Mt RUAPEHU
WHAKAPAPA & TŪROA

RUAPEHU ALPINE LIFTS LIMITED

2021 Annual Report

RAL Purpose & Report Introduction

Ruapehu Alpine Lifts Limited (RAL) is a limited-purpose public benefit entity regulated under the Companies Act 1993 and our Constitution. This means our shareholders are philanthropic in that they do not receive any form of benefit. While we are not required to pay company tax, we must invest our profits into the provision, promotion and development of amateur alpine sports for the public within the Tongariro National Park. We are the operators of the Whakapapa and Tūroa ski areas on Mt Ruapehu and we are the largest employer in the Ruapehu region. We are also the largest business operating within the Tongariro National Park (a UNESCO Dual World Heritage Area).

We recognise we have a responsibility to our stakeholders to ensure sustainable business principles are at the heart of what we do. Our privileged position of guardianship within the National Park affirms our commitment to improve transparency for all our RAL stakeholders. The presentation of this 2021 report uses the internationally recognised Global Reporting Initiative (GRI) G4 guidelines. GRI is a non-financial reporting framework, used to make the report more relevant to all our stakeholders, including guests, shareholders, employees, suppliers, lenders, investors and kaitiaki of Mt Ruapehu.

On behalf of the Board and leadership team we have pleasure in presenting the Annual Report for the financial year ended 30 November 2021.

This report is dated Thursday 14 April 2022 and has been approved on behalf of the Board of RAL:

Geoff Taylor, Chair

Christopher Swasbrook, Director

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Chair and CEO Review

2020/21 in review

The disappointing result for the year is explained simply. The lockdown in August occurred at the peak of the season, when we had great snow and a full roster of staff, this reduced our winter ski visitors to below our breakeven point.

The loss of $5.9M includes several noncash extraordinary items. We operate the business on a cashflow basis and look at an adjusted normalised EBITDA as our key indicator of underlying profitability. The 2021 adjusted normalised EBITDA of -$1.3M (a reconciliation and calculation of the adjusted normalised EBITDA is disclosed in Note 17 to the financial statements) compares with our previous years' results as shown in the following graph. It highlights how much worse the lockdown within the 2021 COVID-19 year was when compared with 2020 (also impacted by the COVID-19 pandemic):

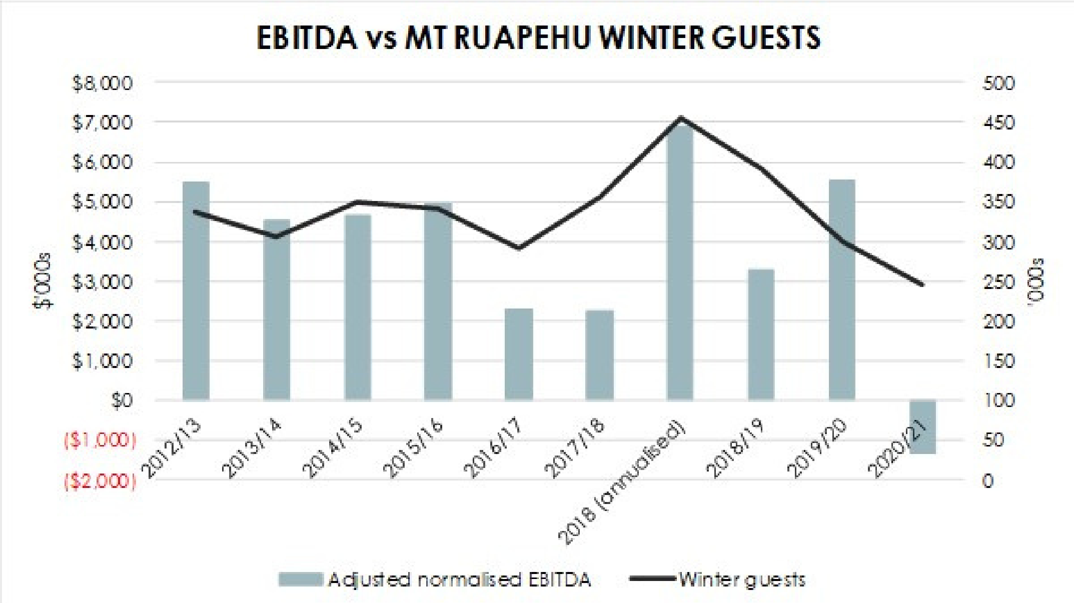


Figure 1 EBITDA vs Mt Ruapehu winter guests

Being a frustrating year for all, we want to acknowledge the support of:

- Our Team - With total labour costs of $11.8M this year being 20% less than pre COVID-19 levels, they have been through the proverbial wringer in the last couple of years. They are up for the challenge and have an unwavering commitment to our partners and community.

- The Taxpayer - We received $2.2M in wage subsidies, $1M of relief on our annual licence costs, and MBIE increased their loan to us by $5M to fund urgent works on the Tūroa lifts in advance of winter opening. Clearly without their support we could not have continued as we did.

- Gondola Bond Investors - Their payments of $0.492M reflected the Sky Waka patronage of 69,000. This was $1.1M less than our forecast return to them in the business case back in 2017 which was predicated on growing summer sightseeing volumes.

- ANZ - They allowed us to commit to costs when COVID-19 resulted in shutdown in August 2021, so we were prepared for the restrictions easing and reopening for the end of the season. ANZ then committed to fully funding the 2022 season in September 2021, allowing us to commit to our loyal guests by selling early bird season passes in October 2021. ANZ also supported our decision to give a credit to the guests most affected by the lockdown.

- Our Season Pass Guests - Again, they stepped up with early bird purchases and this reduced our year end debt by $6M. This demonstrated their trust and support for the company for the 2022 season ahead.

- Life Pass Owners - They only got to use their passes for 90 days this year, 32% less than average. A number have also been in touch to offer thoughts on raising additional capital through the life pass owners.

Given the poor financial results of the last two years, we are pleased to be fully funded for the coming season. While the volume of debt has grown again this year by $5M, we have reduced our exposure to short term debt, with 89% of debt being long term and 11% ($3.5M) short term. We have agreed with ANZ that we are aiming to reduce their exposure to our working capital requirements only, and they supported us in reducing their security to allow MBIE to finance our increased longer-term debt. We are pleased with the auditor's opinion supporting our going concern assumption after not being able to last year.

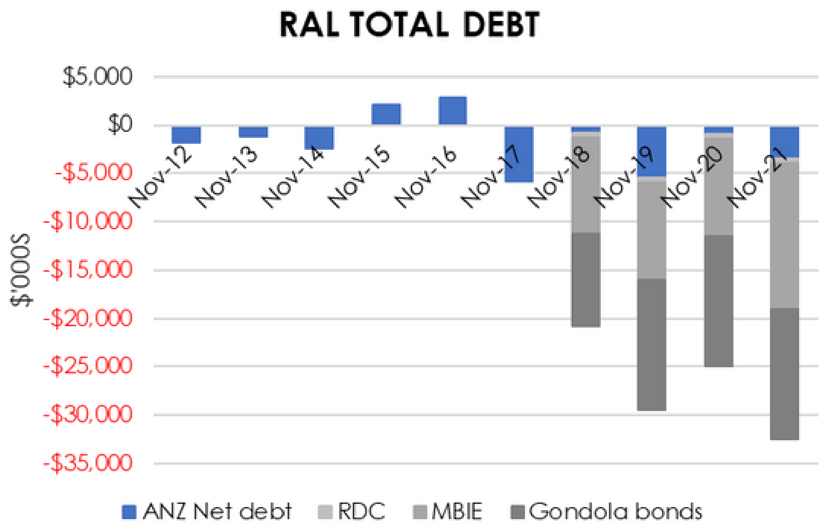


Figure 2 RAL Total Debt

Note: the above graph presents the face value of the total debt and therefore it does not reconcile to the financial statements.

How are we currently funded?

Due to our unique capital structure, it is useful to unpack how we are currently funded.

In 2018/2019 we materially changed our sources of long-term finance to be able to continue with the programme of $100M of new investment in the ski areas following license renewals. We knew we would have to access new forms of finance rather than just relying on life passes and bank debt (paid for by retained earnings).

The debt instruments used to fund the Sky Waka Gondola was the starting point for this.

We received a $10M loan from the Provincial Growth Fund (MBIE), a $0.5M loan from Ruapehu District Council (RDC) and we raised $13.5M through the sale of Tourism Infrastructure Bonds to local iwi, Taupō District Council, community trusts and private entities. All of these debt instruments are similar in nature: sharing risk with us in the early stages of investment for a larger payoff when the returns are higher, and growth is achieved.

The MBIE and RDC loans were specific to the building of the Sky Waka Gondola at the Whakapapa Ski Area. The term of the loans are 10 years (due to be repaid in 2028) and the repayment for principal and accrual for interest is triggered when the number of non-ski gondola passengers exceeds 300,000 in any given financial year. The interest rate was the 10-year government bond rate at the date of signing the agreements. Due to the favourable terms of these loans, they are deemed to be concessionary and are revalued for the purpose of the financial statements. Further information on these loans is disclosed in Note 9 to the financial statements.

We also established and sold $13.5M of 'Tourism Infrastructure Bonds' to fund the Sky Waka Gondola. These bonds attract a minimum quarterly coupon of 3% per annum and uncapped upside depending on the non-ski passenger tickets sold once operational. The upside is determined by calculating an inflation adjusted toll of NZD$0.50 for every sightseeing ticket sold per bond held in multiples of $1M. Further information on these bonds is disclosed in Note 9 to the financial statements.

ANZ's facilities are made up of term loans and a seasonal working capital facility that is drawn down over the summer months while we are not generating significant revenue and repaid over winter.

Following the conclusion of the 2020 season we needed to address some safety and reliability issues on the Movenpick and Parklane chairlifts to be able to safely operate for the 2021 season. As a result, we obtained $5M of emergency funding from MBIE. This loan is on the same terms as the Sky Waka loan with regards to interest and repayment triggers, although it has additional clauses around security over the items purchased with the loan and relating to the establishment of a New Entity. This loan is also deemed to be a concessionary loan and has been revalued for the purpose of the financial statements. Further information on this loan is disclosed in Note 9 to the financial statements.

Looking forward

Our current focus is to operate more efficiently and effectively to improve profitability, continue to reduce debt and rebuild our working capital. We expect to increase profits from growth in summer sightseers on the Sky Waka and through a return to pre COVID-19 winter numbers. Of course, we must be cautious about those two things and while we do not have a desire to sell or reduce the size of our ski areas, we remain open to all options if our operating performance does not revert to normal in the coming season.

This focus to improve performance within our core business is underpinned by our new strategy, “At Our Peak.” This sets out our commitment to people and place as well as ensuring that all of our activities uphold the Mana of the Maunga.

At Our Peak demonstrates that RAL is on a journey with a number of stakeholders who are key to our shared success. In 2021, we started on this path with a renewed priority for the guest experience which was validated by an upward trend in satisfaction scores, and this continues to new targets for on time opening performance, up time (reliability) and maximum terrain availability.

In September 2020, we signalled a process to review our sources of capital and commenced a process to look for a long-term strategic partner to invest up to $30M of new equity in the future growth and development of our business. This search was unsuccessful and as a result we needed and secured emergency funding from both MBIE and ANZ to operate for the 2021 season. Both the MBIE and ANZ’s funding is conditional on changing our corporate structure to allow new capital to flow into RAL, and so it is the condition of our lenders that we establish a "New Entity" whereby, if we found a favourable source of capital, we could present it to Shareholders. In the meantime, the “New Entity” will sit there as a wholly-owned RAL subsidiary. While it is not unreasonable for our lenders to insist on this condition to increase their options, it is not our desire to change our tax-exempt status nor the requirement for reinvestment of profits back into our infrastructure. This is stance is supported by the RAL Trust and we’re pleased to include a report from them, that shows their intentions, in this year’s report.

Our guests also expect that we plan for alternatives and our focus is on Tūroa. It has the oldest lifts, and we need to consider the trade-off of maintenance capex versus replacement costs – again a strategy of buying time until we are profitable enough to replace lifts. That is the reason for getting an external report from Dopplemayr on the life of the main Tūroa lifts and the cost versus benefit of maintaining these lifts for a longer period compared with replacing them.

Of course, we can reasonably bank on normal skier volumes at some time, but we also want to highlight the positive outlook for summer sightseeing when our tourism market recovers.

Although our sightseeing numbers have not increased materially since the opening of the Sky Waka (due to the extraordinary reduction in tourism numbers in the last two years – the Tongariro crossing is 80% down on its pre COVID-19 numbers!), the forecast activity is the key to our improved profitability on Sky Waka.

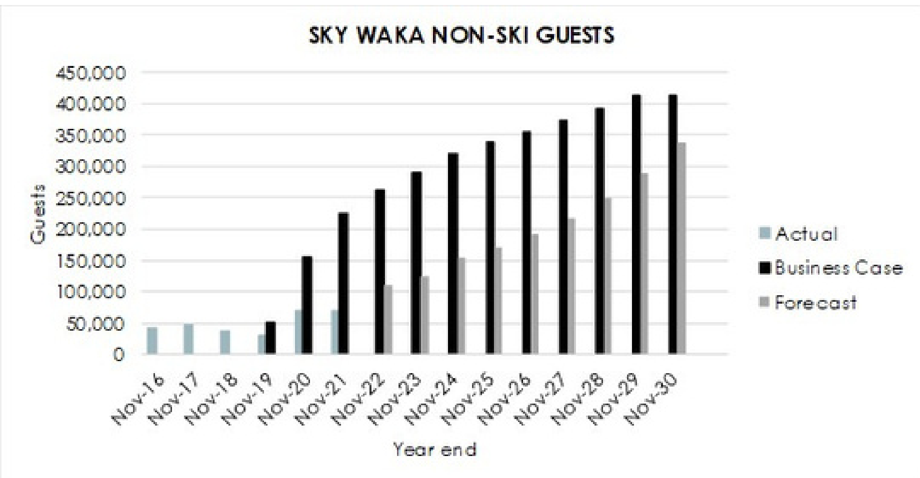


Figure 3 Sky Waka non-ski Guests

Governance changes

As announced in last year's annual report and confirmed at our May 2021 Annual Shareholder Meeting (ASM), Murray Gribben retired from the RAL Board of Directors. Again, we would like to thank Murray sincerely for his contribution to the Board and support to RAL during his time as Chair and as a Director.

At the last ASM held in May 2021, Terry Allen and Zoe Dryden were reappointed to the Board and Christopher Swasbrook and Jamie Tuuta were appointed to the Board as Directors.

To broaden its skill sets, the RAL Board has begun the search for new board members with specific experience wanted in the engineering, infrastructure and legal areas.

Candidates will need to demonstrate an understanding of, or have experience within the ski industry, the local area and tikanga Māori values. These roles have been promoted to shareholders and life pass owners who may have the relevant skills the company is seeking.

Annual Shareholder Meeting

Planning is underway for our ASM. This will be held at the Tūroa Ski Area on Saturday, 28 May 2022.
We will present more detail on the substantive issues of:

- the forecast profitability of the Sky Waka; and,
- the findings from the Tūroa report on replacement versus maintenance of the lifts.

We will also present our thoughts on the development of alternative funding plans and within those the potential to raise capital from a new life pass issue. We look forward to these discussions.

The Notice of Meeting will be sent to shareholders in early May. We will also have resolutions around:

- the establishment of a new entity as mentioned previously; and,
- exemptions to the Takeovers Code as approved by the Takeovers Panel.

Acknowledgement and Thanks

We would like to thank all our guests, shareholders, partners and community for their committed support over this past difficult year.

Finally, we wish to acknowledge the contribution of our Directors and most importantly our staff.
These have been challenging times for RAL, and we are ready to move forward together.

Geoff Taylor	Jono Dean
Chair	CEO

Sustainability Report

As a business operating within a UNESCO Dual World Heritage Area, we recognise that we have a responsibility to our stakeholders to ensure sustainable business principles are at the centre of what we do. For us, it is important that our two ski areas on Mt Ruapehu remain commercially viable while acknowledging the cultural, spiritual and environmental impacts on the sacred place where we operate.

Why has RAL adopted "non-financial reporting?

We started our non-financial reporting journey in 2016 when we presented our results using Triple Bottom Line reporting. Since then, we have gathered feedback and are looking to further improve our disclosures using the internationally recognised sustainability reporting standard Global Reporting Initiative (GRI) G4. We use this as a guide to ensure we are reporting on the factors that matter for our industry.

How did we decide what to report on?

At RAL we aspire to be Aoteroa's most loved mountain experience and believe that we can achieve this by delivering inspiring, empowering and exceptional experiences.

Our actions are based on our commitment to kaitiakitanga (for the place), manaakitanga (for the people), and aroha (for the love of it).

With two mountain experiences and a winter seasonal team of more than 600, our ability to create meaningful connections with our manuhiri (guests) and build a team that feels a sense of belonging to our whānau and maunga is key to our success.

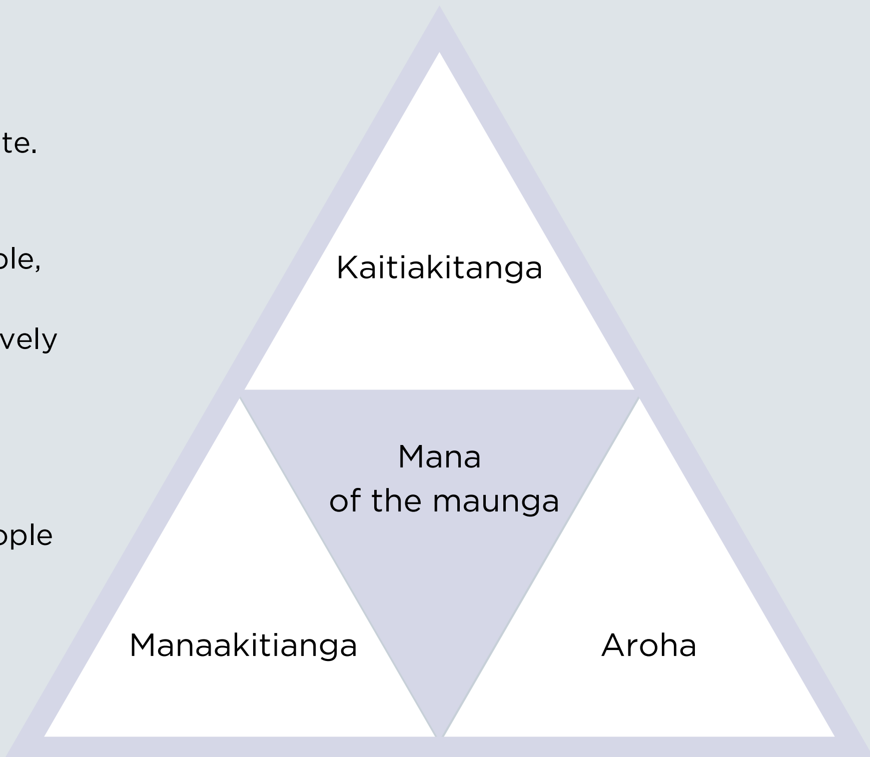
In determining what to include in our sustainability report, we have identified three guiding principles that are material to RAL's business and to its stakeholders. We have reported our performance in each of these areas and will remain accountable to our stakeholders by integrating these into our daily approach to business.

We believe these success factors are critical to us delivering on our purpose.

Kaitiakitanga – for the place
We have a responsibility to be an environmental guardian, steward and trustee for the place in which we operate.

Manaakitanga – for the people
We have a responsibility to be hospitable, kind, respectful, generous, caring, supportive and to communicate effectively with all stakeholders.

Aroha – for the love of it
We have a responsibility to share our passion for this place. We want our people and stakeholders to be engaged, courageous, innovative and passionate about the place.



Kaitiakitanga

Capital investment

Movenpick and Parklane
Tūroa's aging base area chairlifts, the Movenpick Quad and Parklane Triple, were under the spotlight this year and received the first phase of rehabilitative attention to ensure additional operating lifespan.

The work ranged from gaining specialist engineering advice for additional maintenance inspections, large scale overhauls of mechanical components, replacement of safety cables and detectors, electrical servicing of drive equipment, additional Non-Destructive Testing and load tests as a measure of continued compliance.

Only minor upgrades have been undertaken elsewhere on the maunga due to limited access to capital and the focus of MBIE's emergency funding has been on addressing the reliability and safety of key infrastructure.

Iwi relationships

We are unique among concessionaires on Conservation Land in that we have established a model of co-governance with local iwi for both Whakapapa and Tūroa. We acknowledge the importance of our relationships with Ngāti Tūwharetoa, Ngāti Rangi, Ngāti Uenuku, Ngāti Hikairo and Ngāti Hauā.

Te Pae Maunga is the co-governance group which oversees Whakapapa. The group includes membership from the RAL Board with Ngāti Tūwharetoa and Ngāti Hikairo leadership, ensuring that we genuinely give effect to the principles of the Treaty.

In 2018 a similar group was formed with Ngāti Rangi for the Tūroa ski area, Te Pae Toka. The group includes membership from the RAL Board and Ngāti Rangi.

These groups provide oversight for the cultural, environmental and community values associated with the maunga ensuring that extensions of RAL's licence term for each of the ski areas is linked to performance against these key areas.

Enviromental commitment

One of the biggest parts of what makes operating Whakapapa and Tūroa so special is the connection and responsibility for the maunga that we all feel and respect. We continue to grow our understanding around how to minimise our impacts on not just this geographic location but also how our business impacts the environment further afield through what we purchase and consume and or otherwise influence.

Through the SAANZ (Ski Area Association of New Zealand) Sustainability Working Group we are now starting to track and account for our use of resources such as Greenhouse Gas Emissions with more rigour with the aim to effectively reduce the use and or unnecessary wastage of these resources over time. At RAL, the Refuse Recovery Operation is entering its 10th year, we are continuing to see improvements in the amount of refuse left in the environment each winter.

During summer 2020/21 our re-planting programme was re-established with Bristle Tussock (Rytidosperma setifolium) seed collection. These seeds are being grown into seedlings and we hope to have upwards of 1000 plants to go in the ground within the next six months. Each year we will continue to collect more seeds and ensure that there is an ongoing supply for re-vegetation of any of the locations within the ski area boundaries that have been affected by RAL activity.

Manaakitanga

Guest engagement & winter guests

2021 saw fewer visitors to the ski areas due to COVID-19 restrictions and the widespread and long-lasting lock downs that commenced on 17 August 2021.

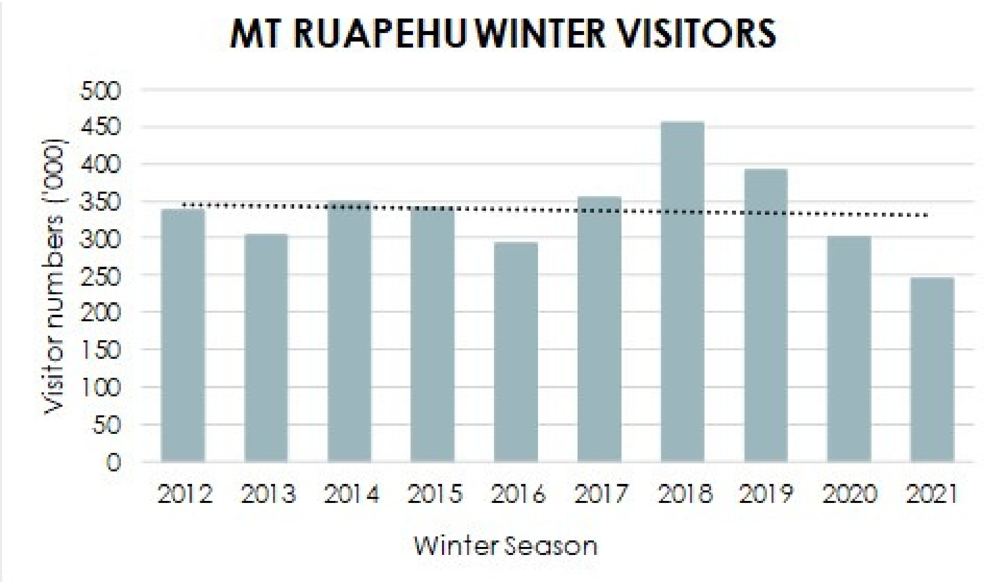


Figure 4 Mt Ruapehu Winter Visitors

We were pleased to see a significant improvement in our guest satisfaction scores and put this down to our improved guest communication (in particular the establishment of a dedicated contact support centre in December 2020) as well as the easing of congestion - this was not only due to regional lockdown restrictions but also connects to our decision to cap the number of season passes available. Our congestion management tool (bookable parking) was only used on three busy weekends in 2021 and its deployment was significantly improved when compared with its first use in 2020.

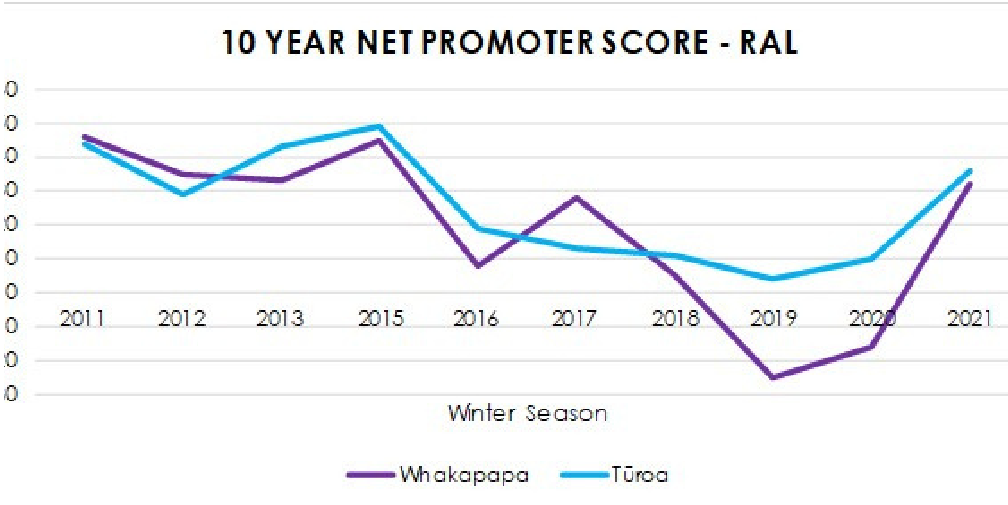


Figure 5 Whakapapa and Tūroa Net Promoter Score

We assess Net Promoter Score (NPS) for both ski areas. This is a measure of the likelihood of a guest recommending one of our ski areas to friends and family, the score is not a percentage, it is a scale from –100 to +100 with a score above zero indicating more promoters than detractors.

In addition to the NPS survey which is an "at the time of visit" tool, RAL has recently conducted a stand-alone feedback survey which had over 4000 responses. Importantly this picks up those that may not have visited recently but are still connected to us. The data and commentary from this survey is being collated at the time of writing and will be used to inform our guest experience strategies for 2022 and beyond. A big thank you to all those that took part.

Guest Safety

Snowsports come with inherent risk factors and in many ways, this is part of the draw card. However, at Mt Ruapehu we are continuously looking at ways we can further reduce the occurrence and the severity of any injuries to our guests. We continuously analyse key information that is recorded in real-time, on all accidents we attend with the aim to identify trends and or hot spots and, improve the overall safety of visits. This analysis is an effective tool which enables us to monitor and achieve continuous improvement in safety on the ski areas. Both Safety Services teams and the wider ski area operations teams are actively engaged with the data and are able to respond to any trends day by day throughout the winter season.

The graph below illustrates winter visitor accident rates per 1,000 visitor days from winter 2012 – winter 2021.

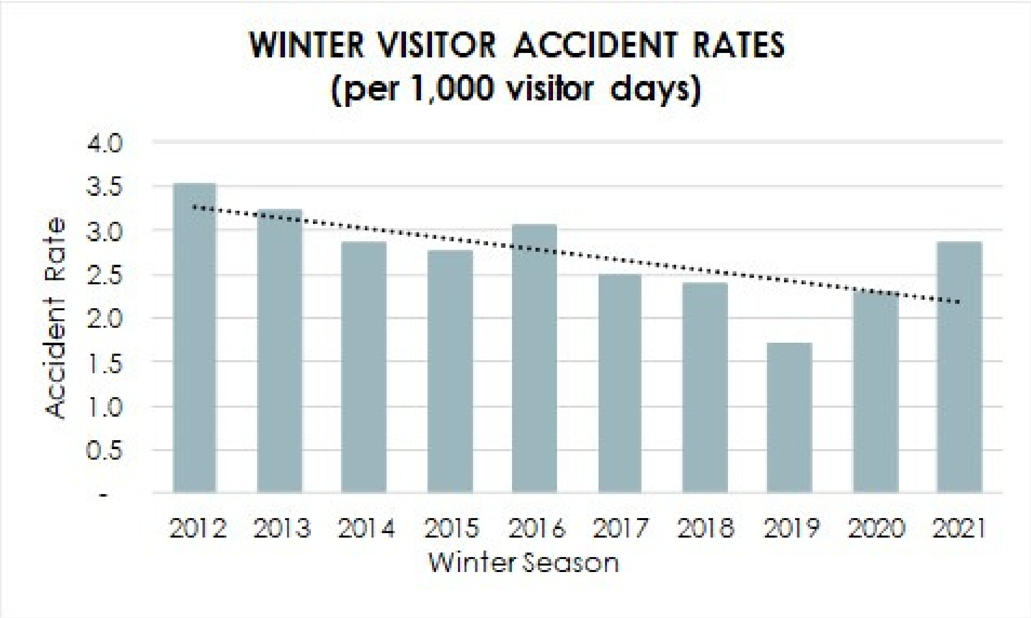


Figure 6 Winter Visitor Accident Rates

Aroha

Staff engagement

Each year RAL completes a staff engagement survey in late August and the timing of this is consistent to provide us with a similar yard stick to compare against.

Year	Responses	Response Rate	Engaged	Ambivalent	Disengaged
2021	310	53%	84	137	89
2020	273	72%	84	130	59
2019	563	77%	99	174	290
2018	407	63%	105	169	133
2017	515	72%	172	229	114
2016	379	58%	94	146	139
2015	433	70%	122	190	121

Figure 7 RAL Staff Engagement

Following on from 2020, improvements were seen in the key areas following actions that were put in place. There was a significant reduction in the comments made about uniform across all key areas.
The key themes from the 2021 survey included:

- Maunga and environment – A number of comments mentioned the environment and the feeling that working on the maunga was special. Some team members expressed a connection with the place. Weather was also a key theme with the variable nature impacting pay and hours.
- Pay and hours – A continued theme from previous years, with pay and hours being a contributing factor to disengagement. A few comments referenced feeling understaffed and the adverse effect of missing out on ride breaks and time enjoying the ski area.
- People – “Awesome people” and “great crew” were some other comments that came through. This indicated that the vibe and feeling within teams is positive across the ski areas.

Following from 2020, there was recognition throughout the survey of some areas where we have improved. The use of Slack (instant messaging tool) was highlighted as a positive way to communicate across the business, guest service comments were improved from 2020, and wellbeing initiatives appear to have been well received.

In addition to the staff engagement survey, employees were asked about our response to COVID-19 lockdown and the changes to alert levels in August. Overall, the team responded positively to how we managed the changes and returning to the workplace. We have some key learnings on how we communicate effectively in supporting the team.

Staff health and wellbeing

Mental health awareness and other initiatives

Staff health and wellbeing has continued to be a focus through 2021. Centred around the five ways to wellbeing, RAL provides education, support and activities that encourage employees to be mindful of their own wellbeing and how RAL can support employees within the workplace.

New initiatives for 2021 included:

- Mental Health First Aid courses – Preseason 2021, four mental health first aid courses were made available for anyone to attend. The aim was to provide employees with ways to identify and support their colleagues who may be experiencing a difficult time. These were well received with many citing how valuable they were through the season.

- Social work support – in conjunction with the RAL cadetship, we implemented a social work support service across the business. This provides an onsite person who can support staff with budgeting, relationships, conflict management, family violence, alcohol and drugs, and absences from work.

- Free blood pressure checks – facilitated through the Medical Centre, employees were provided with the opportunity to do a health assessment and blood pressure check.

Continued activities:

- Encouraging being active through participation in the Taupō Length of the Lake Relay and Aotearoa Bike Challenge.
- Employee Assistance Programme support through Taupō Family Centre.
- Smokefree – Quitting support through the Medical Centres.
- Flu vaccines (alongside COVID-19 vaccination support).
- Encouraged participation in Pink Shirt Day, Gum Boot Day.
- Mental Health Awareness week promotion.
- Te wiki o te reo promotion through internal communications.

Support through COVID-19 lockdown

Level 4 in August / September 2021 saw the two ski areas and offices close for 2.5 weeks of the season. During this time, we brought back several initiatives that were successful in 2020 to support the team. These included:

- 10@10 opportunities for teams to check in online with peers and colleagues.
- Regular daily communications on wellbeing topics that focused on the five ways to wellbeing.
- Communication focused on education and support for vaccinations and testing.
- Online training sessions that encouraged gaining new skills and knowledge.
- RAL received wage subsidies for employees through this period and through the remainder of the season which allowed us to maintain employment for both seasonal and permanent teams.

Diversity

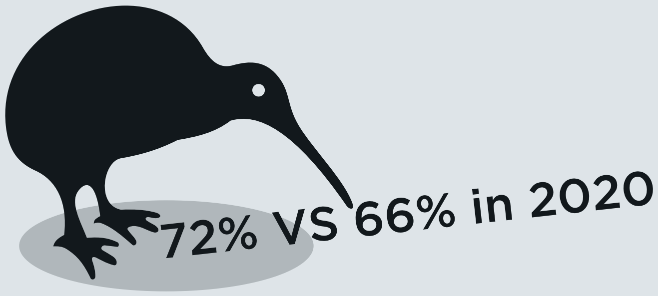
Diversity measures over the last two years have established a baseline of data that has enabled the development of objectives moving forward into the next five years.

We have seen an increase in the percentage of the team that have a connection with iwi to 15-20%, and we continue to focus on existing and new initiatives to increase employment opportunities for locals within our region that have a connection to the maunga.

Our next steps in establishing a baseline of data to focus on the permanent team and using this to focus efforts where we believe we will have a sustainable and long-term impact.

Nationality

COVID-19 and subsequent border closures has seen a significant reduction in international employees for both the winter and summer season. This is the contributing factor to the increase in New Zealand citizens within our team. For winter 2021, we saw an increase of 6%, up from 2020, to 72%



Age

Our workforce age diversity continues to shift throughout the year with our seasonal winter team having a stronger representation from the 20-29 age range. In summer, we see a higher percentage of the team within the 30-39 age range that most likely represents our permanent workforce that have made the Ruapehu region their home.

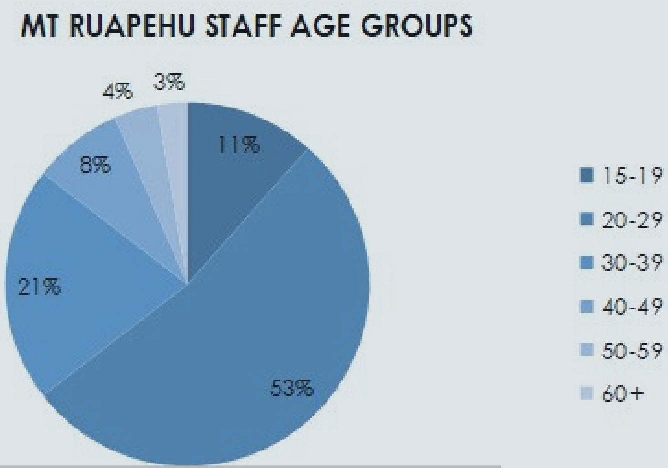
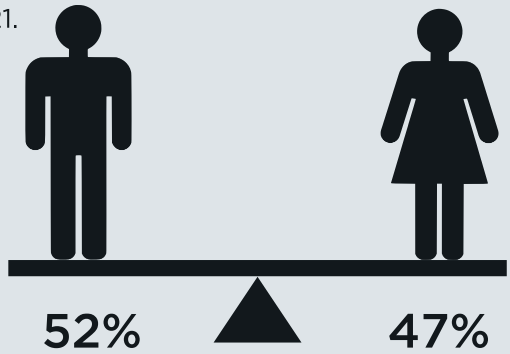


Figure 8 Mt Ruapehu Staff Age Groups

*All workforce stats are taken from August 2021, peak winter staffing

Gender

At peak, our staff were 52% male and 47% female with 1% either choosing not to say or unknown. We saw an increase in our female staff of 2% from 2020 to 2021.



*A percentage will not be recorded or disclosed

Our gender pay gap (8.5%) is less than the National Gender Pay Gap (9.5%). However, it still reflects a gap in favour of males. At the executive level of the business, gender diversity drops to 25% for the 2021 financial year.

Ethnicity

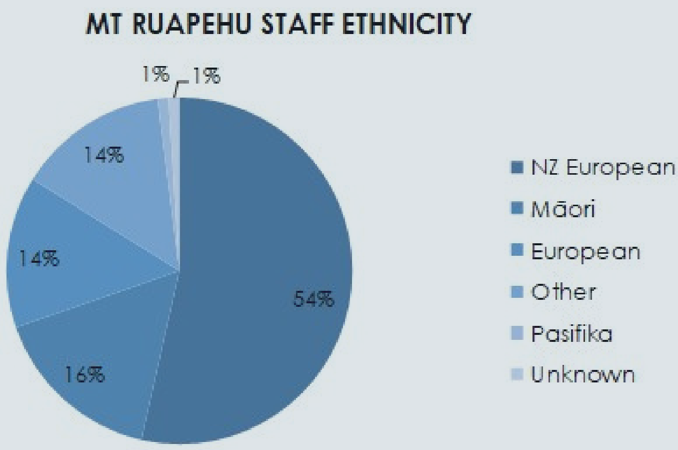


Figure 9 Mt Ruapehu Staff Ethnicity

Training and opportunities

Mt Rupaehu cadetship programme

The 2020/2021 summer was the second year of the summer cadetship programme and in winter, the programme has a distinct focus on the Tūrangi area. In partnership with the Ministry of Social Development (MSD), the cadetship aims to provide employment opportunities along with NZQA recognised qualifications for youth in the local region. As an addition to training and employment, cadets receive pastoral support and preparation for work life with skills obtained in budgeting, communication skills, first aid, and personal development. Success of the cadetship programme is determined by cadets remaining off of the benefit for an extended period and MSD has expressed that for the majority this has been achieved.

The summer cadetship was recruited from Tūrangi, Taumarunui and Ohakune and provided an experience across food and beverage and lift operations. Nine cadets were employed for the 12-week summer programme, with 88% completing the qualification and four staying on for the remainder of summer and returning for employment in the winter season.

The winter cadetship focused on youth from Tūrangi with 10 cadets offered positions for the training component of the programme. Nine cadets completed the training and were offered winter positions in a department for the season. 70% of the cadets completed the Service IQ Visitor Savvy qualification as part of the programme and through employment.

Apprenticeships

Apprenticeship programmes were started for three employees during the year, with two in carpentry and one in electrical engineering. One apprentice has since moved on to other employment. The two current employees are progressing well with training and have completed their first year.

Developing Capability

Personal development across the leadership team was driven in 2020/21 by the implementation of personal development plan tools that allowed leaders to determine their own development pathways and access training funds to support growth and development. These plans have enabled leaders to participate in courses at a technical level through to degree qualifications.

In 2021, we partnered with LinkedIn learning to provide access to courses for the leadership team as well as key supervisors and those identified as potential successors into leadership positions. The benefits of this have included the leadership team gaining a diverse network of courses as well as providing just in time learning support.

Celebrating Success

Long serving employees

With COVID-19 restrictions in place, we were unable to hold an annual event for long service and will instead celebrate these achievements in 2022.

In 2021, the following milestones were achieved:

20 years:

Shane Buckingham
Callum Learmonth
Darryl Jones
Britta Nesbit
Andy Hoyle

10 years:

Ethan Mikkelsen

Meet our Board

Geoff Taylor joined the Board in July 2015. He is a professional Director with experience in corporate finance and investment management. Geoff is a former member of the Institute of Chartered Accountants, a current member of the Institute of Directors, and is a fellow of the Institute of Finance Professionals of NZ. Geoff began skiing on the rope tows of Whakapapa and was a member of Christiana Ski Club.

John Foley joined the Board as an Advisor in April 2019 and became a Director in June 2019. He has an extensive background in communications and advertising. He spent 17 years with the Saatchi & Saatchi network – starting out in Wellington before spending 10 years abroad in CEO and Global Director roles in Asia and Australia. With a passion for the business of sports and recreation, John is now operating his own sports marketing business in Auckland. John has enjoyed a lifelong passion for Mt Ruapehu and the surrounding region and now loves sharing that passion with his young family at every opportunity.

Terry Allen joined the Board as an Advisor in March 2020 and became a Director in May 2020. He is an experienced senior level executive with proven leadership experience in a career that has been focused on technology and innovation. Terry has worked across multi-national corporations, small and medium business, commercialisation IP, investment and government organisations. His skills at an executive level have led him through several engagements assisting organisations on sales and strategy, and implementation of technology. Terry is the Investment Director North America for NZTE, helping New Zealand companies raise capital from the US. He is an active Director of several New Zealand tech companies and Chairs Massey University's Tech Transfer Office commercialisation student innovation. Terry has been skiing on Mt Ruapehu since he was a teenager and is a member of Tongariro Ski Club where his children have spent every winter holiday.

Zoe Dryden joined the Board as an Advisor in September 2020 and became a Director in October 2020. She is an experienced private sector business owner and operator having established and run successful businesses in sports and recreation, tourism, and logistics. In the past 15 years, Zoe has specialised in community contribution work and leadership development. Zoe established a charity in Nepal and led developmental initiatives throughout the indigenous communities in Chitwan working with community and women's groups to bring education, schooling and basic facilities to impoverished areas. Zoe brings a leadership development and organisational culture focus with a commercial lens of private business practice. Zoe is currently chair of FACE Nepal Charitable Trust, Co-owner of Abel Tasman Kayaks, owner of Second Base and Director of Ngāti Apa ki te Rā Tō Investments and holding companies. Zoe was the recipient of the IOD Emerging Director award 2020 and recognised as a top Diverse Board-Ready Director in 2022.

Christopher Swasbrook joined the Board as an Advisor in July 2020 and became a Director in March 2021. He is the founder and managing director of Elevation Capital Management Limited and was previously a Partner of Goldman Sachs JBWere Pty, co-head of institutional equities at Goldman Sachs JBWere (NZ) and a foundation broker of the New Zealand Exchange ("NZX"). He is a board member of the Financial Markets Authority (FMA), a member of the NZX Listing Sub-Committee, a member of the NZ Markets Disciplinary Tribunal and a member of the Advisory Board of the Auckland Art Gallery Toi o Tāmaki. He is also a director of NZX-listed Allied Farmers Limited, Bethunes Investments Limited, NZX-listed New Zealand Rural Land Company and Swimtastic Limited. Christopher and his family have a long association with skiing on Mt Ruapehu.

Jamie Tuuta joined the Board as an Advisor in November 2020 and became a Director in March 2021. Jamie is an experienced director and has held governance positions over the past 20 years in the areas of iwi development, agribusiness, fishing, investment, health, housing, tourism, philanthropy and education. Jamie is the chair of Tourism New Zealand, the Māori Television Service, Venture Taranaki, Te Rūnanga o Ngāti Mutunga, Ka Uruora and Te Kahui Maru GP. He is also a director of Taranaki Whānui Limited. Jamie is a recipient of the 2010 Sir Peter Blake Emerging Leadership Award. He was also awarded the Māori Young business Leader of the year award in 2016.

Meet our executive team

Jono Dean joined RAL as General Manager of Whakapapa Ski Area in June of 2018 following a career in the hospitality and tourism sector throughout New Zealand and Australia. Jono has a bachelor's degree in Tourism Management from Victoria University of Wellington and throughout his time at university, was an avid skier at both Tūroa and Whakapapa and a member of the Victoria Ski and Board Club. Jono assumed the position of CEO of RAL in October 2019 and has led the company through the challenging COVID-19 response and the 2020 and 2021 winters, working closely with his team and the Board to ensure the company has been able to continue trading through this difficult period. Jono is passionate about the future of the snow sports industry in New Zealand and takes an active role on the SAANZ executive team driving the industry forward.

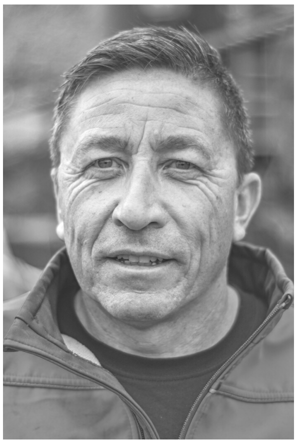
Jessie Watling joined RAL as Finance Manager in November 2013 and in July 2019 was appointed to the role of CFO and Company Secretary. Over the years her role changed as the business changed, moving through periods of licence renewals, reinvestment into infrastructure at the ski areas and more recently navigating the uncertainty around COVID-19 and working towards a sustainable capital structure for the future. In 2017, Jessie was awarded Highly Commended in the Young Finance Manager of the NZ CFO awards and prior to working with RAL, she came from a financial auditing background with PricewaterhouseCoopers.

Travis Donoghue joined RAL as Chief Operating Officer in June 2020, Travis has a history working in the outdoor adventure and tourism industry particularly across remote and logistically complex environments in both New Zealand and Australia. Travis' last role was as Group General Manager at Discover Waitomo for Tourism Holdings Limited and he is currently completing his final year papers in Applied Management majoring in Project Management. Travis is also a Director of NZOIA (the New Zealand Outdoor Instructors Association) and sits on the SAANZ Industry Growth Committee.

Andy Hoyle grew up in Canada and moved to New Zealand with his family in 1994. Studying Geophysics at Victoria University in Wellington, he was a passionate climber and back country skier and started at RAL in 2001 as a ski patroller at Whakapapa. In 2004, he stepped into the role of Whakapapa Safety Services Manager and continued through to 2013 in that capacity. In 2013, the company created a role specifically focused on Safety and Environmental Risk Management and he has worked in this role since then to the present day. Andy represents RAL on the SAANZ Health and Safety Committee and the SAANZ Environmental Sustainability Committee.

Jamie Sutherland joined RAL as General Manager of Maintenance in February 2019. Jamie has a background in Aviation Maintenance gained through 20 years of service in the Royal New Zealand Air Force and a bachelor's degree in Applied Management. Jamie is a Taupō local where he developed a passion for the outdoors and learned to ski at Whakapapa. Jamie has a passion for continuous improvement and represents RAL on the SAANZ Lift Technical Committee.

Sarah Webster joined RAL as Human Resources Manager in September 2017, moving from Queenstown to the Ruapehu region. Sarah has worked in ski resorts across Australia, Canada, USA and New Zealand, with a background in guest services, ski and ride school, and administration before moving into Human Resources. As well as working across several ski resorts, she has held HR roles in other tourism businesses including Ziptrek Ecotours Queenstown, The Hermitage Hotel in Aoraki Mount Cook, and Trojan Holdings. Sarah is a chartered member of the Human Resources Institute of New Zealand and sits on the SAANZ Workforce Committee.



Steve Manunui first started at Whakapapa in 1988. He was appointed to the Ski Area Manager position in 2020. Prior to that he was the Operations Manager for Whakapapa where he had oversight of maintenance, lift operations, grooming, snowmaking, road services and transport for Whakapapa Ski Area. Steve also has experience working at ski areas in Canada, USA, Japan, Switzerland and Australia. In total he has 40 winter seasons of experience under his belt. He also has a strong iwi affiliation within Ngāti Tūwharetoa. Steve is an eight-time Ironman finisher. Steve and his family are based in Taupō where they love and embrace everything the community and area has to offer.

Rochelle Landl joined RAL as Director – Marketing & Communications in May 2021, and has recently joined our Executive Team. Rochelle has strong background in marketing, having studied a Master of Business at the University of Otago. She then spent 16 years working in leadership roles across a range of businesses and industries, most notably for ANZ, Air New Zealand, and then most recently as Innovation Director at Lion.

Corporate Governance

The Board's role

The Board is responsible for providing RAL with direction, leadership, strategy, integrity and judgement to ensure the ongoing sustainability of the company and to act in the best interests of the company in a transparent, accountable and responsible manner.

Focus and performance for 2021

RAL has been and is still, in a period of organisational change. Our Board meetings over the last 24 months have consisted of lengthy, detailed discussions on the impact of COVID-19 and what a sustainable capital structure could look like in the future. Our sub-committees continue to work with management to allow ideas and business cases to be trialled and tested before presenting and seeking decisions from the Board.

We have a diverse Board, and our Directors all have a wide range of skills and experience, providing us the appropriate individuals to chair our subcommittees.

Corporate Governance Principles and Guidelines

The Financial Markets Authority (FMA) Corporate Governance Principles and Guidelines are used to measure RAL and provide an overview of our corporate governance.

Ethical standards

The Board must adhere to high standards of ethical and corporate behaviour, acting in accordance with commonly accepted good business practice and professional ethics.

Board composition and performance

The Board consists of six directors – all appointed by the Board and approved by our shareholders at the annual meeting.

Board recruitment and appointments should provide proficient Directors who add value and have independent judgement.

Board Committees

The Board has established three standing sub-committees:

- The Audit and Finance Committee - consists of a minimum of three Board members and is chaired by Geoff Taylor. The purpose is to assist the Board to fulfil its responsibilities in relation to the integrity of the company’s financial statements, the external audit and reporting, legal and regulatory compliance.

- The Health, Safety and Environmental Risk Committee - consists of all Board members and is chaired by Terry Allen. The purpose is to assist the Board to fulfil its responsibilities in relation to Health, Safety, Environmental Risk related matters arising out of the activities of RAL’s operations and those activities that affect employees, contractors, clients, communities and the environment in which RAL operates.

- The Remuneration and Nomination Committee - consists of a minimum of three Board members and is chaired by John Foley. The purpose of the Remuneration and Nomination Committee is to support and advise the Board on matters relating to remuneration including RAL’s remuneration strategy; remuneration for the Chief Executive Officer, senior leadership team and Directors; support the appointment and performance of the CEO; and the composition and performance of the Board.

Current members of the subcommittees include:

- **Audit and Finance**

Christopher Swasbrook (chair), Geoff Taylor and Terry Allen
- **Health, Safety and Environmental Risk**

All directors, Jamie Tuuta (chair)
- **Remuneration and Nomination Committee**

John Foley (chair), Geoff Taylor and Zoe Dryden

Reporting and disclosure

During the 2021 financial period the Board held fifteen meetings over the 12 months covered by this reporting period. Attendance records have been included in the below table:

Name	Attendance Record	Comments
Geoff Taylor	13/13	
John Foley	13/13	
Terry Allen	13/13	
Zoe Dryden	13/13	
Christopher Swasbrook	7/8	Appointed to Board in March 2021
Jamie Tuuta	4/7	Appointed to Board in March 2021
Murray Gribben	8/8	Retired from Board in May 2021

Figure 10 Director meeting attendance record

The Board meeting agenda includes, but is not limited to, strategic issues, CEO updates, financials, health, safety and environment, capital expenditure proposals, departmental reports.

In addition to the Board meetings noted above, Te Pae Maunga and Te Pae Toka governance meetings were held with representatives of RAL and local iwi.

Remuneration

Board remuneration is subject to shareholder approval. Once approved by shareholders, the Board may allocate the remuneration between its members as it sees fit.

Risk management

The Board is required to understand and identify key risk areas and key performance indicators of the company and monitor them and define limits of acceptable risk and ensure that appropriate risk management and regulatory compliance procedures are in place.

Auditors

The Audit and Finance Committee is required to review the independent auditor's qualifications and the annual appointment of the auditor is approved at the Annual General Meeting.

Shareholder Relations

The Board has been elected by the company shareholders to govern the company. The Board continually monitors economic, environmental, political, social, cultural and legal issues and other external factors that may influence the development of the business or the interest of shareholders and obtain external expert advice where it is considered necessary.

Stakeholder Relations

A key function of the Board is to identify the company's internal and external stakeholders and agree policies of how the company will relate to them; and ensure the company communicates effectively with shareholders and other stakeholders, particularly local iwi.

Directors' Review

Your directors have the pleasure in presenting to Shareholders the Annual Report for the period ending 30th November 2021.

Principle Activities

The company's principal activity during the year was the operation of Whakapapa and Tūroa Ski Areas.

Results	**$'ooos**
Comprehensive Loss for the period	(5,868)
Total Equity at 1st December 2020	(16,458)
Total Equity at 30th November 2021	(10,590)

Dividends

Pursuant to the constitution the company is precluded from paying dividends.

Remuneration of Employees

(In bands of $10,000 greater than $100,000)

The following discloses the number of employees (including former employees) of the company, who, during the accounting period, received remuneration and any other benefits in their capacity as employees, to the value of which was or exceeded $100,000

	No of Employees		No of Employees
$110,000 - $120,000	1	$170,000 - $180,000	1
$120,000 - $130,000	2	$200,000 - $210,000	1
$140,000 - $150,000	2	$210,000 - $220,000	1
$150,000 - $160,000	1	$290,000 - $300,000	1
$160,000 - $170,000	1		

Directors' Interests

The following transactions were entered into by Directors of the Company during the period:

- Professional Services have previously been received from Theta Systems, a company in which Terry Allen, a Director, is a Director.

The details of these transactions are in Note 10 to the Financial Statements – "Transactions with Related Parties". In each case the full extent of any interest was disclosed to the Board and the Directors concerned took no part in the decision.

Directors' Share Dealings

Nil

Remuneration of Directors

The remuneration paid to directors totalled $210k. During the year director's fees were paid to the following:

	$'000s		$'000s
Geoff Taylor	44	Zoe Dryden	29
Murray Gribben	31	Christopher Swasbrook	22
John Foley	31	Jamie Tuuta	22
Terry Allen	31		
		Total	210

Christopher Swasbrook and Jamie Tuuta were appointed to the Board in March 2021 and Murray Gribben retired from the Board in May 2021. The rest of the above-named directors held office during and since the end of the financial year.

Use of Company Information

During the period, the Board received no notices from directors of the company, requesting to use company information received in their capacity as directors, which would not otherwise have been available to them.

On behalf of the board

Geoff Taylor, Chair
Date: Thursday 14 April 2022

Christopher Swasbrook, Director
Date: Thursday 14 April 2022

Shareholding Information

Number of Shares Number of Shareholders*

5 or less 2,109

Between 6 & 10 147

Between 11 & 100 126

101 and over 1

In addition, the Ruapehu Alpine Lifts Limited Trust also holds 10,000 “D” shares.

As at the time of publishing this report there are 2,383 shareholders on the register.

Shares do frequently become available for purchase, normally from the estate of deceased shareholders. Purchase price is the face value of the shares – i.e., $1 for “A” shares, $20 for “B” and “C” shares.
The company secretary facilitates sale and purchase of shares. Contact the Secretary at Private Bag 71902, Mt Ruapehu, 3951 (Email: companysecretary@mtruapehu.com) if there is interest in purchase of available shares. Note that the RAL Board of Directors have put a hold on all share purchases and transfers due to the work that is underway on RAL’s capital structure.

Since 26 September 1998, the company constitution precludes any shareholder holding, in aggregate, more than 100 shares, notwithstanding that the aggregate holding may be more than one class of shares.

**At the time of publishing this report*

Ruapehu Alpine Lift Limited Trust

The Trust was created in 1983 to protect the interests of the company and its shareholders, and to preserve the company’s integrity for future generations. The original trustees who invested in the company were issued 10,000 “D” shares, which represent 55.16% of shares on issue. The Trust shareholding, and its stated aim of “preserving RAL in its current form”, is intended to prevent any individual, group of individuals or organisation being able to action a hostile takeover of the company.

The original trustees were Sir Bryan Todd, Sir Roy McKenzie and Peter Scott. Sir John Ingram was appointed as a trustee in 1984.

Trustees during the reporting year were Tomas Huppert, John Parker, Phil Royal and Jo Bouchier. Duncan Fraser was appointed as a Trustee of the Trust in February 2022.

The Trustees have prepared the following update for shareholders:

Trust Report

The Trustees of the RAL Trust have previously agreed to give a report to Shareholders at the AGM of the Company. By resolution of all Trustees this report is presented. The trust deed enacted in 1983 embodies three key principles, and requires the Trustees to exercise their rights as holders of the Trust's shares in such a way as will <u>in their opinion</u>:

- Promote skiing and other forms of sport and recreation on Mt Ruapehu
- Preserve the tax free status of the Company
- Promote the wellbeing of the Company in relation to those objectives.

These three principles have been highlighted to the Board as key principles in any potential transactions now, and in the future. The Trust Deed setting out the responsibilities of the Trustees can be read at https://www.mtruapehu.com/ral/annual-reports.

We report that over the last year we have had the following meetings and discussions by Zoom, and over the phone, on the following dates:

- April 2021
- May 2021
- July 2021
- August 2021
- November 2021 3x meetings
- February 2022.
- March 2022

There have been many other discussions over email during that time. At those meetings, we have discussed at length, the issues which have been facing the Company which have been advised to all shareholders. A number of those discussions have, for parts of the meeting, included members of the RAL Board.

We have also received a number of communications from shareholders seeking Trust information we have formally responded to those in:

- August 2021
- November 2021 3x responses
- Feb/ March 2022

We report also that by unanimous resolution of 20 February 2022, Duncan Fraser has been appointed as a Trustee of the Trust.

Over recent months, debate has occurred over the future structure of the Company. One persistent question raised by a group of shareholders has been:

<u>Does the RAL Trust want to change the constitution or takeover RAL?</u>

The answer to this is definitely not.
The Trustees share the strong desire of most shareholders that RAL continues just as it is. We however recognise that getting sufficient capital to satisfy our bankers and allow reasonable development might require investors other than existing shareholders.

It's hard to imagine a potential investor that wouldn't want at least the possibility of getting a return on their investment. The RAL constitution currently forbids this. Changing the constitution to allow the <u>possibility</u> makes sense. It's a backup if RAL can't continue as is and, in any case, the Bank and MBIE, the main lenders to the Company, insists on it to continue lending to the Company.

Do the Trustees want to change it? Definitely not but without the support of the Bank and MBIE, RAL would not be able to sufficiently maintain and improve facilities and that would spell the Company's death.

We share the views of most shareholders. The noncredible notion posed by a strident group of shareholders that the Trustees might use their current 55% shareholding to somehow sell off the company is simply baseless and <u>is not possible in any case.</u>

<u>We reiterate that the Trustees will continue to adhere to their duties as mentioned above in a manner which, according to the deed, in their opinion best serves the duties.</u>

Directory

Auditor - Deloitte Limited

Secretary - J Watling, Private Bag 71902, Mt Ruapehu 3951, companysecretary@mtruapehu.com

Banker - ANZ Bank New Zealand

Share Register - Private Bag 71902, Mt Ruapehu 3951

Solicitor - Chapman Tripp

Company & Registered Address - Top of Bruce Road, Whakapapa Ski Area, Mt Ruapehu 3951

Directors and Executive Leadership team - Refer page 17 and 19

Financial Statements

RUAPEHU ALPINE LIFTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For year ended 30 November 2021	Note	2021	2020
		$'000s	$'000s
Operating Activities			
Revenue			
Lift Pass Sales		16,410	22,197
Sale of Goods and Services		7,687	7,727
Rent		264	185
Total Revenue		**24,361**	**30,109**
Cost of Sales		1,854	1,893
Gross Profit		**22,507**	**28,216**
Expenses			
Auditor's Remuneration – Audit		98	54
Finance Costs		1,494	1,486
Depreciation	5	7,609	9,953
Amortisation	6	317	335
Directors' Fees	12	210	183
Insurance		1,805	1,652
Electricity Usage and Line Charges		1,884	1,897
Wages and Salaries		11,795	9,389
ACC		137	175
License Fees, Rates and Ski Area Levies	13	43	716
Marketing		408	430
Lift Maintenance and Services		1,089	958
Grooming Maintenance and Services		198	231
Other Supplies and Services	15	5,582	5,191
Total Expenses		**32,669**	**32,650**
(Loss) from Operations		**(10,162)**	**(4,434)**
Other Items			
Other Income			
COVID-19 Government Wage Subsidy & resurgence payment	18	2,203	1,715
Interest Received		10	34
Gain / (Loss) on Sale / Disposal of Property, Plant and Equipment		71	(64)
Grant Income on Loans	9.1	2,171	475
Gain on remeasurement of financial liabilities measured at amortised cost	9.1	1,255	-
Fair Value Gain / (Loss) of Derivatives & Foreign Exchange Losses	9.3	9	(5)
Total Other Income		**5,719**	**2,155**
Other Expenses			
Impairment of Property, Plant and Equipment & Intangible Assets	5 & 6	1,425	20,204
Total Other Expenses		**1,425**	**20,204**
(Loss) / Gain from Other items		**4,294**	**(18,049)**
Total Comprehensive (Loss) for the Period	17	**(5,868)**	**(22,483)**

The accompanying notes on pages 34 to 50 form part of these financial statements

STATEMENT OF FINANCIAL POSITION

as at 30 November 2021	Note	2021	2020
		$'000s	$'000s
CURRENT ASSETS			
Cash at Bank and on Hand		2,465	4,966
Restricted Funds in Trust	9.1	653	512
Trade and Other Receivables	3	393	1,102
Life Pass Finance Plan		69	148
Inventories	4	680	750
Prepayments		64	353
Total Current Assets		**4,324**	**7,831**
NON CURRENT ASSETS			
Life Pass Finance Plan		-	113
Property, Plant and Equipment	5	57,282	62,164
Intangible Assets	6	774	745
Total Non Current Assets		**58,056**	**63,022**
TOTAL ASSETS		**62,380**	**70,853**
CURRENT LIABILITIES			
Lease Liabilities	11	20	559
Trade and Other Payables	7	2,475	4,609
Deferred Grant Income on Loans	9.1	264	9
Ministry of Business, Innovation and Employment Loan	9.1	2,790	-
Bank Borrowings	9.2	5,900	5,900
Fair Value of Derivatives	9.3	-	9
Revenue in Advance	8	5,905	6,423
Life Pass Deferred Revenue		1,587	1,960
Total Current Liabilities		**18,941**	**19,469**
NON CURRENT LIABILITIES			
Lease Liabilities	11	-	20
Ministry of Business, Innovation and Employment Loan	9.1	5,492	6,244
Ruapehu District Council Loan	9.1	275	304
Tourism Infrastructure Bonds	9.1	13,500	13,500
Life Pass Deferred Revenue		13,582	14,858
Total Non Current Liabilities		**32,849**	**34,926**
TOTAL LIABILITIES		**51,790**	**54,395**
NET ASSETS		**10,590**	**16,458**
EQUITY			
Share Capital	2	98	98
Retained Earnings		10,492	16,360
TOTAL EQUITY		**10,590**	**16,458**

The accompanying notes on pages 34 to 50 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For year ended 30 November 2021	Note	Share Capital	Retained Earnings	Total
		$'000s	**$'000s**	**$'000s**
Balance at 1 December 2020		98	16,360	16,458
Comprehensive Loss for the Period		-	(5,868)	(5,868)
Movement in Share Capital		-	-	-
Balance at 30 November 2021	2	**98**	**10,492**	**10,590**
Balance at 1 December 2019		93	38,848	38,941
Comprehensive Loss for the Period		-	(22,483)	(22,483)
Movement in Share Capital		5	(5)	-
Balance at 30 November 2020	2	**98**	**16,360**	**16,458**

For and on behalf of the Board who authorised the issue of these financial statements on:

Geoff Taylor, Chair

Date: Thursday 14 April 2022

G Taylor

Christopher Swasbrook. Director

Date: Thursday 14 April 2022

The accompanying notes on pages 34 to 50 form part of these financial statements

CASH FLOW STATEMENT

For year ended 30 November 2021	Note	2021	2020
		$'000s	$'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from Customers		16,976	21,587
Revenue Received in Advance	8	5,905	6,423
Receipts from Life Pass Sales	16	215	253
Interest Received		10	34
COVID-19 Government Wage Subsidy & resurgence payment	18	2,203	1,715
Cash was applied to:			
Payments to Suppliers and Employees		(27,253)	(22,452)
Interest Paid		(804)	(948)
Net Cash Flows (used in)/from Operating Activities		**(2,748)**	**6,612**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Sale of Property, Plant and Equipment		715	-
Cash was applied to:			
Purchase of Property, Plant and Equipment and intangible assets	5 & 6	(5,327)	(5,403)
Net Cash Flows (used in) Investing Activities		**(4,612)**	**(5,403)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Ministry of Business, Innovation and Employment Loan	9.1	5,000	-
Cash was applied to:			
Current Portion of Term Loans		-	(1,000)
Net Cash Flows from/(used in) Financing Activities		**5,000**	**(1,000)**
NET (DECREASE)/INCREASE IN CASH		(2,360)	209
Opening Cash		5,478	5,269
Closing Cash		**3,118**	**5,478**
COMPOSITION OF CASH AND CASH EQUIVALENTS:			
Cash on Hand	9.2	72	36
Restricted Funds in Trust	9.2	653	512
Cash at Bank	9.2	2,393	4,930
Closing Cash Carried Forward		**3,118**	**5,478**

The accompanying notes on pages 34 to 50 form part of these financial statements

RECONCILIATION OF TOTAL COMPREHENSIVE (LOSS)/SURPLUS WITH CASH FLOW FROM OPERATING ACTIVITIES

For year ended 30 November 2021		**2021**	**2020**
		$'000s	**$'000s**
Reported Net (Loss)/Surplus for the period		(5,868)	(22,483)
Add / (Less) Non Cash Items:			
Depreciation	5	7,609	9,953
Amortisation of Intangible Assets	6	317	335
Impairment of Property, Plant and Equipment & Intangible Assets	5 & 6	1,425	20,204
Fair Value Movement in Derivatives & Foreign Exchange Loss / (Gain)	9.3	(9)	5
Effective Interest on MBIE and RDC loans	9.1	690	538
Movements in Working Capital:			
Movement in Trade and Other Payables		(2,508)	(739)
Movement in Inventories		70	270
Movement in Trade and Other Receivables		709	1,141
Movement in Life Pass Finance Plan		192	255
Movement in Prepayments		289	786
Movement in Season Pass Revenue & Revenue in Advance		(518)	(123)
Movement in Life Pass Deferred Revenue		(1,649)	(3,119)
Items Classified as Investing Activities			
Loss / (Gain) on Disposal of Assets		(71)	64
(Gain) / Loss on loans		(2,171)	(475)
(Gain) / Loss on remeasurement of financial liabilities		(1,255)	-
Net Cash Flow (used in)/from Operating Activities		**(2,748)**	**6,612**

The accompanying notes on pages 34 to 50 form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

1. SUMMARY OF KEY ACCOUNTING POLICIES

1.1 Statement of Compliance

Ruapehu Alpine Lifts Limited (the 'Company') is a company registered under the Companies Act 1993. The financial statements have been prepared in accordance with the Financial Reporting Act 2013 and the Companies Act 1993 which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The Company is a public benefit entity, all profits are reinvested into the maintenance and further development of facilities at the ski areas for the benefit of the public to promote snow sports on Mt Ruapehu.

These financial statements have been prepared in accordance with Public Benefit Entity (PBE) IPSAS Standards and comply with those standards.

1.2 Basis of Preparation

The financial statements have been prepared on the basis of historical cost except for the valuation of certain financial instruments and the accounting policies have been applied consistently throughout the year.

These financial statements are presented in New Zealand Dollars, rounded to the nearest thousand, unless otherwise stated

The outbreak of COVID-19 and the subsequent travel restrictions and quarantine measures imposed under the Government Alert Levels since March 2020 and their ongoing impacts have caused disruption to businesses and economic activity. The Directors have been focused on navigating through the period of uncertainty caused by COVID-19 during the year. This involved working with management to oversee operations and evaluating funding needs and opportunities. The Company was trading well at the commencement of winter however the Alert Level 4 lockdown that occurred in August 2021 caused significant disruption to the season and has been the main factor in the reported loss for the year.

As at 30 November 2021, the Company is in a negative net working capital position of $14.6m (2020: negative net working capital of $11.6m). This is calculated by deducting Current Liabilities from Current Assets. The negative working capital position comprises:

	2021	2020
Non-refundable revenue collected in advance	$5.9m	$6.4m
Non-refundable life pass deferred revenue	$1.6m	$1.9m
Deferred grant income on loans	$0.3m	-
Term Borrowings with ANZ Bank	$5.9m	$5.9m
Revalued borrowings with the Ministry of Business, Innovation and Employment	$2.8m	-
Total Negative Working Capital	**$14.6m**	**$11.6m**

As at 30 November 2021, the Company has $2.5m (2020: $4.9m) of cash at bank and $5.9m (2020: $5.9m) of borrowings with ANZ. Other external borrowings total $29.0m (2020: $24.0m) and comprise bonds issued, and loans obtained from MBIE and Ruapehu District Council (RDC) (refer to note 9.1 for further detail).

The Company has undertaken the following steps to attempt to satisfy the conditions within the ANZ and MBIE agreements:

Late 2020	During 2020 the Company negotiated and entered into an agreement with ANZ for FY21 funding. The following conditions were in place: • a equity raise to be completed by 30 June 2021 • funding provided was not to be used towards capital expenditure • life passes were not to be sold without ANZ's consent (due to their credit card prepayment exposure).
December 2020	In December 2020, the Company borrowed $5m of emergency funding from MBIE for the 2020/2021 capex programme with a focus on the Tūroa assets. This funding was conditional on establishing a new entity and provided MBIE with the option to convert the loan into equity in the new entity. The initial requirement included in the agreement was that the new entity would be established by March 2021. In March 2021, this was formally extended to June 2021.
Early 2021	In parallel to entering into the ANZ and MBIE agreements for funding for FY21 the Company commenced a search for an equity investor which was unsuccessful.
Throughout 2021	During FY21 both ANZ and MBIE received detailed monthly reports outlining results against the approved budgets and forecast year-end position. These reports also included the impact of the August 2021 COVID-19 Alert Level 4 lockdown and subsequent reduction in operating capacity.
August 2021	In August 2021, New Zealand went into a country wide lockdown due to the emergence of the COVID-19 Delta strain in the community. This meant the Company was unable to operate both the Whakapapa and Turoa Ski Areas. During this time ANZ continued to support the Company and continued with discussions to secure funding for the FY22 financial year.
October 2021	In October 2021, the Company received confirmation of funding with conditions around the Company presenting an alternative plan regarding access to capital.
November 2021	The Company planned to hold a Special General Meeting (SGM) where shareholders would vote on a major transaction to transfer all business assets and liabilities into a new entity 100% owned by RAL. Following feedback from shareholders the SGM was postponed in favour of taking a more consultative communication process with shareholders. Both MBIE and ANZ were agreeable to the postponement.

1. SUMMARY OF KEY ACCOUNTING POLICIES (continued)

1.2 Basis of Preparation (continued)

February 2022	The Company sought an extension to MBIE condition around establishment of a new entity to June 2022. MBIE approved this extension in February 2022. As the Company was in technical breach of the conditions of the $5m loan as at 30 November 2021, it has been recorded as a current liability on the Statement of Financial Position.
February 2022	The Company delivered an update to ANZ regarding the pathway to present an alternate plan to ANZ by May 2022.

At the time of signing the financial statements the Company's facility agreement with ANZ is in place to 30 November 2022.

The Directors believe in the Company's ability to continue as a going concern. The considered view of the Directors is that the Company has adequate resources to continue operations for the foreseeable future which is not less than 12 months from the date these financial statements are approved. The Directors have reached this conclusion by taking into regard the forecast cash flow requirements over the period and are satisfied that there is sufficient cash and cash equivalents available to cover the forecast cash outflows from operating activities and to meet the investing and financing cash flow requirements of the Company. The Directors have taken comfort over reduced current and forecast net debt with ANZ compared to previous years and the improved circumstances with a potentially more favourable outlook for 2022 with the new COVID-19 Traffic Light system and planned schedule that will allow for the reopening of borders. The Directors acknowledge the cashflow forecasts are entirely reliant on the forecast visitors expected to visit Mt Ruapehu in 2022.

However, if:

- there are significant restrictions as a result of COVID-19 that impact forecast visitor numbers and therefore cashflow forecasts; or
- the ANZ facility agreement is not extended beyond 30 November 2022; or
- the planned capital restructure does not occur prior to 30 June 2022, resulting in a breach of the conditions of the $5m additional MBIE loan and giving MBIE the contractual right to call the amount owed immediately;

there is a material uncertainty that may cast doubt on the Company's ability to continue as a going concern and therefore whether it will be able to continue its normal business activities and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. These financial statements do not include adjustments to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

1.3 Changes in Accounting Policies

There have been no changes in accounting policies throughout the year.

1.4 Prior Year Comparatives

Prior year comparatives have been reclassified, where appropriate, to facilitate comparison with the current year. There has been no material impact on the Statement of Comprehensive Income or Statement of Financial Position.

1.5 Key Sources of Judgment or Estimation

Life Pass Revenue

A key area of estimation is in relation to the revenue recorded for life passes where the revenue is released from deferred revenue based the yearly season pass yield. The Company's view is that life passes are longer term season passes and acknowledges that life pass holders behave similarly to season pass holders. The Company also views the annual drawdown of life pass revenue as foregone season pass revenue. The Company has applied a drawdown method to relate to the annual season pass yield (i.e. annual revenue for an individual life pass and life plus pass is based off the annual season pass yield that the company achieved in that year). As at 30 November 2021 there were 14k life pass holders in the Company's database.

Concessionary Loans

A key area of estimation is in relation to determining the Fair Value of the Ministry of Business, Innovation and Employment and Ruapehu District Council concessionary loans. The repayment and interest accrual profiles have been modelled using market value interest rates and forecast visitor forecasts for the Whakapapa Sky Waka Gondola. Due to the impact that COVID-19 has had on New Zealand's tourism industry an adjustment was made to the forecast non-ski passengers which resulted in a further revaluation of the concessionary loans with $1.26m (2020: nil) being recognised as a gain on the remeasurement of these loans. Further judgement and inputs into this assessment is described in Note 9.1.

Useful Lives of Property, Plant and Equipment and Intangible Assets

Depreciation and amortisation rates approximate the reasonable expectation of the useful life of each asset group based on the environment the Company operates in and from historical outcomes. During the financial year ended 30 November 2020 a review of depreciation and amortisation against expected remaining economic useful life and residual value of items of property, plant and equipment and intangible assets was conducted during the year ended. This resulted in an increase to the annual depreciation charge of $3.9m and annual amortisation charge of $112k. There was no impact on retained earnings as it was a prospective adjustment and there was no impact on the results for the 30 November 2021 financial year. The judgements and inputs into the assessment are described in Notes 1.11 and 1.12.

1. SUMMARY OF KEY ACCOUNTING POLICIES (continued)

1.5 Key Sources of Judgment or Estimation (continued)

Impairment of Property, Plant and Equipment and Intangible Assets

A key area of judgement is in relation to the impairment assessment of the carrying amounts of property, plant and equipment and intangible assets. The Company has prepared a discounted cash flow model to estimate the recoverable amount of the cash-generating units (i.e. the Whakapapa and Tūroa ski areas) to which the individual assets belong. The outcome of this assessment has resulted in impairment losses of $1.4m (2020: $20.2m) being recognised in the Statement of Comprehensive Income attributable to the Tūroa assets. The impairment exists due to the age of the Tūroa assets, the required future investment and future estimated cashflows associated with Tūroa's current asset base. The Directors have made a judgement over the realisable value for some of the Tūroa assets such as vehicles, groomers, rental fleet, snowmaking equipment and other items of property plant and equipment. Further information on the impairment assessment are described in Notes 1.12, 1.13, 5 and 6.

1.6 Adoption of New and Revised Standards and Interpretations

All mandatory standards, amendments and interpretations have been adopted in the current year. None had a material impact on these financial statements.

1.7 Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Company are: ***PBE IPSAS 41 Financial Instruments***
PBE IPSAS 41 Financial Instruments supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement. This standard is effective for reporting periods beginning on or after 1 January 2022, with early adoption permitted. The main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost; and
- a new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.

The Company will not early adopt this standard and have not yet assessed in detail the impacts of this change

1.8 Revenue

Sale of Goods

Revenue from the sale of goods is recognised when a product is sold to the guest.

Sale of Services

Revenue from the supply of season passes is recognised from the first day of the ski season and is drawn down as they are used throughout the season. Revenue from life passes is recognised based on the annual season pass yield (refer note 1.5). All other revenue, including revenue from day passes and multi-day passes, is recognised on day of use.

Interest Received

Revenue is recognised on a time proportionate basis that takes into account the effective yield on financial assets.

Operating Rent

Operating Rent is recognised in the Statement of Comprehensive Income when received for the provision of staff accommodation.

1.9 Goods and Services Tax (GST)

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis.

1.10 Taxation

The Company is exempt from income tax under section CW40 (1) of the Income Tax Act 2007.

1.11 Inventories

Inventories are held for use in the provision of goods and services. Inventories are valued at the lower of cost (calculated using weighted average method) and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

1.12 Property, Plant and Equipment

Items of property, plant and equipment are initially recorded at cost. When an asset is acquired for no, or nominal consideration the asset will be recognised initially at fair value, where fair value can be reliably determined, with the fair value of the asset received, less costs incurred to acquire the asset, also recognised as revenue in the Statement of Comprehensive Income.

Capital works in progress are recognised as costs are incurred. Capital works in progress are recognised in the property, plant and equipment schedule as assets under construction. The total cost of this work is transferred to the relevant asset category on its completion and then depreciation commences.

Realised gains and losses arising from disposal of property, plant and equipment are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs.

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (i.e. the Whakapapa and Tūroa ski areas) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units. Losses resulting from impairment are reported in the Statement of Comprehensive Income in the period in which they arise.

1. SUMMARY OF KEY ACCOUNTING POLICIES (continued)

1.12 Property, Plant and Equipment (continued)

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

Depreciation is provided on a straight-line basis, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted if applicable, at each balance date.

Buildings and fixtures	3 - 33 years	Motor Vehicles	2 - 10 years
Car Parks and Roads	33 years	Plant and Equipment	1 - 33 years
Ski Lifts & Components	5 - 33 years		

1.13 Intangible Assets

Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs.

Intangible assets with finite lives are reviewed at least annually to determine if there is any indication of impairment. If any such indication exists, the recoverable amount of the intangible asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (i.e. the Whakapapa and Tūroa ski areas) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units. Losses resulting from impairment are reported in the Statement of Comprehensive Income in the period in which they arise.

Intangible Assets are initially recorded at cost. Intangible Assets with finite lives are subsequently recorded at cost less amortisation and impairment losses. The estimated useful life of finite life intangibles is reviewed annually. Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the useful life of the asset. Software is regarded as an intangible asset. The estimated useful lives, residual values and amortisation methods are reviewed, and adjusted where applicable at teach balance date.

Software	2 - 5 years
Whakapapa Licence	60 years (term of the licence)
Tūroa License	60 years (term of the license)

1.14 Leases

The Company leases certain, motor vehicles, land and buildings. Leases are classified as finance leases wherever the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

1.15 Financial Instruments

Financial Instruments include financial assets and financial liabilities, but excludes season and life pass deferred revenue for which only a constructive obligation exists. Financial instruments are initially recorded at fair value plus any transaction costs. Subsequent to initial recognition, the measurement of financial instruments is dependent upon the classification determined by the Company.

<u>Cash and Equivalents</u>

Cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts.

<u>Trade and Other Receivables</u>

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less any impairment.

<u>Life Pass Finance Plan</u>

Loans to customers to finance the purchase of life passes are recorded at amortised cost.

<u>Financial Liabilities and Financial Assets at fair value through the profit or loss</u>

Financial liabilities consist of foreign exchange derivative contracts held for trading and are valued at fair value through the profit or loss.

<u>Financial Liabilities</u>

Financial liabilities such as Trade Payables and Borrowings are recorded at amortised cost.

<u>Other Financial Liabilities</u>

Financial liabilities such as concessionary loans (the Ministry of Business, Innovation and Employment and Ruapehu District Council Loans) are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense of the period to repayment is at a constant rate on the balance of the liability carried in the Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding

1. SUMMARY OF KEY ACCOUNTING POLICIES (continued)

1.16 Foreign Currency

All foreign currency transactions are translated into New Zealand Dollars (the functional currency) using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the Statement of Comprehensive Income in the period in which they arise.

1.17 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provisions can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. The carrying amount is the present value of those cash flows.

1.18 Cash Flow Statement

Cash and cash equivalents comprise cash on hand and cash in banks net of outstanding bank overdrafts. Operating activities include cash received from all income sources of the Company and cash payments for the supply of goods and services. Investing activities are activities relating to the acquisition and disposal of non-current assets. Financing activities comprises the change in equity and debt capital structure of the Company.

1.19 Borrowing Costs

All borrowing costs are expensed in the Statement of Comprehensive Income in the period in which they occurred.

1.20 Short Term Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries accrued up to balance date and annual leave earned to, but not yet taken at balance date. These provisions are expected to be settled within 12 months and have been measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

2 SHARE CAPITAL

All shares have equal voting rights attached. No share has any right to receive dividends or other pecuniary benefit, or to participate (in excess of the amount of consideration paid on issue of the share) in the distribution of any surplus assets on liquidation of the Company. Surplus assets on wind-up shall be divided among those organisations, societies or other persons nominated by shareholders under special resolution.

Fully Paid Ordinary Shares	**A Shares**	**B Shares**	**C Shares**	**D Shares**	**Total**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Balance at the beginning of the period 1 December 2020	4	16	68	10	**98**
Shares issued during the period	-	-	-	-	**-**
Shares forfeited during the period	-	-	-	-	**-**
Balance at the end of the period 30 November 2021	**4**	**16**	**68**	**10**	**98**
Number of Shares					
Balance at the beginning of the period 1 December 2020	4,018	793	3,430	10,000	**18,241**
Shares issued during the period	-	-	-	-	**-**
Shares forfeited during the period	-	-	-	-	**-**
Balance at the end of the period 30 November 2021	**4,018**	**793**	**3,430**	**10,000**	**18,241**

Fully Paid Ordinary Shares	**A Shares**	**B Shares**	**C Shares**	**D Shares**	**Total**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Balance at the beginning of the period 1 December 2019	4	14	65	10	**93**
Shares issued during the period	-	2	3	-	**5**
Shares forfeited during the period	-	-	-	-	**-**
Balance at the end of the period 30 November 2020	**4**	**16**	**68**	**10**	**98**
Number of Shares					
Balance at the beginning of the period 1 December 2019	3,851	711	3,271	10,000	**17,833**
Shares issued during the period	167	82	159	-	**408**
Shares forfeited during the period	-	-	-	-	**-**
Balance at the end of the period 30 November 2020	**4,018**	**793**	**3,430**	**10,000**	**18,241**

Pursuant to section 87 of the Companies Act 1993, RAL is required to maintain a share register which includes the names and latest know address of each shareholder. Clause 11.11 of RAL's Constitution enables the Board to forfeit any shareholders shares who in the reasonable opinion of the Board is no longer able to be contacted by the Company in writing. Pursuant to this clause, the Board passed a resolution to forfeit the shares of those shareholders who the Board has not been able to contact. This took place on the 31st July 2019.

Clause 11.12 of RAL's Constitution enables the Board to re-issue the forfeited shares within 12 months of forfeiture should any shareholder make themselves known to the Company and provides sufficient contact details for future correspondence and communications. The above shares that have been forfeited reflect the balance at the 30th November. Shareholders had until the 31st July 2020 to make themselves known to the company. The shares reissued during the year ended 30 November 2020 relate to those missing shareholders who made contact with the company.

3 TRADE AND OTHER RECEIVABLES

	2021	**2020**
	$'000s	**$'000s**
Trade & Other Receivables	393	15
GST Receivable	-	1,087
	393	**1,102**

4 INVENTORIES

	2021	**2020**
	$'000s	**$'000s**
Retail	373	450
Food and Beverage	99	116
Fuel	46	20
Sundry	162	164
	680	**750**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

5 PROPERTY, PLANT AND EQUIPMENT

30 November 2021	**Opening Cost**	**Additions**	**Disposals**	**Impairment**	**Transfers**	**Closing Cost**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Ski Lifts	50,546	-	(227)	-	1,567	51,886
Buildings and Fixtures	40,045	-	-	-	637	40,682
Car Parks and Roads	4,845	-	-	-	-	4,845
Motor Vehicles	9,351	-	(1,544)	-	2,156	9,963
Service Concession Assets	1,106	-	-	-	(1,106)	-
Plant and Equipment	29,165	-	(2,282)	-	1,477	28,360
	135,058	**-**	**(4,053)**	**-**	**4,731**	**135,736**
Assets Under Development	163	4,807	-	(44)	(4,731)	195
Total Property, Plant and Equipment	**135,221**	**4,807**	**(4,053)**	**(44)**	**-**	**135,931**

30 November 2020	**Opening Cost**	**Additions**	**Disposals**	**Impairment**	**Transfers**	**Closing Cost**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Ski Lifts	46,819	-	(245)	-	3,972	50,546
Buildings and Fixtures	39,271	-	(170)	-	944	40,045
Car Parks and Roads	6,901	-	-	-	(2,056)	4,845
Motor Vehicles	10,180	-	(250)	-	(579)	9,351
Service Concession Assets	527	-	-	-	579	1,106
Plant and Equipment	29,792	-	(3,084)	-	2,457	29,165
	133,490	**-**	**(3,749)**	**-**	**5,317**	**135,058**
Assets Under Development	422	5,240	-	(182)	(5,317)	163
Total Property, Plant and Equipment	**133,912**	**5,240**	**(3,749)**	**(182)**	**-**	**135,221**

30 November 2021	**Opening Accumulated Depreciation & Impairment**	**Transfers**	**Depreciation**	**Disposals**	**Impairment**	**Closing Balance**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Ski Lifts	23,859	-	2,017	(227)	862	26,511
Buildings and Fixtures	19,930	-	1,021	-	240	21,191
Car Parks and Roads	4,138	(200)	59	-	-	3,997
Motor Vehicles	7,184	-	908	(887)	-	7,205
Service Concession Assets	175	-	116	-	-	291
Plant and Equipment	17,771	200	3,488	(2,282)	277	19,454
Total Accumulated Depreciation & Impairment	**73,057**	**-**	**7,609**	**(3,396)**	**1,379**	**78,649**

30 November 2020	**Opening Accumulated Depreciation & Impairment**	**Transfers**	**Depreciation**	**Disposals**	**Impairment**	**Closing Balance**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Ski Lifts	10,393	-	2,866	(237)	10,837	23,859
Buildings and Fixtures	13,072	-	1,413	(158)	5,603	19,930
Car Parks and Roads	3,204	(976)	145	-	1,765	4,138
Motor Vehicles	6,399	-	1,035	(250)	-	7,184
Service Concession Assets	59	-	116	-	-	175
Plant and Equipment	13,986	976	4,378	(3,045)	1,476	17,771
Total Accumulated Depreciation & Impairment	**47,113**	**-**	**9,953**	**(3,690)**	**19,681**	**73,057**

Balance as at 30 November:	**$'000s**
Net Carrying Value as at 30 November 2021:	**57,282**
Net Carrying Value as at 30 November 2020:	**62,164**

5 PROPERTY, PLANT AND EQUIPMENT (continued)

During the year the Company carried out a review of the recoverable amounts of the cash-generating units (i.e. the ski areas) to determine if an indication of impairment exists. The review led to the recognition of an impairment loss of $1.42m (2020: $19.86m) associated with the Tūroa property, plant and equipment. The impairment exists due to the age of the Tūroa assets, the required future investment and future estimated cashflows associated with Tūroa's current asset base. The impairment loss has been recognised in the statement of comprehensive income. The discounted cashflow model to determine the recoverable amounts of the cash-generating units has a post-tax weighted average cost of capital (WACC) rate of 10% (2020: 8.19%), adopting a tax rate of 0% as the Company is exempt from income tax as disclosed in Note 1.10. The terminal growth rate adopted in the model is 2% (2020: 1.5%). If a reasonable change in the key assumptions were to occur and the WACC rate used in the model were to increase to 11%, this may result in a decrease in the recoverable amount of the Whakapapa Ski Area cash-generating unit and require an impairment to be recognised.

During the year ended 30 November 2020 the Company performed a review of depreciation against expected remaining economic useful life and residual value of items of property, plant and equipment and intangible assets. This resulted in an increase to the annual depreciation charge of $3.9m. There was no impact on retained earnings as it was a prospective adjustment. The judgements and inputs into the assessment are described in Notes 1.11.

In June 2019, RAL entered into a 5-year exclusive agreement with an entity to provide transportation services for paid public transport during the winter season, paid charter services all year round and subsidised staff transport for the winter season. This agreement provided the Contractor with an exclusive right to conduct public transport services and operations for and on behalf of Mt Ruapehu, Whakapapa and Tūroa ski fields. Due to the nature of this agreement the buses that RAL owned have been classified as service concession assets align with IPSAS 32 for the year ended 30 November 2020. RAL exited this agreement during the year ended 30 November 2021 and has sold some of these buses.

6 INTANGIBLE ASSETS

30 November 2021	**Opening Cost**	**Additions**	**Disposals**	**Impairment**	**Transfers**	**Closing Cost**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Intangible Assets	2,208	349	(420)	-	-	2,137
	2,208	**349**	**(420)**	**-**	**-**	**2,137**
Assets Under Development	-	-	-	-	-	-
Total Intangible Assets	**2,208**	**349**	**(420)**	**-**	**-**	**2,137**

30 November 2020	**Opening Cost**	**Additions**	**Disposals**	**Impairment**	**Transfers**	**Closing Cost**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Intangible Assets	1,908	-	(82)	-	382	2,208
	1,908	**-**	**(82)**	**-**	**382**	**2,208**
Assets Under Development	382	-	-	-	(382)	-
Total Intangible Assets	**2,290**	**-**	**(82)**	**-**	**-**	**2,208**

30 November 2021	**Opening Accumulated Amortisation & Impairment**	**Amortisation**	**Disposals**	**Impairment**	**Transfers**	**Closing Balance**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Intangible Assets	1,463	317	(420)	2	-	1,363
Total Amortisation & Impairment	**1,463**	**317**	**(420)**	**2**	**-**	**1,363**

30 November 2020	**Opening Accumulated Amortisation & Impairment**	**Amortisation**	**Disposals**	**Impairment**	**Transfers**	**Closing Balance**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Intangible Assets	867	335	(82)	343	-	1,463
Total Amortisation & Impairment	**867**	**335**	**(82)**	**343**	**-**	**1,463**

Balance as at 30 November:	**$'000s**
Net Carrying Value as at 30 November 2021:	**774**
Net Carrying Value as at 30 November 2020:	**745**

During the year the Company carried out a review of the recoverable amounts of the cash-generating units (i.e. the ski areas) to determine if an indication of impairment exists. The review led to the recognition of an impairment loss of $2k (2020: $343k) associated with the Tūroa intangible assets. The impairment exists due to the age of the Tūroa assets, the required future investment and future estimated cashflows associated with Tūroa's current asset base. The impairment loss has been recognised in the statement of comprehensive income. The discounted cashflow model to determine the recoverable amounts of the cash-generating units has a post-tax weighted average cost of capital (WACC) rate of 10% (2020: 8.19%), adopting a tax rate of 0% as the Company is exempt from income tax as disclosed in Note 1.10. The terminal growth rate adopted in the model is 2% (2020: 1.5%). If a reasonable change in the key assumptions were to occur and the WACC rate used in the model were to increase to 11%, this may result in a decrease in the recoverable amount of the Whakapapa Ski Area cash-generating unit and require an impairment to be recognised.

During the year ended 30 November 2020 the Company performed a review of depreciation against expected remaining economic useful life and residual value of intangible assets was conducted during the year ended 30 November 2020. This resulted in an increase to the annual amortisation charge of $112k. There was no impact on retained earnings as it is a prospective adjustment. The judgements and inputs into the assessment are described in Note 1.12.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

7 TRADE AND OTHER PAYABLES

	2021	2020
	$'000s	$'000s
Trade Creditors	981	400
Tourism Infrastructure Bond Coupons	173	171
Short Term Employee Entitlements	925	947
GST Payable	48	-
Other Accruals and Sundry Creditors	348	3,091
	2,475	**4,609**

Of the total value of trade and other payables, $21k relates to capital purchases (2020: $12k). Other accruals and sundry creditors include DOC licence fee accruals, purchase order and other accruals.

8 REVENUE IN ADVANCE

	2021	2020
	$'000s	$'000s
Deferred Revenue Season Passes	5,675	6,074
Other Revenue in Advance	230	349
	5,905	**6,423**

The deferred revenue relates to season pass sales between October- November 2021 for the 2022 winter season. These passes cannot be utilised until the opening of the 2022 ski season, as such, the revenue is recognised as deferred revenue and will be drawn down throughout the 2022 season. In addition, the 2021 revenue in advance includes a portion of the 2021 season pass revenue ($600k) that has been carried forward for the Auckland and Northland season pass holders affected by the Covid 19 lockdown. These guests were entitled to a 50% credit when purchasing a 2022 early bird season pass.

9 FINANCIAL INSTRUMENTS

9.1 Borrowings and Banking Arrangements

Security

ANZ Bank New Zealand Limited has a security agreement over all present and after acquired property of the Company with the exception of the Sky Waka Gondola. The Tourism Infrastructure Bond holders have security over the Sky Waka Gondola.

Borrowings and Finance Costs

During the financial period ending 30 November 2021 the Company was not subject to an event review under the terms of its loan agreement with the ANZ Bank New Zealand Limited. The Company has since renewed both their seasonal facility and term borrowings through to 30 November 2022. The effective interest rates (including a 1.53% margin) on the term borrowings is 4.33% (2020: 5.02% and 5.52% including a margin of 1.53%).

Security over Finance Leases assets exists until repayment in full.

The effective interest calculations for the period were $668k and $22k for the MBIE and RDC loans respectively (2020: $513k and $25k). The interest accrual on the Tourism Infrastructure bonds were $173k (2020: $96k).

	2021	2020
	$'000s	$'000s
Interest Component Term Borrowings	255	217
Interest Charges on Finance Leases and Lease Liabilities	-	17

Restricted Funds Held In Trust

The Restricted Funds Held In Trust are two accounts held in Trust with Macalister Mazengarb (Wellington legal firm) as the funds are specific to the construction of the Sky Waka Gondola at Whakapapa and the 2020/2021 capex programme. The MBIE and RDC loan facilities were paid into these accounts along with the funds from the Tourism Infrastructure Bonds. Payments for the Sky Waka Gondola are released from this account by Macalister Mazengarb once the payments have been verified by the independent engineer to the contract. Payments for the 2020/2021 capex programme are released from this account by Macalister Mazengarb when invoices relating to the programme are signed off by the external project manager and when invoices fall due. The remaining funds held in trust relate to the final milestones yet to be met for the construction of the Sky Waka and some invoices that aren't yet due for the 2020/2021 capex programme.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

9 FINANCIAL INSTRUMENTS (continued)

9.1 Borrowings and Banking Arrangements (continued)

Ministry of Business, Innovation and Employment Loan

In 2018 the Ministry of Business, Innovation and Employment (MBIE) entered into a loan agreement with the Company as part of their Provincial Growth Fund (PGF) to the value of $10m (the 'initial loan'). The funds from the initial loan were specific to building the Sky Waka Gondola at the Whakapapa Ski Area. The term of the initial loan is 10 years (due to be repaid in 2028) and the repayment for principal and the accrual for interest is triggered when a 'repayment event' occurs. In the agreement a 'repayment event' has been specified when the number of non-ski passengers exceeds 300k in any given financial year. The interest rate in the agreement is 2.78% based off the 10-year government bond rate at the date of signing the agreement.

During the year ended 30 November 2021, the Company and MBIE entered into a second loan agreement to the value of $5m (the 'additional loan'). The funds from the additional loan were specific to the 2020/2021 capex programme. The additional loan has on the same terms as the initial loan with the exception of:
- A specific security deed over items purchased under the facility;
- Additional clauses relating to the establishment of a NEWCO by 31 March 2021, extended through a variation to the agreement to 30 June 2021. As a NEWCO has not yet been established, the Company was in technical breach of the requirements of the loan as at 30 November 2021. As a result, the additional loan has been disclosed as a current liability on the Statement of Financial Position. This has been formally resolved after year-end with a variation extending this to 30 June 2022. This is disclosed as a non-adjusting subsequent event after balance in Note 20 and as part of the disclosures relating to the going concern assumption in Note 1.2.
- A clause which allows, at MBIE's sole discretion, for the additional loan to be converted into a number of shares in NEWCO equal in value to the amount of the loan outstanding.

Both loans are classified as 'concessionary loans' (as the terms are below standard market conditions) and are recorded at fair value upon recognition and then subsequently measured at amortised cost using the effective interest method. When assessing the market value of similar funding arrangements, the Company used a rate of 8.95% as that, at commencement of the instrument, is what is currently offered for asset/equipment financing.

A significant judgement made by the Company in determining the value of the loans is the modelling of the interest accrual and repayment profile based on forecast non-skier gondola passengers. During the current year, the Company has reassessed the forecast non-skier gondola passengers during the term of the loans due to the impact that COVID-19 has had on New Zealand's tourism industry. The repayment profile for the initial loan was previously modelled using expected visitor forecasts prepared by external consultants as part of the feasibility study and application for the PGF funding. In line with the requirements of NZ PBE IPSAS 29 Financial Instruments: Recognition and Measurement, where the Company revises its estimates of payments it shall adjust the carrying amount of the financial liability to reflect actual and revised estimated cash flows. The carrying amount is recalculated by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate.

This has resulted in a $1.203m (2020: nil) gain recognised on the remeasurement of the initial loan in the Statement of Comprehensive Income. The remaining $52k gain on remeasurement in the Statement of Comprehensive Income relates to the Ruapehu District Council loan which is modelled on the same basis as the initial MBIE loan.

As at 30 November 2021, the total face value of the loans was $15m (2020: $10m) and the amortised cost recognised in the Statement of Financial Position was $8.282m (2020: $6.244m). A gain of $2.164m (2020: $434k) has been recognised for the year ended 30 November 2021 as Grant Income on Loans in the Statement of Comprehensive Income, the remaining $7k gain relates to the Ruapehu District Council loan which is modelled on the same basis as the initial MBIE loan. $262k (2020: nil) has been deferred in the Statement of Financial Position as Deferred Grant Income on Loans, the remaining $2k deferred income relates to the Ruapehu District Council loan which is modelled on the same basis as the initial MBIE loan. The gains recognised in the Statement of Comprehensive Income are non-monetary gains.

The non-ski passengers for the year ended 30 November 2021 did not exceed the level to trigger a repayment event. The values disclosed in the maturity analysis is reflective of the expected cashflows associated with this agreement.

Ruapehu District Council Loan

The Ruapehu District Council (RDC) entered into a loan agreement with the Company to the value of $500k. The funds of this loan were specific to building the Sky Waka Gondola at the Whakapapa Ski Area. The term of the loan is 10 years (due to be repaid in 2028) with interest accruals and payments of interest triggered when a 'repayment event' occurs. In the agreement a 'repayment event' has been specified when the number of non-ski passengers exceeds 300k in any given financial year. The interest rate in the agreement is 2.81% based off the 10-year government bond rate at the date of signing the agreement. The repayment profile has been modelled using the expected visitor forecasts prepared by the Company (note in the prior year the repayment profile was modelled using expected visitor forecasts prepared by external consultants as part of the feasibility study and application for the PGF funding).

This loan is classified as 'concessionary loans' (as the terms are below standard market conditions) and are recorded at fair value upon recognition and then subsequently measured at amortised cost using the effective interest method. When assessing the market value of similar funding arrangements, the Company used a rate of 8.95% as that, at commencement of the instrument, is what is currently offered for asset/equipment financing.

A significant judgement made by the Company in determining the value of the loan is the modelling of the interest accrual and repayment profile based on forecast non-skier gondola passengers. During the current year, the Company has reassessed the forecast non-skier gondola passengers during the term of the loan due to the impact that COVID-19 has had on New Zealand's tourism industry. The repayment profile for the initial loan was previously modelled using expected visitor forecasts prepared by external consultants as part of the feasibility study and application for the PGF funding. In line with the requirements of NZ PBE IPSAS 29 Financial Instruments: Recognition and Measurement, where the Company revises its estimates of payments it shall adjust the carrying amount of the financial liability to reflect actual and revised estimated cash flows. The carrying amount is recalculated by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate.

This has resulted in a $52k (2020: nil) gain recognised on the remeasurement of the loan in the Statement of Comprehensive Income. The remaining $1.203m gain on remeasurement in the Statement of Comprehensive Income relates to the MBIE loans which are modelled on the same basis as the RDC loan.

As at 30 November 2021, the total face value of the loan was $500k (2020: $500k) and the amortised cost recognised in the Statement of Financial Position was $275k (2020: $304k). A gain of $7k (2020: $41k) has been recognised for the year ended 30 November 2021 as Grant Income on Loans in the Statement of Comprehensive Income, the remaining $2.164m gain relates to the MBIE loans which are modelled on the same basis as the RDC loan. $2k (2020: $9k) has been deferred in the Statement of Financial Position as Deferred Grant Income on Loans, the remaining $262k deferred income relates to the MBIE loans which are modelled on the same basis as the RDC loan. The gains recognised in the Statement of Comprehensive Income are non-monetary gains.

The non-ski passengers for the year ended 30 November 2021 did not exceed the level to trigger a repayment event. The values disclosed in the maturity analysis is reflective of the expected cashflows associated with this agreement.

Tourism Infrastructure Bonds

The company established 'Tourism Infrastructure Bonds' to fund of the Sky Waka Gondola at the Whakapapa Ski Area. At the end of the financial year $13.5m (2020: $13.5m) had been subscribed and committed to. The bond holders include Taupo District Council, Tuwharetoa Gondola Partnership Limited, Bay Trust, and two private entities. These bonds attract a minimum quarterly coupon of 3% and uncapped upside depending on the non-ski passenger tickets sold once its operational. The upside is determined by calculating an inflation-adjusted toll of NZD$0.50 for every sightseeing ticket sold per bond held in multiples of $1m. The payment profile has been modelled using the expected visitor forecasts with the assumption that the bonds are repaid at the end of year 10 (with $9.5m due to be repaid in 2028 and $4m due to be repaid in 2029). During the current year, the Company has reassessed the forecast non-skier gondola passengers during the term of the bonds due to the impact that COVID-19 has had on New Zealand's tourism industry. The repayment profile was previously modelled using expected visitor forecasts prepared by external consultants as part of the feasibility study and application for the PGF funding.

9 FINANCIAL INSTRUMENTS (continued)

9.1 Borrowings and Banking Arrangements (continued)

Sensitivity Analysis

As interest rates are fixed the only sensitivity for the Company's borrowings is around the payment profile for MBIE Loan, RDC Loan and Tourism Infrastructure Bonds and movements in foreign exchange rates.

The below sensitivity analysis has been performed for the cashflows of the MBIE, RDC and Tourism Infrastructure Bond facilities as payments are triggered off non-ski gondola passenger tickets.

30 November 2021 Sensitivity Analysis	**MBIE**	**RDC**	**Bonds**
	$'000s	**$'000s**	**$'000s**
Increase in maturity profile + 10% Visitor Numbers	(751)	(25)	(1,145)
Decrease in maturity profile - 10% Visitor Numbers	-	-	1,145

30 November 2020 Sensitivity Analysis	**MBIE**	**RDC**	**Bonds**
	$'000s	**$'000s**	**$'000s**
Increase in maturity profile + 10% Visitor Numbers	(347)	(3)	(2,062)
Decrease in maturity profile - 10% Visitor Numbers	380	2	2,062

9.2 Classification of Financial Instruments

The Company’s financial instruments are classified into the following categories:

30 November 2021

Financial Assets	**Cash and equivalents**	**Fair Value Through Profit or Loss**	**Loans and Receivables**	**Financial Liabilities at Amortised Cost**	**Total**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Cash at Bank & on hand	2,465	-	-	-	**2,465**
Restricted Funds in Trust	653	-	-	-	**653**
Trade and Other Receivables	-	-	393	-	**393**
Life Pass Finance Plan	-	-	69	-	**69**
Total Financial Assets	**3,118**	**-**	**462**	**-**	**3,580**

Financial Liabilities	**Cash and equivalents**	**Fair Value Through Profit or Loss**	**Loans and Receivables**	**Financial Liabilities at Amortised Cost**	**Total**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Accounts Payable	-	-	-	2,427	**2,427**
Finance Lease	-	-	-	20	**20**
Bank Borrowings	-	-	-	5,900	**5,900**
Ministry of Business, Innovation and Employment Loan	-	-	-	8,282	**8,282**
Ruapehu District Council Loan	-	-	-	275	**275**
Tourism Infrastructure Bonds	-	-	-	13,500	**13,500**
Fair Value of Derivatives	-	-	-	-	**0**
Total Financial Liabilities	**-**	**-**	**-**	**30,404**	**30,404**

30 November 2020

Financial Assets	**Cash and equivalents**	**Fair Value Through Profit or Loss**	**Loans and Receivables**	**Financial Liabilities at Amortised Cost**	**Total**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Cash at Bank & on hand	4,966	-	-	-	**4,966**
Restricted Funds in Trust	512	-	-	-	**512**
Trade and Other Receivables	-	-	15	-	**15**
Life Pass Finance Plan	-	-	261	-	**261**
Total Financial Assets	**5,478**	**-**	**276**	**-**	**5,754**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

9 FINANCIAL INSTRUMENTS (continued)

9.2 Classification of Financial Instruments (continued)

Financial Liabilities	Cash and equivalents $'000s	Fair Value Through Profit or Loss $'000s	Loans and Receivables $'000s	Financial Liabilities at Amortised Cost $'000s	Total $'000s
Accounts Payable	-	-	-	4,609	**4,609**
Finance Lease	-	-	-	579	**579**
Bank Borrowings	-	-	-	5,900	**5,900**
Ministry of Business, Innovation and Employment Loan	-	-	-	6,244	**6,244**
Ruapehu District Council Loan	-	-	-	304	**304**
Tourism Infrastructure Bonds	-	-	-	13,500	**13,500**
Fair Value of Derivatives	-	9	-	-	**9**
Total Financial Liabilities	**-**	**9**	**-**	**24,588**	**31,145**

Fair Value Measurements Recognised in the Statement of Financial Position

Financial instruments subsequent to initial recognition are grouped into Levels 1 to 3 based on degrees to which the fair value is observable:

- Level 1 — Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 — Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The Company has derivatives in place at balance date and these are valued at Level 2 on the hierarchy.
- Level 3 — Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Financial instruments that fall into level 3 for the Company include the Ruapehu District Council and Ministry of Business, Innovation and Employment loans.

9.3 Financial Risk Management

Interest Rate Risk

The Company has exposure to interest rate risk to the extent that it borrows for a fixed term at fixed rates and has an overdraft facility with interest rates that vary quarterly. The effective interest rates on the term borrowings is 4.33% (2020: 5.02% and 5.52% including a margin of 1.53%).

Credit Risk

Credit risk is the risk of failure of a debtor or counterparty to honour its contractual obligation. Financial instruments that potentially subject the Company to credit risk principally consist of cash, accounts receivable and the life pass finance plan. The Company has established credit policies that are used to manage the exposure to credit risk. The maximum exposures to credit risk are considered the carrying value of these financial assets. No collateral is held in relation to any financial asset. The Company is not exposed to any concentrations of credit risk. The Material Damage Policy is placed with one insurer with the following rating in accordance with the Insurance Companies (Rating and Inspections) Act 1994: Lloyds of London A+.

Currency Risk

The Company has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, as well as foreign exchange forward contracts, arising from normal trading activities. Where exposures are uncertain it is the Company's policy to hedge these risks. At balance date the contracted amount of forward exchange contracts outstanding was NZD $5k (2020: NZD $192k).

The following tables detail the forward foreign currency contracts as at 30th November:

30 November 2021	Average Exchange Rate	Foreign Currency	Contract Value	Fair Value
			NZ	NZ
Forward Exchange Contracts		000s	$'000s	$'000s
Buy USD				
Less than 3 months	$0.71	USD 3	5	-
			5	**-**

9 FINANCIAL INSTRUMENTS (continued)

9.3 Financial Risk Management (continued)

30 November 2020	**Average Exchange Rate**	**Foreign Currency**	**Contract Value**	**Fair Value**
			NZ	**NZ**
Forward Exchange Contracts			**$'000s**	**$'000s**
Buy EUR				
Greater than 3 months	$0.55	EUR €65	118	6
Buy EUR				
Less than 3 months	$0.56	EUR €42	74	3
			192	**9**

The net movements in the Fair Value of Derivatives and Foreign Exchange (Losses)/Gains were $9k gain (2020: $5k loss) and are included in Other Income on the Statement of Comprehensive Income.

Liquidity Risk

Liquidity risk is the risk that the Company may not have cash available to settle obligations as they fall due. This arises from a mismatch in the final maturity of Statement of Financial Position Assets and Liabilities. Guidelines have been set to ensure that all obligations of the Company are met in a timely and cost effective manner. The Company has an overdraft facility of $50k (2020: $50k) available and a flexible facility of $8.1m (2020 $8.6m) with ANZ Bank New Zealand Limited to assist the Company in meeting its obligations. As at balance date the cash at bank position was $2.465m (2020: $4.966m), the $50k overdraft facility was not being utilised and $8.1m of the flexible facility was not drawn down. The maturity analysis of the Company is as follows and represents the future cashflows to the Company (and therefore does not reconcile to the Statement of Financial Position):

30 November 2021

Financial Assets	**< 1 Year**	**1 – 5 Years**	**5 + Years**	**Total**
	$'000s	**$'000s**	**$'000s**	**$'000s**
Cash at Bank & on hand	2,465	-	-	**2,465**
Restricted Funds in Trust	653	-	-	**653**
Trade and Other Receivables	393	-	-	**393**
Life Pass Finance Plan	69	-	-	**69**
Total Financial Assets	**3,580**	**-**	**-**	**3,580**

Financial Liabilities	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Trade and Other Payables	2,427	-	-	**2,427**
Finance Lease	20	-	-	**20**
Bank Borrowings	6,155	-	-	**6,155**
Ministry of Business, Innovation and Employment Loan	5,000	-	10,000	**15,000**
Ruapehu District Council Loan	-	-	500	**500**
Tourism Infrastructure Bonds	485	6,781	18,167	**25,433**
Fair Value of Derivatives	-	-	-	**-**
Total Financial Liabilities	**14,087**	**6,781**	**28,667**	**49,535**

30 November 2020

Financial Assets	**< 1 Year**	**1 – 5 Years**	**5 + Years**	**Total**
	$'000s	**$'000s**	**$'000s**	**$'000s**
Cash at Bank & on hand	4,966	-	-	**4,966**
Restricted Funds in Trust	512	-	-	**512**
Trade and Other Receivables	15	-	-	**15**
Life Pass Finance Plan	148	113	-	**261**
Total Financial Assets	**5,641**	**113**	**-**	**5,754**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

9 FINANCIAL INSTRUMENTS (continued)

Financial Liabilities	< 1 Year	1 – 5 Years	5 + Years	Total
	$'000s	$'000s	$'000s	$'000s
Trade and Other Payables	4,609	-	-	**4,609**
Finance Lease	587	20	-	**607**
Bank Borrowings	6,202	-	-	**6,202**
Ministry of Business, Innovation and Employment Loan	-	1,647	9,959	**11,606**
Ruapehu District Council Loan	-	34	553	**587**
Tourism Infrastructure Bonds	481	11,007	23,110	**34,598**
Fair Value of Derivatives	9	-	-	**9**
Total Financial Liabilities	**11,888**	**12,708**	**33,622**	**58,218**

The below sensitivity analysis has been performed for the foreign exchange risk on the derivatives open as at 30 November 2021. The following table details the Company's sensitivity to a 100 basis point increase and decrease in USD Exchange rates:

30 November 2021 Sensitivity Analysis	**USD**
	$'000s
Total Comprehensive Loss for the period + 100 basis points	-
Total Comprehensive Loss for the period - 100 basis points	-
Total Equity for the period + 100 basis points	-
Total Equity for the period - 100 basis points	-

30 November 2020 Sensitivity Analysis	**EUR**
	€'000s
Total Comprehensive Loss for the period + 100 basis points	(3)
Total Comprehensive Loss for the period - 100 basis points	4
Total Equity for the period + 100 basis points	(3)
Total Equity for the period - 100 basis points	4

10 TRANSACTIONS WITH RELATED PARTIES

During the period the Company received services from and sold to companies in which current Directors have an interest:

Terry Allen: Professional Services have previously been received from Theta Systems, a company in which Terry Allen, a Director, is a Director. Services to the value of $31k were received from this company during the period (2020: $19k).

11 COMMITMENTS

Capital Commitments	**2021**	**2020**
	$'000s	**$'000s**
Estimated capital expenditure contracted for at balance date but not provided for, was for the completion of the Whakapapa Gondola (2020: Whakapapa Gondola).	403	403

Operating Lease Commitments

Lease commitments under non-cancellable operating leases:		
Not later than one year	319	405
Later than one year and not later than five years	419	317
Later than five years and not later than ten years	-	-
	738	**722**

These operating leases are for staff accommodation, workshop facilities, and a sales and information offices. Total expenditure for 2021 amounted to $514k (2020: $461k).

Finance Lease Commitments

The Company leases ten motor vehicles which have a net carrying value of $283k (2020: 16 vehicles and $960k). These assets are classified as finance leases as the ownership of the vehicles transfers to the Company at the end of the minimum lease terms.
Future lease payments are due as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

11 COMMITMENTS (continued)

30 November 2021	**Minimum Lease Payments**	**Interest**	**Principal**	**Present Value**
	$'000s	**$'000s**	**$'000s**	**$'000s**
Not later than one year	20	-	20	20
Later than one year and not later than five years	-	-	-	-
Later than five years and not later than ten years	-	-	-	-
	20	**-**	**20**	**20**

30 November 2020	**Minimum Lease Payments**	**Interest**	**Principal**	**Present Value**
	$'000s	**$'000s**	**$'000s**	**$'000s**
Not later than one year	587	28	559	587
Later than one year and not later than five years	20	-	20	20
Later than five years and not later than ten years	-	-	-	-
	607	**28**	**579**	**607**

12 DIRECTORS FEES

Directors	**2021**	**2020**
During the period Directors' fees were paid to the following:	**$'000s**	**$'000s**
Geoff Taylor (Chair)	44	34
Murray I Gribben (Chair until May 2021)	31	59
John Foley	31	29
Terry Allen	31	17
Zoe Dryden	29	5
Christopher Swasbrook	22	-
Jamie Tuuta	22	-
Duncan J Fraser	-	13
Michelle Trapski	-	13
Debbie Birch	-	13
	210	183

13 LICENSE FEES, RATES AND SKI AREA LEVIES

	2021	**2020**
License fees, rates and ski area levies are split as per below:	**$'000s**	**$'000s**
DOC License Fees	(27)	33
Rates and Ski Area Levies	70	683
	43	716

As part of the COVID-19 government relief DOC waived concession/licence fees for the period of 1 March 2020 to the end of December 2021. The licence fees above reflect a reversal of a historic accrual. The reduction in the rates and ski area levies is the outcome of releasing historic accruals associated with the eruption detection system at the ski areas.

14 KEY MANAGEMENT PERSONNEL

	2021	**2020**
Key management personnel of the Company include the Directors and Senior Leadership team.	**$'000s**	**$'000s**
Board Members		
Remuneration	$210	$183
Full-Time Equivalent members	6.0	5.0
Senior Leadership Team		
Remuneration	$1,585	$1,307
Full-Time Equivalent members	8.7	6.9
Total Key Management personnel remuneration	**$1,795**	**$1,490**
Total Full Time equivalent personnel	**14.7**	**11.9**

The amounts disclosed above are the amounts recognised as an expense during the reporting period related to key management personnel. Related party disclosures have been included in Note 10 to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

14 KEY MANAGEMENT PERSONNEL (continued)

The Company provided compensation to close family members of key management personnel during the period to the value of $44k (2020: $28k). The Company did not provide any loans to key management personnel or their close family members.

15 OTHER SUPPLIES AND SERVICES

The Company's Other Supplies and Services are classified into the following categories based on key functions:

	2021	2020
	$'000s	$'000s
Accommodation Leases & Supplies and Services	357	330
Bank Fees	71	230
Board and Governance Expenditure	53	109
Cadetship	(39)	(2)
Consumable and Cleaning Supplies	131	120
Corporate Support and Services	322	496
Credit Card Commission Paid	285	342
FBT	65	69
Field Operations Supplies and Services	90	24
Food and Beverage Supplies and Services	24	24
Fuel Expenditure (Vehicles, Groomers and Transport)	197	173
Kiwisaver	289	222
Maintenance and Service of Buildings and Equipment	468	380
Medical Centre Supplies and Services	45	34
Motor Vehicle Expenditure and Maintenance	250	185
Ohakune & Taupo Office Lease, Supplies and Services	198	150
Postage, Courier, Printing and Stationary	94	21
Professional Fees	258	235
Rentals Supplies and Services	20	11
Retail Supplies and Services	10	1
Road and Carpark Maintenance	97	84
Safety & Environmental Risk	70	60
Ski Patrol Supplies and Services	92	86
Snow School Supplies and Services	145	97
Snowmaking Supplies	108	25
Software Fees & IT Services and Supplies	618	633
Staff Training Expenditure	113	30
Staff Uniform	269	226
Strategic Planning	184	117
Telephone Rental	141	70
Ticket Stock Consumed	284	199
Transport Expenditure (excl. Fuel)	215	282
Travel & Entertainment	58	73
Tūroa Avalanche	-	55
	5,582	**5,191**

16 RECEIPTS FROM LIFE PASS SALES

For the year ended 30 November 2021, these figures represent money received from payments for the Life Pass Finance Plan.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30 November 2021

17 RECONCILIATION OF COMPREHENSIVE (LOSS) / SURPLUS FOR THE PERIOD TO ADJUSTED NORMALISED EBITDA

The Company operates the business on a cashflow basis and looks at an adjusted normalised EBITDA as a key measure of sustaining operations. The below reconciliation demonstrates what the Company's adjusted normalised EBTIDA would have been by adjusting for one-off items such as acceleration of life pass revenue and the approximate 2021 and 2020 DOC licence fees to allow for relative comparisons to be made to the prior year adjusted normalised EBITDA results.

	2021	2020
	$'000s	$'000s
Total Comprehensive (Loss) for the Period	**(5,868)**	**(22,483)**
Less Other Income		
COVID-19 Government Wage Subsidy & resurgence payment	2,203	1,715
Interest Received	10	34
Gain / (Loss) on Sale / Disposal of Property, Plant and Equipment	71	(64)
Grant Income on Loans	2,171	475
Gain on remeasurement of financial liabilities measured at amortised cost	1,255	-
Fair Value Gain / (Loss) of Derivatives & Foreign Exchange Losses	9	(5)
Add back Other Expenses		
Impairment of Property, Plant and Equipment & Intangible Assets	1,425	20,204
(Loss) from Operations	**(10,162)**	**(4,434)**
Add back:		
Finance Costs	1,494	1,486
Depreciation	7,609	9,953
Amortisation	317	335
Less		
Approximate DOC licence fees (waived due to COVID-19)	602	673
Acceleration of life pass revenue draw down	-	1,164
ADJUSTED NORMALISED EBITDA	**(1,344)**	**5,503**

During the 30 November 2020 financial year the Company concluded a review of actual usage of Life Passes (refer note 1.5). This resulted in an accelerated draw down of life pass revenue of $1.164m. For the purpose of the above reconciliation this has been taken off the Profit/(Loss) from operations as it has a change in accounting estimate and not attributable to life pass usage during the year ended 30 November 2020.

18 COVID-19 GOVERNMENT WAGE SUBSIDY & RESURGENCE PAYMENT

The Company qualified for the August 2021 wage subsidy and received $2.16m from early September to early November, this was across 5 separate applications. In addition the company qualified for two separate applications of the Resurgence payment in August and September, for a total of $43k. In 2020 the Company qualified for the initial COVID-19 wage subsidy and received $632k in April 2020. The Company also qualified for the wage subsidy extension in both July and August 2020 and received $651k and $432k respectively. The Company met the relevant criteria for the wage subsidy payments including experiencing a 40% decline in revenue for a continuous 30 day period compared to the closest period in the prior year.

19 CONTINGENT LIABILITIES

The Company is currently undertaking a review of its compliance with the Holidays Act 2003 with its payroll service provider. Although any obligation cannot reasonably be quantified as at 30 November 2021, a contingent liability for the Company may exist.

Worksafe New Zealand filed charges against the Company under the Health and Safety at Work Act 2015 on the 5 April 2022 in relation to the bus accident that occurred on the Ohakune Mountain Road on the 28 July 2018. The impact of these proceedings cannot be reliably quantified as the charges are yet to be processed by the Court. There are potential fines as a result of these charges and the Company is in the process of evaluating the charges. Due to the uncertainty around the outcome at the time of signing the financial statements, no amounts have been recognised in these financial statements.

20 SUBSEQUENT EVENTS

The Company entered into two operating leases agreements for Subaru vehicles.

The Company has a $2.79m revalued loan ($5m face value) MBIE classified as a current liability in the financial statements. This is classified as current as there was a condition in place relating to the establishment of a NEWCO by 31 March 2021. As a NEWCO has not yet been established, the Company was in technical breach of the requirements of the loan as at 30 November 2021. This has been formally resolved after year-end with a variation extending this to 30 June 2022. This is a non-adjusting subsequent event.

Deloitte.

Independent Auditor's Report

To the Shareholders of Ruapehu Alpine Lifts Limited

Opinion

We have audited the financial statements of Ruapehu Alpine Lifts Limited (the 'Company'), which comprise the statement of financial position as at 30 November 2021, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, on pages 29 to 50, present fairly, in all material respects, the financial position of the Company as at 30 November 2021, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the Company, except that partners and employees of our firm deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company.

Material uncertainty related to going concern

We draw attention to Note 1.2 in the financial statements, which indicates that, as of 30 November 2021, the Company's current liabilities exceeded its current assets by $14.6m. As stated in Note 1.2, these events or conditions, along with other matters as set forth in Note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible on behalf of the Company for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible on behalf of the Company for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on at the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Wellington, New Zealand
14 April 2022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