-settled share-based payment transactions [AASB 2]	The amendments clarify the scope of AASB 2.	Beginning 1 January 2010	No impact. AASB 2 does not apply to the ARMB.
AASB 2009-9 Amendments to Australian Accounting Standards – additional exemptions for first-time adopters [AASB 1]	Applies to entities adopting Australian Accounting Standards for the first time, to ensure entities will not face undue cost or effort in the transition process in particular situations.	Beginning 1 January 2010	No impact. Relates only to first time adopters of Australian Accounting Standards.
AASB 2009–10 Amendments to Australian Accounting Standards – classification of rights issues [AASB 132]	The Standard makes amendments to AASB 132, stating that rights issues must now be classed as equity rather than derivative liabilities.	Beginning 1 February 2010	No impact. ARMB does not issue rights, warrants and options, consequently the amendment does not impact on the statements.

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Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on ARMB financial statements
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASBs.	Beginning 1 January 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments.
AASB 2009-13 Amendments to Australian Accounting Standards arising from interpretation 19 [AASB 1]	Consequential amendment to AASB 1 arising from publication of Interpretation 19.	Beginning 1 July 2010	The ARMB does not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 19 and related amendments have no impact.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of <i>Prepayments of a minimum funding requirement</i> .	Beginning 1 January 2011	Expected to have no significant impact.
AASB 2010-1 Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters (AASB 1 & AASB 7)	This amendment provides limited exemptions from the requirements of adhering to AASB 1 and AASB 7 that arise from AASB 2009-2.	Beginning 1 July 2010	These exemptions are unlikely to have an impact on the ARMB because it is not a first time adoption.
Erratum <i>General Terminology changes</i>	Editorial amendments to a range of Australian Accounting Standards and Interpretations.	Beginning 1 January 2010	Terminology and editorial changes. Impact minor.
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	Guidance to assist entity in accounting for transactions that involves extinguishing a liability fully or partially by issuing equity instruments to the creditor.	Beginning 1 July 2010	The impact of this interpretation only affects entities that issue equity instruments.

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Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on ARMB financial statements
AASB 1053 Application of Different Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The impact of this Standard may affect disclosures in the financial reports of certain types of entities where reduced disclosure requirements may apply. The Standard does not affect the operating result or financial position.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 July 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.

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	2010 \$'000	2009 \$'000
NOTE 2		
Expenses from transactions		
(a) Employee benefits:		
Superannuation expense	200	204
Salaries and wages	2,466	2,330
Other employee benefits	254	195
Total employee benefits	2,920	2,729
(b) Finance costs:		
Interest expense	159	164
Total finance costs	159	164
(c) Depreciation:		
Buildings	272	269
Infrastructure Assets	913	1,227
Leased Assets	3	7
Plant and Equipment	284	336
Total depreciation	1,472	1,839
(d) Other:		
Bad and doubtful debts from transactions	-	21
NOTE 3		
Other economic flows included in net result		
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of physical assets	40	(1)
(b) Other gains/(losses) from other economic flows		
Effect of change in bond rates on long service leave provision	-	(1)

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
NOTE 4		
Receivables		
Current		
Trade debtors	295	390
Provision for doubtful debts (see note 4(a) below)	-	(6)
	295	384
Other debtors	163	99
Capital in-goings	11	11
	469	494
Non-Current		
Capital in-goings	11	22
Total Receivables	480	516
The carrying value of debtors at 31 October 2010 approximates fair value. A provision of nil (2009: \$5,500) has been made in regard to the possible non-collection of Trade Debtors. Interest is charged on overdue site rentals and utility charges at a rate fixed by Section 2 of the <i>Penalty Interest Rates Act 1983</i> , which, at 31 October 2010 was 10.5% per annum.		
(a) Movement in the provision for doubtful debts		
Balance at the beginning of the year	6	-
Reversal of provision for receivables written off during the year as uncollectible	(6)	-
Reversal of unused provision recognised in the net result	-	-
Increase in provision recognised in the net result	-	6
Balance at end of year	-	6
(b) Ageing analysis of receivables		
Please refer to Note 16 for the ageing analysis of receivables.		
(c) Nature and extent of risk arising from receivables		
Please refer to Note 16 for the nature and extent of risks arising from receivables.		
NOTE 5		
Inventories		
Supplies and materials – at cost	35	21

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
NOTE 6		
Infrastructure, Property, Plant and Equipment		
<i>Land</i>		
Land at Fair Value at 2007 – Mount Buller	144,676	144,676
Land at Fair Value at 2007 – Mount Stirling	5,637	5,637
	150,313	150,313
<i>Buildings</i>		
Buildings at Fair Value at 2007	11,511	11,511
Buildings at Cost	772	477
Less Accumulated Depreciation	(867)	(595)
Closing WDV	11,416	11,393
<i>Infrastructure Assets</i>		
Infrastructure Assets at Fair Value at 2007	23,356	23,356
Infrastructure Assets at Cost	5,830	5,223
Less Accumulated Depreciation	(3,604)	(2,693)
Closing WDV	25,582	25,886
<i>Plant and Equipment</i>		
Plant and Equipment at Fair Value	3,337	3,170
Less Accumulated Depreciation	(1,986)	(1,812)
Closing WDV	1,351	1,358
Art works at Fair Value at 2008	136	136
Capital Work in Progress	589	479
Total Infrastructure, Property, Plant and Equipment	189,387	189,565

Financial Statements

For the year ended 31 October 2010

NOTE 6 Infrastructure, Property, Plant and Equipment (continued)

	Land \$'000	Buildings \$'000	Infrastructure Assets \$'000	Plant and Equipment \$'000	Art works \$'000	CWIP \$'000	Total \$'000
Year ended 31 October 2010							
Opening net book value	150,313	11,393	25,886	1,358	136	479	189,565
Additions	-	21	2	355	-	1,024	1,402
Disposals	-	-	(26)	(82)	-	-	(108)
Depreciation	-	(272)	(913)	(287)	-	-	(1,472)
Transfers	-	274	633	7	-	(914)	-
Closing net book value	150,313	11,416	25,582	1,351	136	589	189,387
Year ended 31 October 2009							
Opening net book value	150,313	11,550	26,700	1,442	118	365	190,488
Additions	-	-	-	253	18	727	998
Disposals	-	-	-	(14)	-	(68)	(82)
Depreciation	-	(269)	(1,227)	(343)	-	-	(1,839)
Transfers	-	112	413	20	-	(545)	-
Closing net book value	150,313	11,393	25,886	1,358	136	479	189,565

The following useful lives are used in the calculation of depreciation for 2010:

Buildings	15 to 84 years
Roads and car parks infrastructure assets	50 years
Infrastructure assets	2 to 100 years
Other plant and equipment	5 to 20 years

Land, buildings and infrastructure assets were revalued at 31 October 2007 by the Victorian Valuer General applying an indexation method to 31 October 2004 fair values (being the date of the immediate previous revaluations).

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
NOTE 7		
Other non-financial assets		
Prepayments (current)	365	330
NOTE 8		
Payables		
Accounts payable – current	230	69
Other creditors and accruals - current	703	500
Total payables	933	569
All trade and other creditors are non-interest bearing. The carrying amount of creditors at the end of the reporting period approximates fair value.		
(a) Maturity analysis of payables		
Please refer to Note 16 for the ageing analysis of payables.		
(b) Nature and extent of risk arising from payables		
Please refer to Note 16 for the nature and extent of risks arising from payables.		
NOTE 9		
Borrowings		
Current		
Interest bearing loan (i)	109	102
Non-interest bearing loan (ii)	118	112
	227	214
Non-Current		
Interest bearing loan (i)	800	910
Non-interest bearing loan (ii)	1,851	1,979
	2,651	2,889
Total Borrowings	2,878	3,103

(i) An interest bearing loan was taken out with the Treasury Corporation of Victoria in 2007, bearing a fixed interest rate of 6.84%, repayable in quarterly instalments over 10 years.

(ii) Non interest bearing loans relate to the deferred settlement with La Trobe University on the acquisition of the Buller Community Centre. The loan is recorded at its net present value at the date of acquisition. The loan is unsecured.

(a) Maturity analysis of borrowings

Please refer to Note 16 for the ageing analysis of borrowings.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 16 for the nature and extent of risks arising from interest bearing liabilities.

(c) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
NOTE 10		
Employee provisions		
Current		
<i>Annual leave entitlements</i>		
Unconditional and expected to settle within 12 months	117	90
Unconditional and expected to settle after 12 months	10	13
<i>Long service leave entitlements</i>		
Unconditional and expected to settle within 12 months	39	6
Unconditional and expected to settle after 12 months	233	232
Accrued day off (ADO) entitlements	6	7
Staff bonuses	25	25
	430	373
Non-Current		
Conditional long service leave entitlements	80	65
Total Employee Benefits	510	438

Long service leave entitlements for those employees with 7 or more years continuous service are treated as a current liability and recognised at nominal amounts. Long service leave entitlements for those employees with less than 7 years continuous service are treated as a non-current liability and are discounted to present values.

NOTE 11
Superannuation

Employees of the ARMB are entitled to receive superannuation benefits and the ARMB contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

The ARMB does not recognise any defined benefit liability in respect of the plan because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the ARMB.

Financial Statements

For the year ended 31 October 2010

			2010 \$'000	2009 \$'000
NOTE 11				
Superannuation (continued)				
The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the ARMB are as follows:				
Scheme	Type	Cont'n Range (%)	2010 \$'000	2009 \$'000
Emergency Services and State Super	Defined Benefit	9.5-13.3	24	22
AJ Abercrombie Super Fund	Accumulation	9	-	1
AMP Flexible Lifetime	Accumulation	9	8	10
ANZ ING	Accumulation	9	3	3
ANZ One Answer	Accumulation	9	1	-
Asgard Capital Management	Accumulation	9	17	12
Australian Super	Accumulation	9	11	9
BT Fund	Accumulation	9	-	19
C-Bus	Accumulation	9	3	2
Colonial First State Investment	Accumulation	9	8	7
Colonial Mutual	Accumulation	9	2	-
Combined Fund	Accumulation	9	-	1
Dolling Family Superannuation	Accumulation	9	5	4
Dundas Superannuation Fund	Accumulation	9	-	1
Equisuper	Accumulation	9	1	1
Host Plus Superannuation	Accumulation	9	8	6
Health Superannuation	Accumulation	9	2	3
Independent Schools Super Fund	Accumulation	9	5	2
ING Master Fund	Accumulation	9	9	9
Legal Super	Accumulation	9	6	5
Local Government Super Scheme	Accumulation	9	2	-
Macquarie ADF Superannuation Fund	Accumulation	9	1	1
MLC Masterkey Superannuation	Accumulation	9	8	7
MLC Navigator	Accumulation	9	1	-
Officers Superannuation Fund	Accumulation	9	2	-
Retail Employees Superannuation Trust	Accumulation	9	1	2
Prime Super	Accumulation	9	1	2
Sunsuper Superannuation Fund	Accumulation	9	18	4
Spectrum Super	Accumulation	9	3	2
Tasplan	Accumulation	9	5	-
Trustee for Topnotch	Accumulation	9	2	1
Tower	Accumulation	9	4	5
Trujon Superannuation Fund	Accumulation	9	1	1
TWU Super	Accumulation	9	-	4
Vic Super	Accumulation	9	64	63
Vision Superannuation	Accumulation	9	10	9

Total contributions for the period were \$234,571 (2009: \$217,225) and there were no outstanding contributions at the end of the period.

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
NOTE 12		
Other liabilities		
Deferred revenue - current	155	251
NOTE 13		
Leases		
<i>Crown land</i>		
Crown Land is recorded in the accounts of the ARMB at the Valuer-General's valuation. The ARMB has brought to account the rental revenue in relation to the leased sites and does not account for depreciation since the class of assets is defined as land. The ARMB, acting as a Committee of Management under Section 38 of the <i>Alpine Resorts (Management) Act 1997</i> , manages 176 Crown lease arrangements with site holders. The lease arrangements cover lease periods up to ninety-nine years.		
<i>Gas network</i>		
The right to operate the LP Gas system was licensed to Indigo Shire Council in June 2002. The ARMB has retained the majority of the infrastructure assets associated with the delivery of gas to the site holders on the mountain. The ARMB has leased the use of these assets to Indigo Shire Council for ten years and will receive \$100,000 per annum (indexed for CPI) during the period of the lease. The lease contains provisions for further ten year options. All assets remain the property of the ARMB at the conclusion of the lease period.		
<i>Non-cancellable operating lease receivables</i>		
Not longer than 1 year	3,835	3,638
Longer than 1 year and not longer than 5 years	13,982	13,690
Longer than 5 years	86,294	86,519
	104,111	103,847

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
NOTE 14		
Commitments for expenditure		
The following commitments have not been recognised as liabilities in the financial statements:		
(a) Capital expenditure commitments		
<i>Property, plant and equipment</i> ^(a)		
Within one year	-	-
Later than one year but not later than 5 years	1,736	186
Longer than 5 years	-	1,550
Total capital expenditure commitments	1,736	1,736
(b) Operating expenditure commitments		
<i>Other operating commitments</i> ^(a)		
Within one year	2,106	1,614
Later than one year but not later than 5 years	5,785	3,145
Longer than 5 years	-	-
Total operating expenditure commitments	7,891	4,759

(a) The ARMB has been allocated a grant of \$1.55 million (excl GST) from the Victorian Department of Transport to assist in funding the Buller/Stirling Touring Link road project. The funding is conditional upon receiving other grant funds to render the project fully financed. The project involves the construction of a link road between Mount Buller and Mount Stirling which will provide an additional emergency access road should the existing Mount Buller road be closed temporarily for any reason.

\$186,363 of the allocated funding has been received as at 31 October 2008. Preliminary design work and other tasks undertaken in connection with the development of a planning permit application have been completed. The Board has committed \$1.6 million of its own funds (via the Capital Improvement Fund – refer note 18) to the project, and is currently lobbying the Federal Government for an allocation of funds. The project is anticipated to cost approximately \$4.8 million.

(b) In regards to future operating commitments, the ARMB has the following:

- An annual commitment to Buller Ski Lifts Pty Ltd for snow making. \$202,937 +GST was paid in 2009–10. The dollar value of this commitment for 2010-11 is approximately \$202,937 +GST.
- A commitment exists to sponsor the annual Victorian Inter-Schools Skiing Competition for \$25,000 per annum. This agreement expires 31 October 2012.
- A commitment to Tourism Victoria to contribute to the Board of Alpine Regional Tourism (BART) for an amount of \$155,000 per annum to promote regional tourism in alpine areas
- A commitment to the Regional Tourism Board for \$40,000 for marketing and product development of North East regional Victoria.
- A commitment to the Alpine Resorts Coordinating Council (ARCC) for \$232,232 per annum, as directed by the Minister.
- A commitment to Mansfield-Mount Buller Regional Tourism Association Ltd (trading as High Country Reservations) for the provision of tourist information services based in Mansfield and the provision of visitor information during the winter season based on Mount Buller. An amount of \$53,929 has been committed for the Mansfield-based visitor information services for 2010-11 and \$35,000 for the Mount Buller based information services.
- A garbage collection contract was entered into on 1 June 2005 and the base cost of the contract is \$375,000 per annum. The garbage contract is for eight years starting from 2005 (three years left to run) with the ARMB having the further option to add four one year extensions. The ARMB have agreed with the contractor to initiate the first one year extension.
- An agreement has been entered into with DSE for the 'Burrmys Recovery Plan'. This commitment involves the expenditure of \$1.163 million over five years starting in the 2005-06 financial year. This plan is currently under review for 2010-15. The amount of \$119,450 has been committed for the 2010-11 financial year.
- A cleaning contract was entered into on 12 April 2010 and the base cost of the contract is \$122,727 per annum. The cleaning contract is for one year and subject to annual performance reviews, the contract term may be extended for a further two one year periods.
- The Mansfield Medical Centre has been issued with a license to operate the Mount Buller Medical centre over 3 snow seasons, commencing in 2009. A service fee is paid by the ARMB to MMC of \$158,500 per annum, indexed according to annual CPI. The 2010-11 commitment approximates \$164,854.
- A new transport agreement was entered into for five years starting on the first day of the 2010 declared snow season. The base cost of the contract is \$454,135 per annum with the ARMB having the further option to add five one year extensions. The 2010-11 commitment approximates \$531,055.

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
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NOTE 15 Contingent assets and liabilities

As at 31 October 2010 the ARMB has an outstanding claim against a lessee for breach of lease. A deed of agreement and assignment has been executed and the matter has been adjourned in the Supreme Court of Victoria until the terms and conditions of the deed are satisfied. Terms and conditions of the deed include a settlement sum of \$110,000 payable to the ARMB and the rights to the existing medical centre equipment. The medical centre equipment is deemed to have no residual value.

A claim has been made against the ARMB by a visitor. We believe the claim has no substance. Should there ultimately prove to be any substance to the claim the liability to the ARMB would be limited to the \$25,000 insurance excess.

NOTE 16 Financial instruments

(a) Significant accounting policies

The ARMB's principal financial instruments comprise of:

- cash assets;
- term deposits;
- receivables;
- payables; and
- borrowings.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

The carrying amounts of the ARMB's financial assets and financial liabilities by category are in the table below.

		Carrying amount 2010 \$'000	Carrying amount 2009 \$'000
	Note		
	Category		
Financial assets			
Cash and deposits	17	8,859	6,903
Receivables	4	480	516
			(at amortised cost)
Total financial assets		9,339	7,419
Financial liabilities			
Payables	8	933	569
Interest bearing liabilities	9	909	1,012
Non-interest bearing loans	9	1,969	2,091
			(at amortised cost)
Total financial liabilities		3,811	3,672

Financial Statements

For the year ended 31 October 2010

NOTE 16

Financial instruments (continued)

(b) Credit risk

Credit risk arises from the financial assets of the ARMB, which comprise cash and deposits, trade and other receivables. The ARMB's exposure to credit risk arises from the potential default of counter parties on their contractual obligations resulting in financial loss to the ARMB. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the ARMB's financial assets is minimal because the majority of debtors arise under lease arrangements and default of payment would constitute a breach of the contractual lease agreement which could result in termination of the lease.

The ARMB does not engage in hedging for its financial assets and mainly obtains financial assets that are on fixed interest for the term of the deposit.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the ARMB's maximum exposure to credit risk without taking account of the value of any collateral obtained.

As at the reporting date, there is no event to indicate that any of the financial assets were impaired. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired:

(\$ thousand)											
	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Fixed interest rate	Variable interest rate	Non-interest bearing		Less than 1 month	1-3 months	3 months – 1 year	Greater than 1 year	
Receivables	%										
2010	3.88	480	114	-	366	339	-	26	104	11	0
2009	3.95	516	154	-	362	355	7	4	134	22	(6)

(c) Liquidity risk

Liquidity risk is the risk that the ARMB would be unable to meet its financial obligations as and when they fall due.

The ARMB operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The ARMB's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

The department manages its liquidity risk via:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services & Standard & Poor's triple-A), which assists in assessing debt market at a lower interest rate.

The ARMB's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The following table discloses the contractual maturity analysis for the ARMB's contractual financial liabilities.

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For the year ended 31 October 2010

NOTE 16

Financial instruments (continued)

(c) Liquidity risk (continued)

(\$ thousand)											
	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Nominal amount	Maturity Dates				
			Fixed interest rate	Variable interest rate	Non-interest bearing		Less than 1 month	1–3 months	3 months – 1 year	1–5 years	More than 5 years
2010	%										
Payables	-	933	-	-	933	933	-	933	-	-	
Borrowings	3.85	2,878	2,878	-	-	2,878	-	144	83	1,054	
		3,811	2,878	-	933	3,811	-	1,077	83	1,054	
2009											
Payables	-	569	-	-	569	569	-	569	-	-	
Borrowings	4.05	3,103	3,103	-	-	3,103	-	137	77	993	
		3,672	3,103	-	569	3,672	-	706	77	993	

(d) Market risk

The ARMB's exposure to market risk is primarily through interest rate risk which might arise primarily through the Board's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

The ARMB's exposure to interest rate risk is set out in the following table:

(\$ thousand)					
	Carrying amount	Interest rate risk			
		- 2% Net result	Equity	+ 2% Net result	Equity
2010					
<i>Financial assets:</i>					
Cash and cash equivalents	8,859	177	(177)	(177)	177
Receivables	480	2	(2)	(2)	2
<i>Financial liabilities:</i>					
Payables	933	-	-	-	-
Borrowings	2,878	(57)	57	57	(57)
Total increase/(decrease)		122	(122)	(122)	122

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
NOTE 17		
Cash flow information		
(a) Cash and deposits		
Cash at bank and on hand	866	497
Deposits on call	7,993	6,406
	8,859	6,903

The ARMB does not have access to a bank overdraft as at 31 October 2010. The weighted average interest rate applicable to cash at bank and on hand is 2.86%. The deposits on call are interest bearing floating rates between 4.5% and 4.8%, with an average maturity of 27 days.

Included in these cash balances are amounts set aside for use as the ARMB's Snow Drought Fund of \$600,000 (2009: \$600,000), Debt Repayment Fund of \$1,000,000 (2009: \$1,000,000) and Capital Improvement Fund of \$4,650,000 (2009: \$3,000,000). These funds have been established to comply with the Minister of Environment's Alpine Reform Package program, the aim of which was to improve financial governance and thus the financial sustainability of the Alpine Resort Management Boards.

The Snow Drought Fund may be drawn upon with Ministerial approval in the event of a poor snow season which leads to a liquidity shortage as a result of a reduction in visitor related revenue.

The Debt Repayment Fund will be drawn upon to repay outstanding debt when required, in times of low cash resources and/or financial hardship.

The purpose of the Capital Improvement Fund is to provide a pool of internally generated funds to finance asset replacement and capital works expenditure.

Further, included in cash balances are an amount of \$236,663 as funds allocated for the Remote Sensing Project. This is the balance of grant funds received in 2009–10 from the Department of Innovation, Infrastructure and Regional Development (DIIRD) which will be expended as per the grant funding agreement in the 2010–11 financial year.

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
NOTE 17		
Cash flow information (continued)		
(a) Reconciliation of net result for the period to net cash flows from operating activities		
Net result for the period	1,676	538
<i>Non-cash movements:</i>		
Depreciation	1,472	1,839
Recognition of Art Work	-	(18)
<i>Movements included in investing and financing activities:</i>		
Net (Profit)/Loss on Sale of Fixed Assets	(40)	1
Bad and doubtful debts expense	-	21
Movements in assets and liabilities:		
Decrease/(Increase) in Trade and Other Debtors	31	198
Decrease/(Increase) in Inventories	(14)	3
Decrease/(Increase) in Other Current Assets	(35)	(111)
Decrease/(Increase) in Other Non-Current Assets	11	11
Increase/(Decrease) in Trade and Other Creditors	322	(80)
Increase/(Decrease) in Current Provisions	57	(81)
Increase/(Decrease) in Non-Current Provisions	15	(31)
Increase/(Decrease) in Unearned Revenue	(96)	35
Net cash flows from/(used in) operating activities	3,399	2,325
NOTE 18		
Asset revaluation reserve		
Balance at beginning of the financial year	51,668	51,668
Revaluation of land, buildings and infrastructure	-	-
Disposal of assets	-	-
Balance at the end of the financial year	51,668	51,668

Financial Statements

For the year ended 31 October 2010

NOTE 19

Responsible persons

a) Board meetings

The following table records the attendance of members at board meetings between 1 November 2009 and 31 October 2010:

Board Members

	Total Meetings while in office	Meetings Attended
John Dyson (Chairman until 28 April 2010)	4	4
Geoff Provis (Chairman from 29 April 2010)	4	4
Don Cummins (Deputy Chairman until 28 April 2010)	4	4
Dean Belle (Deputy Chairman from 29 April 2010)	4	4
Susan Hocking	8	8
Stuart Worn	8	8
Judy Dixon (until 28 April 2010)	4	4
Bruce Dowding (until 28 April 2010)	4	3
Andrew Abercrombie (until 28 April 2010)	4	4
Bryce Moore (appointed 29 April 2010)	4	4
Richard Brooks (appointed 29 April 2010)	4	4
Leanne (Lea) Corbett (appointed 29 April 2010)	4	3

b) Responsible persons

The names of persons who were responsible persons at any time during the financial year were:

Gavin Jennings MLC, (Minister for the Environment and Climate Change)
 John Dyson, (Chairman of ARMB until 28 April 2010)
 Geoff Provis, (Chairman of ARMB from 29 April 2010)
 Don Cummins, (Deputy Chairman of ARMB until 28 April 2010)
 Dean Belle, (Deputy Chairman of ARMB from 29 April 2010)
 Susan Hocking, (ARMB Member)
 Stuart Worn, (ARMB Member)
 Judy Dixon, (ARMB Member – until 28 April 2010)
 Bruce Dowding, (ARMB Member – until 28 April 2010)
 Andrew Abercrombie, (ARMB Member – until 28 April 2010)
 Bryce Moore, (ARMB Member – appointed 29 April 2010)
 Richard Brooks, (ARMB Member – appointed 29 April 2010)
 Lea Corbett, (ARMB Member – appointed 29 April 2010)
 Tony Petersen, (Interim Chief Executive Officer until 10 January 2010)
 John Huber, (Chief Executive Office from 11 January 2010)

Remuneration of Responsible Persons

Remuneration received, or due and receivable from the ARMB in connection with the management of the ARMB for the financial period ended 31 October 2010 was \$248,773 (2009: \$331,269). Total remuneration in 2010 includes a termination payment and entitlements (\$31,120 long service leave and \$16,819 annual leave) for the interim CEO. The number of responsible persons whose remuneration from the ARMB was within the specified bands is as follows:

\$000's	2010	2009
1–10	12	7
11–20	-	1
180–190	1	-
271–280	-	1

The relevant Minister's remuneration is reported separately in the financial statements of the Department of Premier and Cabinet.

Financial Statements

For the year ended 31 October 2010

NOTE 19

Responsible persons (continued)

Retirement Benefits of Responsible Persons

There were no retirement benefits paid by the ARMB in conjunction with the retirement of Responsible Persons of the ARMB during the financial year.

Loans

At 31 October 2010 there were no loans in existence that have been made, guaranteed or secured by the Board to a Responsible Person of the ARMB or a related party of a Responsible Person.

Shares

There were no interests in the shares of related entities held by Responsible Persons of the ARMB during the financial period ended 31 October 2010.

Related party transactions

John Dyson is a member of Yurredla Ski Club, an organisation which is a leaseholder on Mount Buller. Mr Dyson is also a member of the Ski Club of Victoria and until April 2010 the Alpine Resorts Coordinating Council (ARCC). Mr Dyson received remuneration of \$7,700 annually from the ARCC. Mr Dyson's dependent daughter is a part time ski instructor for Buller Ski Lifts Pty Ltd. Mr Dyson is a member of the 2020 Advisory Committee which is advising the Minister in relation to the review of the 2020 Alpine Strategy.

Geoff Provis is a member of the Alpine Resorts Coordinating Council (ARCC). Mr Provis receives remuneration of \$7,000 annually from the ARCC.

Bruce Dowding is a director of the Buller Ski Lifts Pty Ltd group of companies that has many contractual arrangements with the ARMB. Mr Dowding is also a Board Member of the Mansfield-Mount Buller Regional Tourism Association Ltd (MMBRTA). The MMBRTA accepted Mr Dowding's resignation from the Board in May 2010. Mr Dowding received no direct remuneration from this position.

Stuart Worn is a member of Alkira Ski Club, an organisation which is a leaseholder on Mount Buller. Mr Worn is also a member of the Ski Club of Victoria.

Andrew Abercrombie is a member of Ski Club of Victoria. Mr Abercrombie has an interest in an apartment located at Alto Villas, Mount Buller. Mr Abercrombie is also employed by Buller Ski Lifts Pty Ltd as a ski instructor.

Judy Dixon is a member of the Board of Alpine Resort Tourism (BART). Ms Dixon did not receive any remuneration from BART.

Susan Hocking is a member of the Board of Alpine Regional Tourism (BART), and a committee member of the National Alpine Museum. Ms Hocking did not receive any remuneration from BART.

Don Cummins has no related interests in the operation of the ARMB.

Dean Belle is a Board member of the Mansfield-Mount Buller Regional Tourism Association (MMBRTA). Mr Belle is also a shire councillor for the Mansfield Shire.

Richard Brooks is a director and member of the Ski Club of Victoria.

Lea Corbett has no related interests in the operations of the ARMB.

Bryce Moore is a shareholder in the Merrijig Ski Club Co-operative Ltd and a member of the Merrijig Ski Club, an organisation which is a leaseholder on Mount Buller.

John Huber is on the Boards of the Mansfield-Mount Buller Regional Tourism Association Ltd (MMBRTA), the Board of Alpine Regional Tourism (BART) and the Alpine Resort Coordination Council (ARCC) Co-operation Committee. Mr Huber received no direct remuneration from these positions.

Tony Petersen has no related interests in the operations of the ARMB.

The National Alpine Museum received a grant of \$25,000 during this financial year from the ARMB.

Mansfield-Mount Buller Regional Tourism Association Ltd (MMBRTA) is a company limited by guarantee of which the ARMB is a guarantor. Transactions to the value of \$282,075 (2009: \$310,614) were incurred and paid on behalf of MMBRTA by the ARMB and \$13,692 (2009: \$12,852) was invoiced to the MMBRTA by the ARMB being payments for gate entry and reimbursement of phone expenses.

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000
NOTE 19 Responsible persons (continued)		
The following additional transactions have been entered into with related party entities:		
Yurredla Ski Club No transactions were entered into with this entity	-	-
Ski Club of Victoria Revenue received ⁽¹⁾ Other services paid	48 (9)	42 (9)
Buller Ski Lifts Pty Ltd Revenue received ⁽¹⁾ Snow making contribution Grooming costs Other services paid	891 (203) (57) (39)	709 (200) (64) (76)
Merrijig Ski Club Revenue received ⁽¹⁾	21	23
Alkira Ski Club Revenue received ⁽¹⁾	27	26
Alto Villas Revenue received ⁽¹⁾	156	142
Alpine Resorts Coordinating Council Contributions paid	(225)	(196)

⁽¹⁾ Revenue received includes site rents which are levied in accordance with the site lease contract and service charges using a formula that is equally applied to all sites, and payments for advertising in ARMB collateral and the website.

NOTE 20 Remuneration of executives

The number of executive officers, other than responsible persons, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, allowances, vehicles, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year. The Finance and Risk Manager has worked only 2 days per week on a 0.4 Full Time Equivalent (FTE) basis. In September 2010, the Finance and Risk Manager took 12 months maternity leave of which 12 weeks are paid. The remaining 0.6 FTE has not been replaced.

In addition, the Senior Manager - Property and Planning acted as Interim CEO until January 2010, when the new CEO began with the Board. The salary of the Senior Manager - Property and Planning included a higher duties allowance for the months acting as the Interim CEO. There was no appointment made to fill the Property and Planning role during this interim period.

The Environmental Manager left on maternity leave in September 2010 for 6 months of which 12 weeks are paid.

Financial Statements

For the year ended 31 October 2010

	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
NOTE 20 Remuneration of executives (continued)				
The number of executive officers whose remuneration falls within the specified bands above \$100,000 is as follows:				
Income band \$000's			Total Remuneration 2010	Base Remuneration 2010
			2009	2009
	No.	No.	No.	No.
101 – 110	1	-	1	-
111 – 120	4	2	-	1
121 – 130	-	-	1	-
131 – 140	-	-	-	1
141 – 150	1	1	-	-
161 – 170	-	1	-	-
Total numbers	6	4	2	2
Total Amount*	\$762,478	\$725,723	\$652,882	\$568,708
NOTE 21 Auditor's Remuneration			2010	2009
Audit Services			\$'000	\$'000
Victorian Auditor-General			21	18
NOTE 22 Subsequent events				
No matters or circumstances have arisen since the end of the reporting period which may significantly affect the operations of the ARMB, the result of those operations, and the state of affairs of the ARMB in future financial years.				
NOTE 23 Consultants Engaged				
There were 18 projects undertaken for the ARMB by consultants. The total costs of these assignments were \$539,695 (2009: \$455,282).				
The following table lists the consultants engaged in 2009–10 where total remuneration was \$100,000 or above.				
<i>Consultant</i>	<i>Project</i>	<i>Total approved project fee</i>	<i>Expenditure 2009–10</i>	<i>Future committed expenditure</i>
Cox Architects and Planners	Development of the Resort Master Plan	\$284,425	\$284,425	-
Total remuneration		\$284,425	\$284,425	-

* Represents the total amount paid or payable to all executive officers, including those below the \$100,000 remuneration level and therefore not included in the banding table above.

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Auditor General's Report

VAGO
Victorian Auditor-General's Office
INDEPENDENT AUDITOR'S REPORT

To the Board, Mount Buller and Mount Stirling Alpine Resort Management Board

The Financial Report

The accompanying financial report for the year ended 31 October 2010 of Mount Buller and Mount Stirling Alpine Resort Management Board which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Mount Buller and Mount Stirling Alpine Resort Management board chairman and chief executive officer has been audited.

The Board's Responsibility for the Financial Report

The Board Members of the Mount Buller and Mount Stirling Alpine Resort Management Board 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 financial reporting requirements of the Financial Management Act 1994 and for such internal control as the Board Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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 audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the 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 the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Victorian Auditor-General's Office
Independent Auditor's Report (continued)

Electronic Publication of the Audited Financial Report

It is our understanding that the Mount Buller and Mount Stirling Alpine Resort Management Board intends to electronically present the audited financial report and auditor's report on its internet website. Responsibility for the electronic presentation of the financial report on the the Mount Buller and Mount Stirling Alpine Resort Management Board's website is that of the Board. The security and controls over information on the website should be addressed by the Board to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of the audited financial report on the Mount Buller and Mount Stirling Alpine Resort Management Board's website is beyond the scope of the audit of the financial report.

Independence

The Auditor-General's independence is established by the Constitution Act 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Mount Buller and Mount Stirling Alpine Resort Management Board as at 31 October 2010 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the Financial Management Act 1994.

MELBOURNE
12 January 2011


D D R Pearson
Auditor-General

mtbuller.com.au
mtstirling.com.au

