



OUR MISSION STATEMENT

Real Fun. Unreal Place.



OUR VALUES

Our company values represent what we believe in and provide the elements that we believe are most important in achieving our mission

1

BE EXCELLENT

We incorporate professionalism in everything we do; we turn up on time, respect each other, take pride in our work and bring our 'A' game.

2

GOTCHA BACK

Safety is a priority for our customers and staff. We achieve this through looking out for each other, listening eagerly, planning ahead, pulling our weight and setting up each other for success.

3

LOVE THE CUSTOMER

Everything we do should benefit the customer in some way. We need to delight them, surprise them, smile, be friendly and laugh with them. Without them we wouldn't exist.

4

HAVE A CRACK

We want our team to be confident in trying stuff, be innovative, get creative, speak up and take responsibility for their own learnings and career.

02 //	Our Mission Statement & Values
04 //	Chairman's & CEO review
08 //	Sustainability report
10 //	Kaitiakitanga
20 //	Manaakitanga
26 //	Passion
30 //	Financial Snapshot
32 //	Meet our Team
32 //	Our Board
36 //	Our Managers
40 //	Corporate Governance
42 //	Notice of Annual General Meeting
42 //	Directory
43 //	Directors Review
44 //	Financial Statements
61 //	Audit Report
63 //	Shareholding Information

ABOUT THIS REPORT

Ruapehu Alpine Lifts Limited (RAL) is a limited-purpose public benefit entity regulated under the Companies Act 1993 and our Constitution. What that means is that our 4,000 shareholders are philanthropic in that they do not receive any form of benefit. While we are not a taxpayer, we must invest our profits into the provision, promotion and development of amateur alpine sports for the public within the Tongariro National Park. That privileged position makes for a fairly broad church of stakeholders – and as such the 2017 report is a continuation of our commitment to improve transparency for all of the RAL “family”. This presentation of this 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 you all, including: customers, shareholders, employees, suppliers, lenders, investors and kaitiaki of Mt Ruapehu.

We have the pleasure of presenting to all RAL stakeholders the Annual Report for the year ended 30th April 2017.

This report is dated Friday 25th August 2017 and has been approved on behalf of the board of RAL:

Murray Gribben, Chairman



Geoff Taylor, Director



CHAIRMAN'S & CEO REVIEW

2016 was a year of promise with a freshly-minted licence to operate Whakapapa Ski Area, triggering the development of the new high speed quad chairlift, the Rangatira Express. Main contractor Leitner Poma of America and the Whakapapa team did an excellent job of delivering this project in time for the 2016 winter season.

We were honoured to welcome the Prime Minister Rt Hon Bill English along with Ministers Hon Simon Bridges, Hon Louise Upston and Hon Ian McKelvie along with local mayors, iwi leaders and other dignitaries to officially open the new chairlift in the summer of 2016/17. It was a relief to many long-term Whakapapa die-hards to see the Centennial and Rock Garden chairlifts retired from service – they were very long in the tooth. The Rangatira Express, with its comfy new padded seats, footrests and redesigned load and unload areas were very well received by our visitors and this project was undoubtedly a highlight of 2016.



This project was the culmination of more than a decade of work by long-term Chief Executive Dave Mazey. Dave spent many years investing in relationships with DOC and Ngāti Tuwharetoa and achieved a ground-breaking new structure for the Whakapapa licence which ultimately facilitated the construction of the new lift.

Rangatira

He koha mo Dave Mazey, he tangata ngakaunui ki te hapai te hapu me te iwi

The name Rangatira was given by Ngāti Hikairo ki Tongariro to acknowledge Dave Mazey and his association and contribution to the maunga and Ngāti Tuwharetoa.

After a very promising pre-season, the winter of 2016 was heavily influenced by the weather. A late start to the season due to unseasonably warm temperatures and the late arrival of snow saw us miss the July school holidays, leaving a lasting dent in our P&L. We scrambled to reduce costs and ran a lean operation to offset the revenue shortfall, which in retrospect, was costly in other ways with our staff engagement and visitor experience suffering as a result.

Turoa visitor numbers were light due to the warm weather and late snow. Whakapapa and Happy Valley numbers were particularly soft in 2016 in spite of the new Rangatira Chairlift, highlighting our exposure to warm weather and late snow. In October 2016 we launched a life pass campaign which was successful beyond our expectations. We raised \$13.1m allowing us to commence the second round of redevelopment at Whakapapa. In the past 18 months we have invested approximately \$22m at Whakapapa as part of our \$100m reinvestment strategy.

The operating loss for 2016 was disappointing but it has ultimately strengthened our resolve to continue with the strategy of de-risking our business and reducing the effects of seasonality on our income stream. We entered the capital planning process for the 2016/17 summer acutely aware of the challenges facing the business.

We gave careful consideration to the projects and settled on a number of key themes which drove our investment decisions as we look ahead to the 2017 winter and beyond:

Reduce the risk of 'late snow'

- Purchased NZ's first SF210 Snowfactory and doubled the conventional snowmaking at Whakapapa with a focus on the lower mountain
- 7 additional snowguns for Turoa
- 3 new snow groomers and a new 12T excavator to assist with snow management

Improve the beginner experience

- Complete redevelopment of Happy Valley with:
 - 3 new beginner lifts, 2 fully enclosed
 - Night Ski Lighting and associated lighting equipment
 - Dedicated sledding lane and lift
 - Double size of decks
 - New ski rental fleet

- 2 new Schindler elevators enhancing access to Happy Valley

Address the reliability of key infrastructure

- Replace Waterfall T Bar with a Doppelmayr Quad Chairlift at Whakapapa
- Commissioned a new standby generator for Whakapapa
- Purchased 4 new snowmobiles and several vehicles
- Re-roof of the Giant Café at Turoa
- Buried key services infrastructure at Turoa

Improve the visitor journey and reduce congestion on peak days

- Purchase 2x new 22 seat 4x4 Mercedes Benz buses for Turoa
- Night Skiing and First Tracks at Whakapapa to lengthen the operational day
- Open 2 new booking offices in Taupo and add off-mountain ski rental and shuttle bus options in Ohakune and Taupo
- Launch new public transport service
- Installed new PA and audio system at Whakapapa
- Redevelop the 'drop off' area and add swipe-card access control for bus access at Whakapapa

Improve our dining experience

- Redeveloped Happy Valley Bistro with new kitchen, front of house, furniture and menu
- Relaunch the 'Schuss Haus' as a Corona Bar
- Commenced redevelopment of the Snowflake café

Improve regional product distribution and customer convenience

- Opened a booking office and transport hub on Tuwharetoa St, and a full-service rental, retail and ticketing office on Roberts St in Taupo
- Expanded our existing Ohakune booking office to include rental and a transport hub
- Recruited in-house development team and commenced scoping for digital distribution

The capital works programme was a significant undertaking for the crew on a short lead-time with design work and consenting commencing in November, orders placed in December and construction commencing in early 2017. We experienced the usual challenges of building in an alpine environment with many weeks of 'flying weather' lost to the stormy summer. Our contractors and staff did an exceptional job in adverse conditions to deliver the extensive works programme.

We are very grateful to Ruapehu District Council who fast tracked the consenting process and to DOC and Ngāti Tuwharetoa for their support and guidance as we undertook the projects.

Summer of 2016/17 also featured a significant investment in digital infrastructure. We have built our in-house digital and marketing capability with 5 new staff joining the team over summer. The first project was a new Content Management System which underpins our website improving reliability and giving operations staff the ability to update the snow report on the go. It was shortly followed by a new Progressive Web App replacing our buggy and outdated native app. Work is now underway on a major redevelopment of our website and ecommerce engine with the first major package due to be delivered in time for winter 2018.

Late in October 2016, with the life pass campaign successfully completed, we placed an order for New Zealand's first SF210 Snow Factory. The supplier, Techno Alpin, assured us we could expect delivery in time to make snow for the 2017 winter season so, with some trepidation, we ordered the new machine. It was exciting to see this machine run through the production, delivery and installation phases and fire into life in April 2017 on schedule. The machine produced sufficient snow to allow us to open Happy Valley as scheduled on 3 June 2017, the first chair in New Zealand to open. We are very excited about what the future holds for this machine and how it will continue to transform what we do.

Over the past year, we said farewell to Turoa General Manager Chris Thrupp and welcomed our new GM Sales and Marketing Michelle Caldwell. Chris worked on the mountain in various roles since 1997 and was promoted to Area Manager in 2001. He managed several major projects, most notably, the \$20 million Turoa developments in 2007 which included the High Noon Express, Alpine Café and plaza redevelopment and major snowmaking upgrades. Chris made a very significant contribution to Turoa over the many years he led the team. We thank him for his hard work and wish him well.

Michelle Caldwell's appointment was highly anticipated by the company due to her strong track record with tourism heavyweights Ngai Tahu Tourism and Tourism Holdings Limited prior to launching her own marketing consultancy Destinate NZ. Michelle leads a rejuvenated marketing and communications team and is working hard to lift the performance of our wholesale and retail sales channels, along with brand definition,

communication and product initiatives as the business morphs from a winter focus to a year-round destination.

We also have two new managers joining the team in late August and early September. JP Chevalier 'Chev' as he prefers to go by, is joining our team as the Turoa General Manager and is a ski industry guru. He was a member of the PSIA National Education Team (the pinnacle of US Ski Instructing), has held senior positions in marketing, rentals, race department, coaching and operations across some significant ski areas around the world including Mammoth (CA), Beaver Creek, Eldora and Copper Mountain (CO), Mt Buller (AUS), Mt Hutt and Remarkables (NZ). He has also worked in the FMCG sector for Cadbury Schweppes in Australia where he built significant new business on the 'supplier side' of the industry. He's a skier and a snow boarder and has an incredible knowledge of the industry. We have no doubt he'll complement the skills and experience of our crew nicely and provide us with a unique perspective in our senior leadership team. We are very excited to welcome Chev to lead the Turoa crew.

Sarah Webster has been appointed as our Human Resources Manager and is due to start in role on 12th September. Sarah has most recently worked for Trojan Holdings Limited as the Human Resources Manager of The Hermitage Hotel Mt Cook. Sarah has vast Human Resources experience and also ski industry experience. She was the Head of Guest Services at Coronet Peak and has also worked for Mammoth Mountain Ski Area in California. We look forward to welcoming Sarah to the team.

It was with heavy hearts that we mourned the passing of 'Ohakune's favourite son' Tom Campbell early in 2017. Tom is the well-known and widely loved son of Turoa Snow Trails Manager Fred Campbell. Tom grew up skiing Turoa and worked as a groomer driver there for several years. He was instrumental in building Turoa's reputation for having exceptional terrain parks. Tom spent the last 6 years driving and building parks at Cardrona where he created what was regarded by many professional freestyle athletes as 'the best jump in the world'. A talented skier and key pillar of the NZ freeski community, Tom will be dearly missed by us all.



Our Safety, Health and Environment focus has yielded strong results for 2016. The most significant highlight was achieving accreditation under the international benchmark for Environmental Management Systems, ISO14001. This is a significant milestone in the history of the company and sets RAL apart from our industry peers. An increase in the visitor injury rate during 2016 was attributed to the low snow conditions prevalent for much of the season and we expect the trend to revert in 'normal' snow years. The persistence of minor spills is an area of focus for the company and training systems are being adapted to ensure we capture the learnings from incidents and near misses. We have an active group of staff who participate in 'safety at work' meetings and these sessions deliver excellent 'ground-up' solutions to common issues our staff encounter. Our Safety and Environmental Risk Manager, Andy Hoyle, has been instrumental in leading the company to achieve these significant benchmarks and he has driven a strong reporting culture. The addition of a Qualmark Gold Sustainable Tourism Business accreditation in early 2017 topped off an excellent year for the company in terms of the non-financial indicators we track.

RAL is at an exciting and historic phase in the history of the company and our sport in New Zealand. We are progressing well toward renewal of the Turoa Licence which, when signed, will cement the security of tenure for both ski areas well into the future. We have a compelling business model and a very strong balance sheet from which to reinvest in the new assets that will unlock the potential of this special place. We have excellent relationships with our stakeholders and we have successfully delivered the second phase of the redevelopment of Whakapapa.

We have learned some hard lessons about our exposure to poor snow years and the financial result reflects this reality for 2016, but to see the enormous vote of confidence in the October 2016 life pass sale from our passionate community of snow lovers strengthens our resolve to continue with what we've started. The continued strong growth of summer visitors is making an increasingly important contribution to our fixed costs and we have some exciting opportunities in the pipeline to overcome a number of these. 2016 was the turning point for RAL. It marks the end of the decline in visitor numbers at Whakapapa and signals the start of a new era in the history of the company.

We would like to thank all of our customers for their continued loyalty and support. Your love of snow sports provides the energy and funding we require to operate. Thank you to our shareholders for your passion and direction. You keep us honest and focussed on our mission. Thank you to our business, community and iwi partners for sharing your best people who are our staff, for assisting us with caring for the maunga and for your professionalism when delivering the major projects we have undertaken, safely and with appropriate regard for the sacred place in which we operate. Finally we wish to acknowledge the contribution of our fellow Directors and staff. It's your Kaitiakitanga, Manaakitanga and passion that enables us to deliver on projects and operate our business in a place of historical and spiritual significance, thank you.

Murray Gribben, Chair

Murray Gribben

Ross Copland, Chief Executive Officer

Ross Copland

SUSTAINABILITY REPORT

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

WHY HAS RAL ADOPTED 'NON-FINANCIAL REPORTING'?

We started our non-financial reporting journey in 2016 where 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 reporting guidelines as a guide to ensure we are reporting on the material factors for our industry.

We have taken significant steps to improve disclosures in this year's report and believe it is important to address items that we've had success in as well as highlighting those in which we haven't.

HOW DID WE DECIDED WHAT TO REPORT ON?

In determining what to include in our sustainability report we have identified three critical success factors that are material to RAL's business and 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. The following explains and illustrates why we believe these factors are critical to us delivering real fun in the unreal place that is Mt Ruapehu.

KAITIAKITANGA – FOR THE PLACE

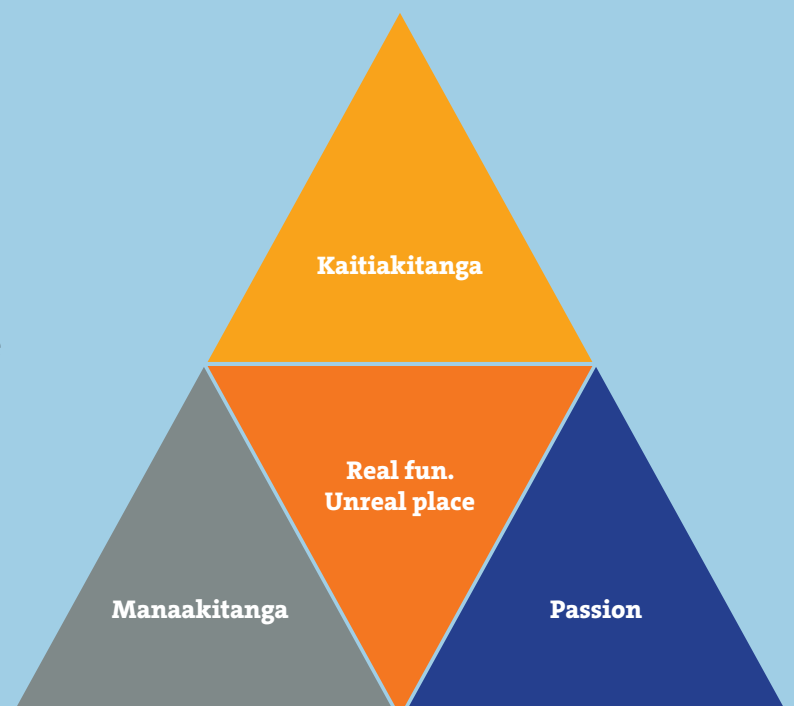
We have a responsibility to be an environmental guardian, steward and trustee for the place in which we operate.

MANAAKITANGA – FOR THE PEOPLE

We have a responsibility to be hospitable, kind, respectful, generous, caring, supportive and to communicate effectively with all stakeholders (both internal and external).

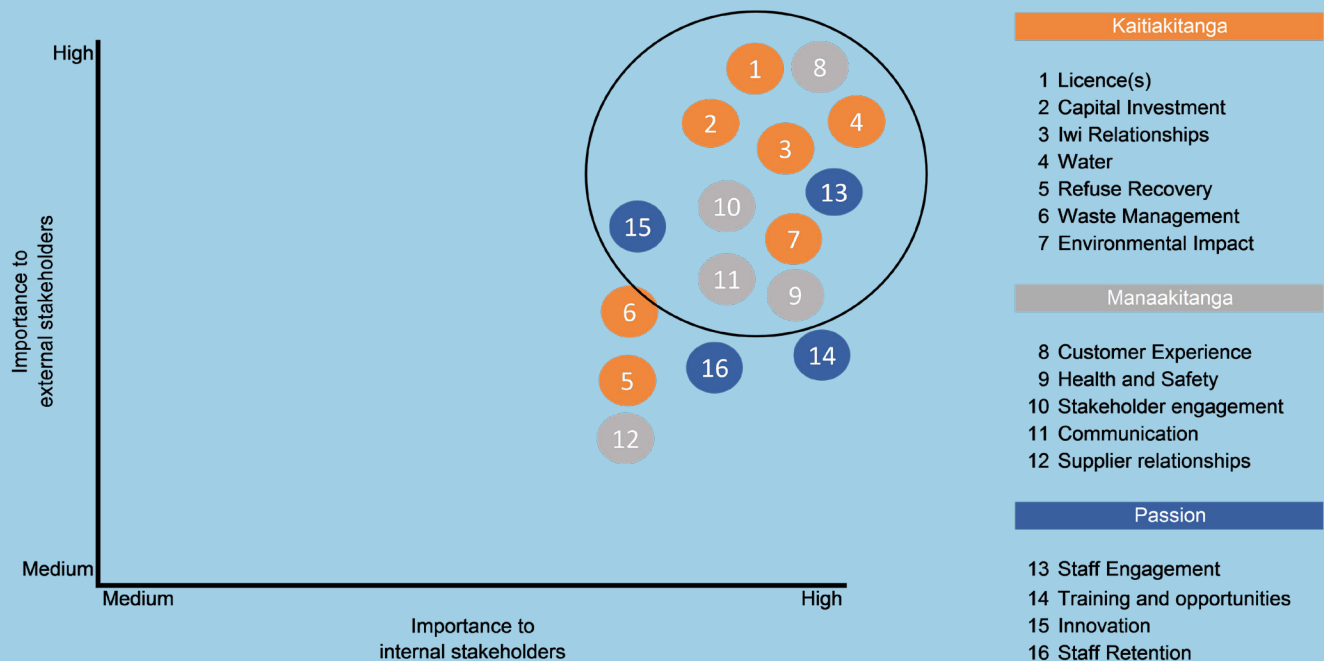
PASSION – FOR THE LOVE OF IT

We have a responsibility to share our passion for this place. We want our people and stakeholders to be engaged, courageous, innovated and passionate about the place.



OUR SUSTAINABILITY MATRIX

The below graph plots items that are ‘material’ to RAL and our stakeholders. Items that are highly material to both us and stakeholders are the items we have reported on in this report (and are illustrated in the circle in the top right corner). We’ve colour coded the below to illustrate what critical success factors each of the items represent. This matrix is work in progress and will continue to evolve as we identify additional items that are material to us and / or our stakeholders.



QUALMARK GOLD SUSTAINABLE TOURISM BUSINESS ACCREDITATION

In April 2017 we were assessed by Qualmark and have received a Gold Sustainable Tourism Business Accreditation which we are very proud of. This is the highest level attainable under the Qualmark rating scheme. Receiving this award is well deserved recognition for the hard work our Safety and Environment team have put into creating our systems and educating the crew and our fantastic staff who have lived up to the high standards we have set for ourselves to deliver on our “zero harm to people or place” mantra.

This exercise required our operations to be assessed using the ‘Sustainable Tourism Business Criteria’ which has four key areas:

1. Health and Safety
2. Environment
3. Social/People
4. Economic

All of the above align with our critical success factors and illustrate that RAL is taking a combined approach in the way in which our business is conducted. We are not perfect and that’s not what this Qualmark Gold award is saying. It says that we have the people, processes and systems to operate safely and sustainably and it’s up to us to keep using these tools to continue demonstrating leadership among our peers.



KAITIAKITANGA — FOR THE PLACE

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

DOC LICENCES & IWI RELATIONS

At RAL we have a responsibility to operate in a way that doesn't negatively impact the environment in which we conduct business. We currently operate the two ski areas under two licences issued by the Department of Conservation (DOC) pursuant to section 29 of the National Parks Act 1980.

WHAKAPAPA LICENCE & IWI RELATIONSHIPS

Whakapapa's licence was renewed in December 2015 for an initial term of 30 years with six 5 year extensions on the provision of meeting key performance indicators as agreed with RAL and Ngāti Tuwharetoa. Since the implementation of the licence we have completed a formal governance (relationship) agreement with Ngāti Tuwharetoa who whakapapa to the Whakapapa Ski Area. This includes commitment to the shared principles of:

- Respect for Mt Ruapehu
- Respect for Ngāti Tuwharetoa's mana, tino rangātiratanga, kaitakitanga, tikanga and values in respect of Mt Ruapehu
- Respect for the Treaty of Waitangi and its principles
- Acknowledgement of and support of the Ngāti Tuwharetoa Treaty settlement negotiations and alignment of the relationship in accordance with the expected outcomes of those negotiations
- A strong commitment to a relationship based on good faith, collaboration, open and honest communications and mutual respect and assistance
- Acknowledgement of the ongoing existence and operation of the Whakapapa Ski Area, and that RAL will have a long-term relationship with Ngāti Tuwharetoa and be a long-term operator of the Whakapapa Ski Area on Mt Ruapehu

Te Pae Maunga is the group monitoring our performance against the above shared principles. This group consists of 3 representatives from Ngāti Tuwharetoa, 3 from RAL and an independent chair, Sir Michael Cullen. We have met regularly since the renewal of the licence with discussions focusing on the current and proposed capital expenditure for Whakapapa, defining the criteria upon which the 5 year extensions will be assessed and other governance matters. These meetings provide a forum to ensure such investment won't put RAL's guardianship and stewardship of Whakapapa at risk and allows for the relevant cultural elements of such investment to be considered.

TUROA LICENCE & IWI RELATIONSHIPS

Turoa's licence renewal is still in negotiation and the current licence is due to expire at the end of 2022. In September 2016 the Minister of Conservation gave notice of her intention to grant a 60 year concession consisting of an initial term of 25 years plus 1 extension of 10 years and five 5 year extensions. The application was put on hold until negotiation could be completed with the key iwi groups. Negotiations are currently focused on the term of the licence and structuring a similar governance agreement to that which is in place for Whakapapa.

ENVIRONMENTAL MANAGEMENT SYSTEMS - STEWARDSHIP

We are committed to achieving Zero Harm to people or place and in doing so, being true stewards of the special place we operate in. This commitment this starts at the top with our Zero Harm Policy which is reviewed annually by the Board and CEO and is displayed prominently at our ski areas. We operate in accordance with an Environmental Management System which is integrated with our Safety Management System. As with safety risks, environmental risks are identified, assessed and then controlled using our risk matrix. Appropriate audit tools (internal and external) are also deployed to ensure efficacy of these controls on an ongoing basis. We understand that we still have work to do in this area and continue to work with our stakeholders including local communities to ensure we are doing everything we can to achieve Zero Harm. In the last 12 months we have had success in the following areas:

ISO 14001 – THE INTERNATIONAL BENCHMARK FOR ENVIRONMENTAL BEST PRACTICE

In 2016 RAL applied for and achieved ISO 14001 certification in its first attempt to meet this international standard. This was a first in NZ for the snow sports industry and is an example of the commitment to setting high standards for the industry and for businesses operating in Tongariro National Park.

REFUSE RECOVERY OPERATION

Since 2014, RAL has funded and operated a dedicated operation for the removal of waste from the Tongariro National Park. Until now the focus has been primarily on the terrain included within the ski area Boundaries, however this has been extended to other at-risk sites within the park including the road side verge of SH 48 leading in to the village during winter months.

REFUSE RECOVERY
OPERATION:
SUMMER 2017



FUEL EFFICIENCY

In the winter of 2016 we hired a groomer operator from Europe who specialised in operator training for what is termed 'Eco Snow Drive'. Through the audit he performed and the training he provided we managed to reduce diesel usage over a week for one groomer by 700 litres while still achieving the same work output. This programme will be continued during the 2017 winter and is a great example of how efficiency gains are just good business.

Going forward we hope to continue to improve on the above successes while focusing on the initiatives outlined below. We aim to report on these as further areas of success in next year's Annual Report.

WASTE MANAGEMENT

RAL has been a key stakeholder in the Whakapapa Waste Water Treatment scheme and currently manages its inputs at the top of the system to ensure that contaminants such as high phosphate detergents are eliminated. We operate effective waste minimisation systems for all activities currently. Once again, this is good business as well as being a cornerstone of our Kaitiakitanga value. This starts with evaluating what we purchase in terms of packaging and wrapping through to how it's transported around the mountain and then disposed of/recycled.

ENVIRONMENTAL MONITORING PLAN

As part of the RAL Environmental Management System, we have embarked on an Environmental Monitoring Plan which is, at this stage, still in the process of gathering baseline data for a number of parameters including stream water quality, rubbish density, storm water systems etc. This will expand into vegetation monitoring and terrestrial and aquatic invertebrate studies in the next 12 months. Being involved with the protection and monitoring of stream health at the source of the streams at both Whakapapa and Turoa makes any involvement with projects further downstream a natural fit.



THE VALUE OF WATER

Water plays a significant part in the success of RAL's business through the snowmaking facilities we have at both ski areas. The value of water, and access to the resource, is significant for the business. RAL depends on having a reliable supply of water to ensure snow is available to our customers, particularly early in the season, and to ensure that the economic benefits generated flow through to our local communities.

Ki uta Ki tai (from the mountains to the sea) recognises the movement of water through the landscape and the numerous interactions it may have on its journey. It also recognises the connections between people and communities, people and the land and people and water.

Our local iwi and hapu have associations with the springs (puna), streams and rivers (awa) that are reflected in their whakapapa. Freshwater is a taonga and fundamental to the cultural identity of Maori. It is important for RAL, its staff and its customers to understand the significance of water to our key stakeholder. It is this understanding that then translates into appreciating the value of the resource that underpins our business.

The below photo of the Alpine Meadow at Turoa illustrates how important water is to our business. It was because of snowmaking (and the use of water) that enabled the opening of Happy Valley and the lower mountain at Whakapapa and the Alpine Meadow at Turoa before sufficient natural snow fell .



From an environmental perspective RAL measures/tests the water in the streams that flow off our two ski areas to ensure the water quality remains 'pristine' as it flows into our neighbouring communities. In addition to the careful management of water RAL has environmental management practices that span the breadth of our operations.

Good environmental practice really matters to the staff at RAL. We recognise the need to have a constructive relationship with the communities we operate in and the importance of 'social' licence to operate. The Tongariro National Park, the environment we operate in, is an essential component of RAL's brand, and ultimately the global brand of NZ Inc! – water is crucial to our business as it is the resource underpins our value proposition.

AREAS FOR IMPROVEMENT

Early in 2017 during a Safety and Environmental Risk audit, we identified a number of areas where our frontline staff haven't been aware of our DOC works approval process. At the time we immediately engaged with DOC and conducted a site visits for the projects which had not been completed in accordance with the terms of the works approval. From there we notified iwi and put in place a number of measures to correct the works. This is an example of why our ISO14001 system is important – it allows us to conduct internal audits which ensure that our team are aware of our responsibilities and corrects issues where the work undertaken does not meet the scope of what has been approved. In this case, the key learning for us is to ensure that our operational team and contractors completing the works are fully conversant with the works approvals and the documentation is discussed by all parties at toolbox meetings and pre-start project planning meetings.

We continue to have a number of small spills primarily around heavy vehicles and equipment which typically arise from incorrect technique when refuelling vehicles. The positive sign is our staff are now in the habit of reporting even a drip of a contaminant, which we have been grateful for as it has allowed us to learn more about how to prevent a recurrence of these minor spills. This is an area of focus for the coming year to integrate enhanced training and regular review of technique to ensure our staff are minimising the risk of any spills of any kind. A more significant spill incident occurred during the year when a flash flood/lahar washed snow and debris into an electrical transformer dislodging it from its foundations before washing it downstream. A quantity of dielectric fluid entered the stream before RAL staff could react with a spill kit to control the spill and prevent further contamination. The transformer was owned by The Lines Company and they acted quickly alongside the RAL environmental team to mitigate the risk of further contamination and remove the damaged transformer. Over the summer of 2016/17 a new transformer was installed in a less risky location and remedial work was done to remediate a quantity of contaminated soil.

We have identified a risk of fatigue among some of our staff who consistently complete long hours during periods of difficult weather or breakdowns which require their effort to get the mountain up and running again. Through our 100 hour reporting we have been able to identify staff consistently exceeding 100 hours per fortnight and have the conversations with them around opportunities to balance the workload and reduce the risk of a fatigue-induced incident. This is a very practical way our payroll staff have been able to assist our Safety and Environment team to reduce the risk of an incident by carefully managing fatigue.

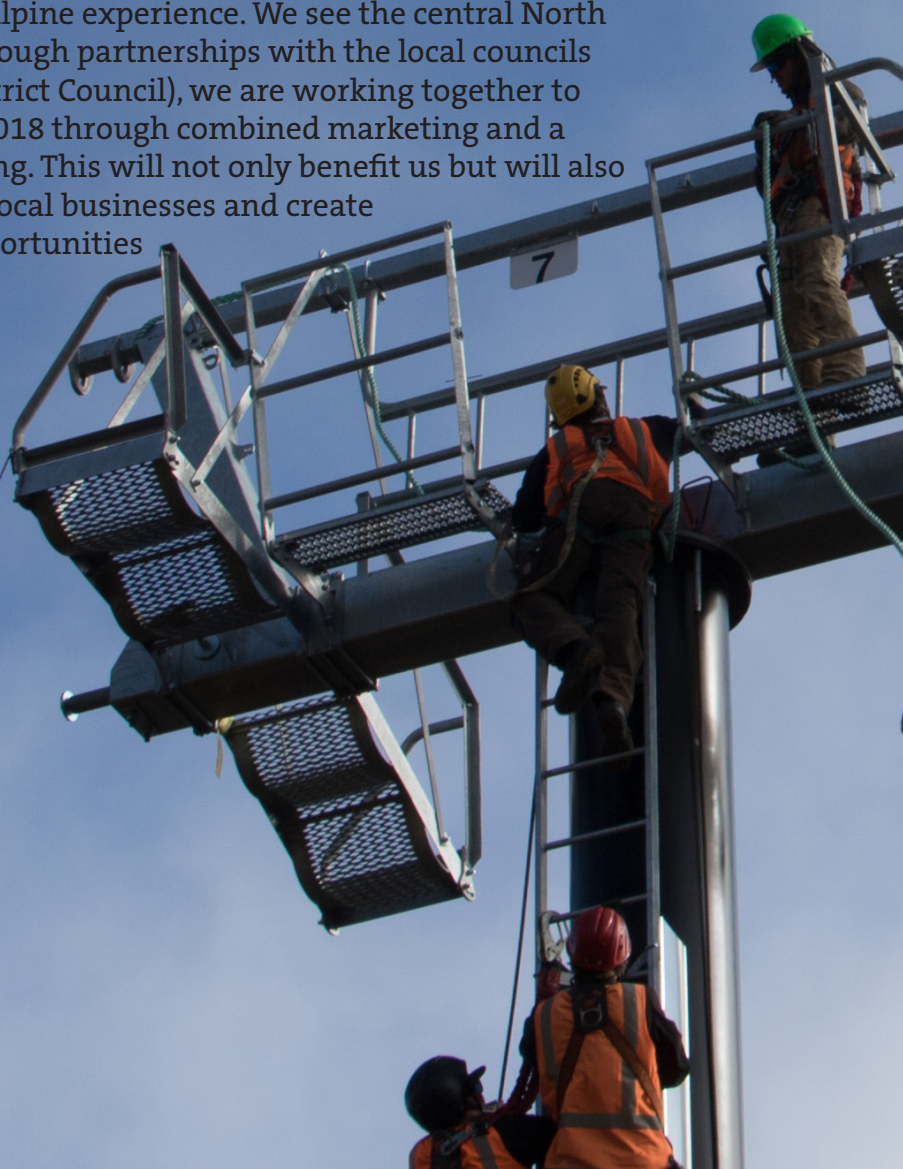
CAPITAL INVESTMENT

\$100M IN 10 YEARS

We are excited by our future plans to invest a further \$80m over the coming 8 years as part of our capital renewal program. We are thrilled by the possibilities and opportunities that such investment creates, not only for our company, but for our community, the local region and New Zealand. At Mt Ruapehu we have a great story to tell. Partnered with investment, our forecast visitor growth will be supported by a number of factors which are unique to Mt Ruapehu:

- Highest Peak in the North Island
- New Zealand's largest volcano
- Highest lift-accessed terrain and longest trail in New Zealand
- Ski/hike an active volcano
- UNESCO Dual World Heritage Site
- Award winning 'World's best designed café' and highest in New Zealand
- All year snow experience
- Deep relationships with our local iwi and hapu and their connection to the maunga

We believe there are a number of opportunities to grow visitor numbers to the region by providing reliable access to a unique alpine experience. We see the central North Island as an emerging ski region and, through partnerships with the local councils (Taupo District Council and Ruapehu District Council), we are working together to bring visitors here for winter 2017 and 2018 through combined marketing and a longer season with increased snowmaking. This will not only benefit us but will also drive regional growth and benefit other local businesses and create further and permanent employment opportunities within the region.





\$20M COMMITTED TO DATE

Since we received the Whakapapa licence in December 2015 we have committed capital upgrades to the value of \$20m. Our first project was the Rangatira Express lift which was installed over the 2015/16 summer and was operational for winter 2016. This lift is a detachable quad express chairlift that replaced two fixed grip double chairlifts. It now provides reliable access to the upper mountain facilities and terrain at Whakapapa while offering the customer more time on snow through a quick and comfortable ride.

Summer 2016/17 was extremely busy with five significant projects occurring at Whakapapa for winter 2017:

ALL WEATHER SNOWMAKING SYSTEM

In April 2017 we installed a Techno Alpin SF210 Snow Factory. This technology is a game changer for us as it provides us with technology that has the ability to create >200 cubic meters of snow per day in up to 20 degrees above zero. We have already seen the benefits from this technology going into winter 2017 as it allowed us to open Happy Valley on Queens Birthday weekend (6 weeks earlier than winter 2016) with no conventional snow-making or natural snowfall.

HAPPY VALLEY CARPET LIFTS

For winter 2017 we have installed 3 new carpet lifts in Happy Valley (increasing out total number of carpets to Happy Valley to 4). 2 of the 4 carpet lifts have see-through covers allowing customers to be sheltered from the weather while still enjoying mountain views. A key benefit of these carpet lifts is that they will provide massive additional capacity in Happy Valley which will reduce queue times and improve the quality of the experience for our beginner customers substantially.

HAPPY VALLEY ACCESS ELEVATORS

We have installed two high-speed Schindler elevators to replace the Happy Valley access double chairlift (originally installed in 1989). This enhances the customer experience dramatically by providing a safe, easy and fast transition from the carpark to snow. The capacity of these two elevators is >4x what was previously possible with the double chairlift.

ROCKGARDEN AND TENANTS VALLEY SNOWMAKING

We have also installed pipe work to service a 24 Techno Alpin TF10 snow guns which has doubled the snowmaking capacity at Whakapapa. This investment has been along the Rockgarden and Tennants Valley which will enhance the customer experience by providing wall to wall skiing on the lower mountain while reducing congestion and driving growth into the beginner-intermediate market. This investment allowed us to open the Rangatira and Rockgarden for skiing on the 1st July 2017 without any natural snow (two weeks earlier than 2016 winter).

DELTA QUAD & SNOWMAKING

In the 2015/16 financial year we purchased a quad chairlift to replace the Waterfall T Bar. Installation of the chairlift has finished and we expect it to be very popular among intermediate skiers and riders in winter 2017.

The Delta Quad chairlift will improve the customer experience by replacing the Waterfall T Bar (allowing for a comfortable ride and increased capacity) and through providing beginner trails on the upper mountain. It also gives us the ability to develop further terrain park features on the upper mountain given that the snow formerly required to build the T Bar line is now available for more productive uses.

ADDITIONAL SNOWMAKING AT TUROA

The Snowmaking upgrade at Whakapapa allowed us to relocate 7 of our SMI snow guns to Turoa. This has allowed for snowmaking at Turoa to be bolstered and as a result we were able to open the Alpine Meadow on the 1st July with no natural snowfall.

RESTORATION COSTS

In addition to the above investment projects we have also spent a significant amount of time and resource removing redundant assets at both the Whakapapa and Turoa Ski Areas. During summer 2016/17 we removed the Bridge Hutt at the top of the Rock Garden, The Meads Wall Café and during summer 2015/16 we removed the Jumbo T Bar at Turoa and National Chairlift at Whakapapa.

We have made a conscious decision to remove redundant assets on the two ski areas due to the Kaitiakitanga we have and as part of our role as responsible stewards. Our maunga is one of historical and spiritual significance to our stakeholders and therefore we want to respect it by removing redundant assets.

LOOKING FORWARD - WHAKAPAPA

The next big project planned for Whakapapa is an upgrade of the Top of the Bruce (TOB) and installation of an Alpine Aerial Tramway. The TOB will become a multipurpose facility that will service customers, provide staff facilities and have a dedicated production kitchen to service all cafes on the mountain.

The Aerial Tram will be unique in New Zealand and will depart from the multipurpose facility at the TOB passing over mountainous terrain and several waterfalls with panoramic views of the Tongariro National Park. Customers will exit the Tram at over 2,000m altitude at the Knoll Ridge Café. The Tramway will service our Knoll Ridge Café which was awarded the World's best designed café in 2015 by Design Curial. We want to invest in these facilities to allow our current and future customers to enjoy this space for 12 months of the year.

LOOKING FORWARD – TUROA

Once we receive the Turoa licence we hope to address one of the most pressing issues at Turoa which is the capacity of public facilities for visitors. The cultural issues associated with sewage on the mountain are significant and RAL currently trucks every litre of effluent off the mountain from Turoa to ensure there are no wastewater discharges to land. There are opportunities to further improve the function of this system ensuring it has the capacity to cater to additional bathrooms.

Another key project in the pipeline at Turoa is the replacement of the Movenpick chairlift. The Movenpick is a fixed grip chairlift nearing the end of its useful life. The replacement lift will be a high speed detachable chairlift or gondola. It will provide reliable access to the upper mountain facilities at Turoa. It will be able to operate earlier as less effort will be required to de-ice as chairs (or cabins) will be stored indoors overnight and the haul rope can be run at night to prevent ice build-up. This lift will enhance the customer experience through decreased queue times, ease of loading and a dramatically improved lower mountain ski offer along with a more comfortable ride. Developing the 'Home Run' terrain with snowmaking will be a key part of this project to ensure the terrain has the capacity to handle the volume of skiers using it – the issues and injuries associated with the current return trails to the base area are well documented and need to be addressed with urgency.





MANAAKITANGA – FOR THE PEOPLE

We have a responsibility to be hospitable, kind, respectful, generous, caring, supportive and to communicate effectively with all stakeholders (both internal and external).

SAFETY MANAGEMENT SYSTEM

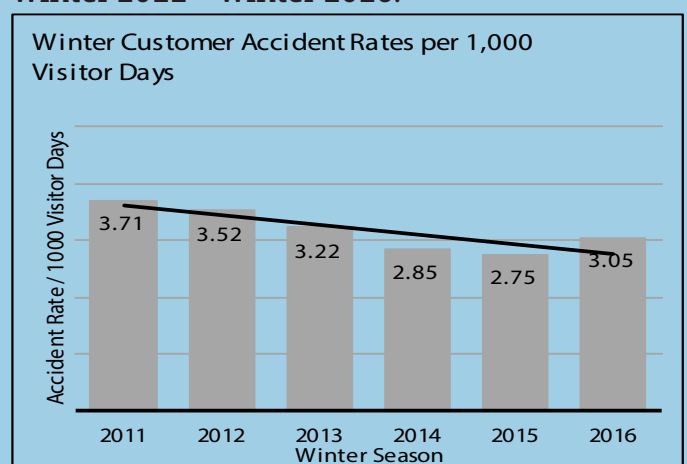
At RAL we operate a fully integrated Safety Management System across a wide range of our activities including ski lift operation, retail, rental, food and beverage, snow sports, accommodation, transport, guiding, grooming, snowmaking, maintenance (including lifts, buildings and vehicles), safety services, potable water supplies and sewage handling. We conduct business in a high risk environment and our Safety Management System allows us to achieve our goal of zero harm to people or place. In addition to our shared role as Kaitiaki (being responsible stewards of the place) we also have a commitment to Manaakitanga (being responsible hosts) and our Safety Management Systems are a tool that allows us to realise our goal of Zero Harm.

We understand we still have to do work in this area and continue to work with our stakeholders to ensure we are doing everything we can to achieve Zero Harm. We are subject to internal and external audits at least annually to ensure our systems are functional and fit for purpose. Our key external certifications achieved in the last 12 months include:

1. A1.AS/NZS 4801 – Health and Safety Systems – registered through TELARC
2. ISO 14001 – Environmental Management Systems – registered through TELARC
3. ACC WSMP – Tertiary (since 2007)
4. Qualmark – Sustainable Business Gold

CUSTOMER SAFETY

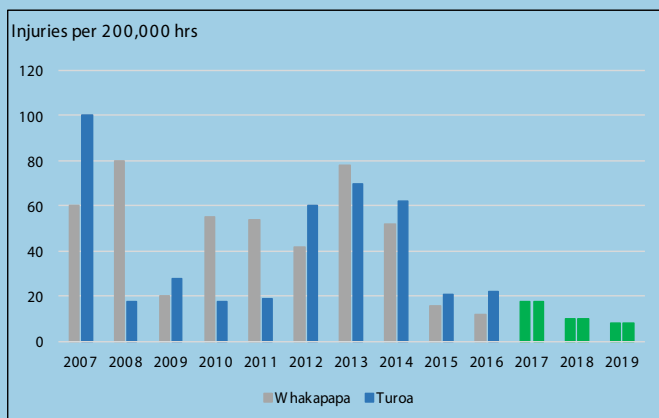
We operate in a high risk environment, but customer accident rates at both Whakapapa and Turoa continue to trend downwards. We did have an increase in the visitor injury rate during 2016 which was attributed to the low snow conditions prevalent for much of the season and we expect the trend to revert in 'normal' snow years. We want our customers to enjoy their experiences on Mt Ruapehu but most of all we want them to go home having had a safe day. Our ski patrol teams continue to improve the safety of a visit through analysis of key information which is recorded on all accidents. This analysis is an effective tool which enables us to achieve continuous improvement in safety of the ski areas. The graph below illustrates winter customer accident rates per 1,000 visitor days from winter 2011 – winter 2016.



STAFF SAFETY

'Gotcha back' is a key mantra for all of us here at RAL and we continue to focus on how we can keep each other safe in this awesome but risky environment.

Over the last 3 years we have made considerable ground in reducing accidents to our team and although injury rates alone don't tell the whole story, we know that we are making a difference and moving in the right direction. We have set stretch targets for ourselves to reach for over the next three years and fully believe we will achieve them. Looking after each other is a well-entrenched part of the staff culture here and this extends to looking after our visitors as well as the place we work in.



URGENT CARE CLINICS

We operate two Urgent Care Clinics (UCCs), one at each of the Whakapapa and Turoa Ski Areas. Our UCCs are run by our practice manager Ange Guy who is a qualified nurse and spends her summer months working between Taupo and Rotorua hospital emergency departments and leads a team of medical professionals at elite sporting events such as the Taupo Iron Man and Crankworx in Rotorua.

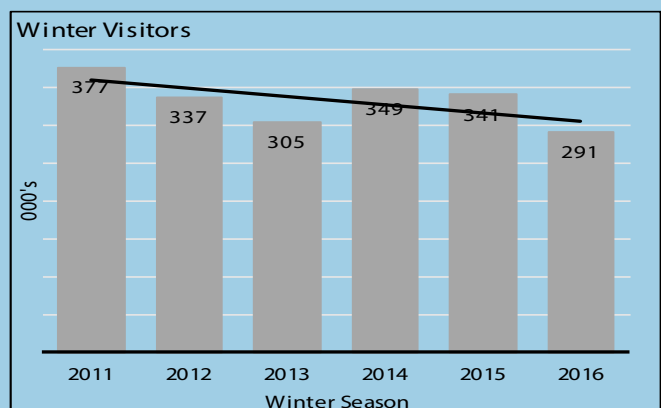
Our UCCs are unique and are a crucial support function for RAL and our local communities. They act as a gateway to other local health care providers through providing initial assessment and, in most cases, final treatment on mountain. Currently the UCC's service approximately 1,000 patients at each ski area per year. Of these 1,000 patients only 30-40 require further hospital treatment. By being based on mountain and thoroughly resourced with highly skilled and qualified staff we provide a high level of service to our customers, the local community and the public health system through taking pressure

off the hospitals and GPs in the region (e.g. Taupo /Taumarunui/Raitihii). Customers never plan to end their day in our UCC's but when they do, our UCC team's manaakitanga can turn the visitors' day around.

Success for the UCC's is not measured by increasing patient throughput (as this would indicate issues around incidents and accidents on mountain), but instead our aim is to maintain our UCC contract and funding with ACC thereby continuing to act as a gateway in providing this crucial service for the Central North Island.

WINTER VISITOR DAYS

Winter 2016 was particularly challenging for us with snow very late arriving and poor weather throughout the season. To maintain the viability of the business we tried to cut costs. Not only did this impact on the engagement of our staff but also had a negative impact on the customer experience. When the snow arrived we were running both ski areas with skeleton crew across all departments which reduced service levels and this was reflected in declining winter visitor numbers which have continued to trend downwards as is illustrated in the below graph:



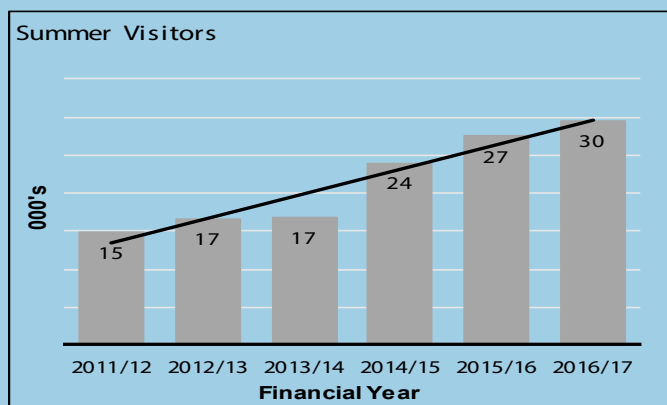
At our end of season debrief we acknowledged that the poor visitor experience on busy days due to reducing staffing levels wasn't a strategy we would adopt again. For winter 2017 we are putting the customer experience first, with increased staffing levels, significant new investment and technology, and a significantly enhanced customer journey.

SUMMER VISITOR DAYS

2016/17 summer saw us launch our refined summer offering, 'Whakapapa Unlimited'. In spite of a high percentage of closed days due to poor weather (41% closed vs 21% in the prior year), we saw a strong increase in summer visitors and revenue. We've been working on refining this programme through increased and targeted marketing, offering guided walks in a unique alpine environment whilst providing an enhanced dining experience at our award winning Knoll Ridge Café, the highest eatery in New Zealand at 2020 meters above sea level.

Feedback we've received in the past on our Knoll Ridge offering is that the location and building is stunning but the service and food need to lift. With the refinement and launch of "Whakapapa Unlimited" we need to do more to lift the quality of the dining experience and this will be a focus for 2017. We have engaged food and beverage consultants to inject additional professionalism into this offering and we completed a refurbishment of the Happy Valley Bistro in time for the 2017 winter season to cater for the expected increase in visitors that we are forecasting for Happy Valley.

The total number of 'sightseeing' visitors exceeded 60,000 during the 2016 year.



STAKEHOLDER ENGAGEMENT

Our scope of business is focused on provision, promotion and development of amateur alpine sports for the public within the

Tongariro National Park. Our shareholders receive no benefit and all profits generated from our activities at RAL are retained and re-invested in full.

Due to our organisational structure and the location in which we do business we have a number of different stakeholder groups and are working to improve our engagement with them. During the 2016/17 financial year we continued with some initiatives established in previous years and commenced some new initiatives.

MT RUAPEHU CADETSHIP PROGRAMME

The Mt Ruapehu Cadetship programme was set up in the winter of 2014 with the aim of providing employment opportunities to young adults in the region. This is an up to three-year programme for successful applicants.

- Year One leads to a Level Three National Certificate in Sport and Recreation, as well as an additional Unit Standard in Employment Skills.
- In Year Two graduates can apply to join the accelerator programme which provides individualised coaching and support to become a skilled attendant in one of the departments to which they were exposed in year One. The completion of Year Two gives participants a Level Three National Certificate in the chosen field.
- Year Two graduates are then eligible to begin year Three. This may include an apprenticeship with the opportunity to achieve a Level Four National Certificate.

RAL is now into its fourth year of this programme. In 2016/17, there were 16 cadets of whom 87% graduated from the programme. Some past graduates still work for RAL and others are working with other local employers or furthering their studies with tertiary education. RAL is continuing to succeed in achieving the overall aim of the programme which is to connect local workers with local jobs. In 2017, a total of 19 new cadets joined the programme. They are already achieving great things.

IWI YOUTH PROGRAMMES AND SCHOOL GROUPS

We have a number of programmes that involve working with local schools and youth groups to provide affordable lift passes, snow sports instruction and rental equipment. As part of this programme, RAL offer heavily discounted snow experiences for local schools. A positive result from this programme has been the number of youth who subsequently choose to work with RAL over their weekends and school holidays. This helps towards the achievement of RAL's goal of connecting local workers with local jobs.

CEO FORUM

In January 2017 Ross Copland launched a CEO forum with the purpose of meeting once a quarter throughout the year to discuss plans and ideas for the Ski Areas as well as tackle some of the issues and challenges facing RAL and the region. Applications were open to all with the idea that the group would represent our stakeholders. Applicants were required to send in a brief CV outlining their business and Mt Ruapehu experience along with a cover letter telling us what they believed they could offer the forum and which sector of the community they represented.

Initially we had planned to have this forum limited to 10-15 members. We had a massive uptake with 130 applicants and as a result we decided to engage with the entire group initially to establish terms of reference for the group. We held an evening at our Taupo Snow Head Quarters and invited all applicants and our management group. This enabled Ross to meet everyone and speak to his expectations and vision for the group while also providing the opportunity for the attendees to mix and mingle.

We are engaging with the wider membership via a Facebook group and met with the forum focus group of approximately 30 members in early August. These are voluntary positions, not governance positions and the mandate of the group is to be actively involved in the conversations around RAL's future and how we can play our part as a valued member of the Ruapehu region while ensuring RAL is meeting the needs of key stakeholder groups with whom we don't have an existing, structured engagement process, such as our relationship with Ngāti Tuwharetoa via the Te Pae Maunga.



PASSION — 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 be passionate about the place.

Happy and passionate staff are pivotal to the delivery of a quality experience for our visitors. We conduct business in a unique and remote part of New Zealand with plenty of challenges. It's our passionate staff who love this industry and this place that make the visitor experience memorable.

Staff engagement slumped in winter 2016 as a function of poor snow, lots of closed days and cost cutting measures which resulted in reduced hours for staff. We have completed a detailed review of the staff survey results and have put in place a range of measures for 2017 to ensure we address the key issues and gaps. We have invested heavily in additional frontline staff to enhance the visitor experience and we opted to 'grin and bear it' should we suffer from a slow start to the season again in 2017. Although the natural snow didn't allow for top to bottom skiing as originally planned, our investment into snowmaking allowed us to open our beginner facilities as scheduled. We have held staff in this period and our customer experience is on the rise vs 2016. We have set expectations for the 2017 crew that will ensure they are friendly, innovative, presentable, approachable and helpful in all dealings they have with both our internal and external customers.

CELEBRATING SUCCESS

NEW CEO ROSS COPLAND

In November 2016 Ross Copland joined the team as CEO (refer page 39 for his bio and previous experience). He is now 10 months into his role and during that time he's made his mark on the organisation.

He has led the management team through a comprehensive summer upgrade programme; established marketing partnerships and campaigns with support from external organisations such as Auckland Airport, Emirates, Taupo District Council and Ruapehu District Council, all whilst refining the winter 2017 offering and engaging with our key stakeholders.

He's driven a revamp of our mission and values to reflect what it is we stand for going forward and he has lead the presentation and discussion of these at our 2017 winter staff inductions. What we stand for hasn't materially changed, but the language we use to describe it is now more reflective of our staff and our culture. Ross believes communication is pivotal and is pushing his team to keep our visitors and staff informed of everything that is going on at RAL. Ross has made great progress in such a short space of time and we are looking forward to him leading the team throughout the remainder of winter 2017.

HIGHLY COMMENDED YOUNG FINANCE MANAGER OF THE YEAR – JESSIE WATLING

In March 2017 our very own Finance Manager and Company Secretary, Jessie Watling, received a highly commended award as the New Zealand Young Finance Manager of the year.

The judges noted that Jessie leads a highly engaged finance team, has developed a 10-year plan so Ruapehu would be a winter attraction for skiers for decades to come, and also commented on her passion for Ruapehu and progress in making the finance department an effective partner of the business.





Jessie's prize was a place on the strategic CFO course through the University of Auckland's Executive Education Programme which she will complete in October 2017. This award and prize has not only been a highlight in Jessie's career but also has given RAL additional exposure in the finance and accounting profession. We believe the learning she will obtain from this course and experience will allow her to continue to add value in her role at RAL.

LONG SERVING EMPLOYEES

In September 2017 we are holding an event for staff that have achieved significant tenures at RAL. Approximately 50 staff are being recognised for tenure of 10 plus years. Three staff members are being recognised for 20 years of service:

- Brendon Nesbit, Safety Services Manager Turoa
- Sharlene (Shaz) Dagan, Snowmaking Supervisor Turoa
- Michael Fox (Foxy), Trail safety, bus driver and maintenance assistant Whakapapa

These individuals have passion and are true examples of our values and critical success factors. We would like to thank them for their hard work and significant contribution that has gone into achieving these milestones.

TRAINING AND OPPORTUNITIES

The Ruapehu region has some of the highest unemployment rates in New Zealand, therefore, as a key employer in the area we understand that we need to provide our staff with opportunities for further development. We do this through a number of ways such as in-house skill training, adult apprenticeships, external courses and programmes such as The Ruapehu Cadetship (refer page 23).

We currently have 7 staff completing adult apprenticeships in the electrical, mechanical and cookery fields. Each apprenticeship has a duration of between 3-4 years and each individual apprentice is successfully on-track with meeting that deadline.

During 2016/17 we kicked off a project to consolidate all of our departmental training information into an online learning management system called Totara. This system has allowed us to ensure all of our training resources are in one place. The system also allows us to confidently manage compliance, certifications and programs of learning and run comprehensive reports instantly. We are looking forward to seeing the benefits of this programme as we begin developing and implementing new training initiatives.

The more we dive into how we deliver training and competency assessment, the more we realise that in many ways RAL is a 'training organisation' – we literally train hundreds of staff each year in a multitude of complex and highly technical roles. We have very high aspirations to improve the quality and systemisation of our training to ensure we produce world-class ski industry professionals. We acknowledge that we have a long way to go on reaching this aspiration but we're excited about the journey and where it will lead us.

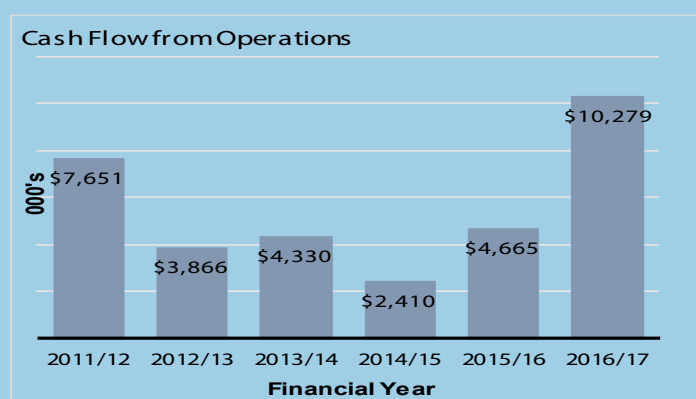
FINANCIAL SNAP SHOT

As noted throughout this report 2016 was a challenging season with late snow, poor weather and low visitor days and financial results reflecting that.

CHANGE IN BALANCE DATE

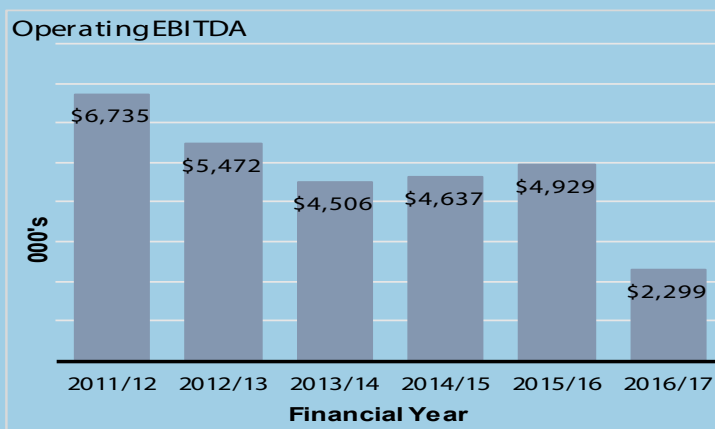
We feel that it is appropriate to change our financial year end to the 30 November to align with our core winter operational season. Currently our financial year end is 30 April and we run a capital and maintenance program that falls either side of this. By moving to a 30 November balance date we will close our results at the completion of our core operational period. This enables us to confidently assess what capital projects will be in the pipeline for delivery for the following winter. The alignment with our maintenance programme also allows for our maintenance teams to undertake servicing of key infrastructure over the summer months to ensure they are ready and safe to operate for the following winter. We will have a good sense of where we are sitting to enter into conversations with our bank (or other investors) for facilities required for our capital upgrades and following winter season. It will allow for better planning and budgeting with our permanent seasonal staff being heavily involved in this process. We will run the current financial year to 30 April 2018 and then run a short year to 30 November 2018.

CASH FLOW FROM OPERATIONS



We believe the cashflow statement on page 50 is the most relevant financial information. Cash Flows from operations (less interest) is the measure of cash generated from our normal business operations (i.e. running the Whakapapa and Turoa Ski Areas). We've had a significant increase in our cash flow from operations since 2015/16 which was attributable to the life pass campaign (\$13.1m). This has enabled us to fund a substantial portion of our Capital Investment program for the 2017 winter.

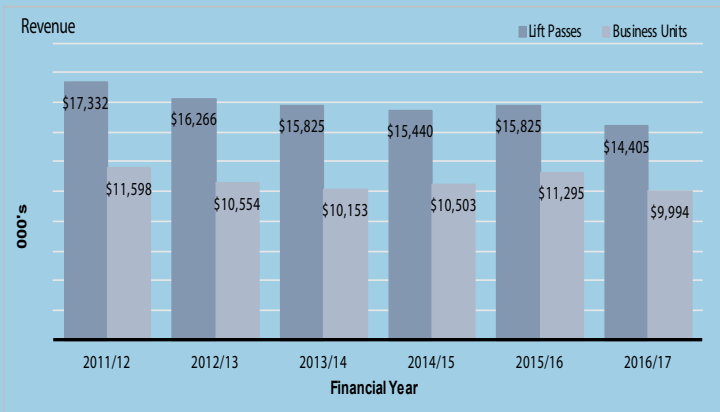
OPERATING EBITDA



Operating EBITDA is a financial measure that is key to RAL (refer note 17 in the financial statements). It is the result of our normal operations i.e. running the Whakapapa and Turoa Ski Areas.

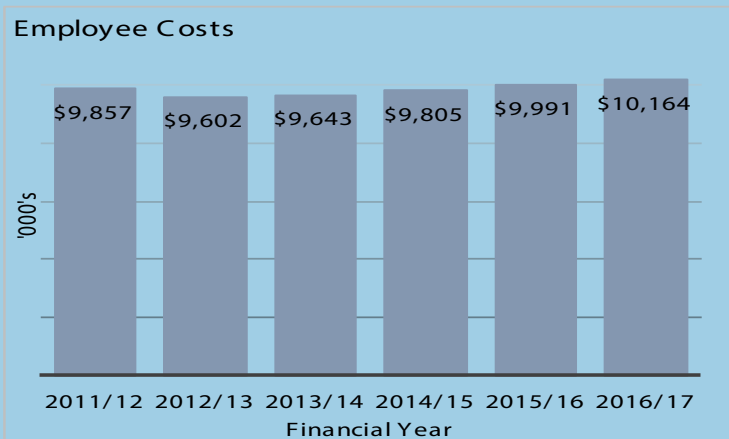
The 2016/17 result is a \$2.6m downgrade on 2015/16. This was attributable to 2016 winter with poor snow and weather and as a result fewer visitor days. Significant improvement in this key financial measure, to a consistent annual result in excess of \$6 million, is necessary if RAL is to have ongoing financial capacity necessary to maintain a program of asset upgrade and replacement.

REVENUE



With the drop in visitor days revenue was significantly less in 2016. For winter 2017 we have refocused our efforts on the customer experience through introducing new products and services and increased staffing levels.

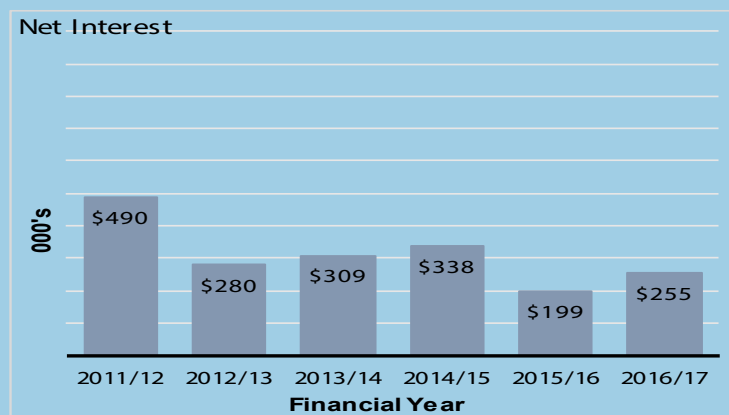
EMPLOYEE COSTS



Expenditure on wages and salaries has remained relatively flat over the last 6 years even with a labour cost index (LCI) increase at 2.0% - 2.5% each year during this period.

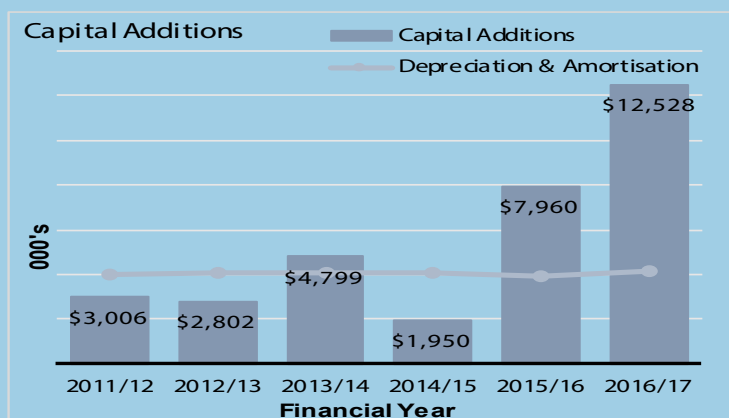
Ongoing effort towards achieving efficiencies within all of our activities is essential. With the slow start to winter 2016 we reduced our seasonal staffing levels in our commercial and operational departments. This had a negative impact on our staff engagement and visitor experience and was a contributing factor to the reduced visitor days.

NET INTEREST



Net Interest is the interest paid (finance cost) on our long term loan and flexi facility, less interest received from money in the bank. Over the past 6 years we have been making regular reductions in our long term facility of approximately \$600k-\$750k per year.

CAPITAL ADDITIONS VS DEPRECIATION & AMORTISATION

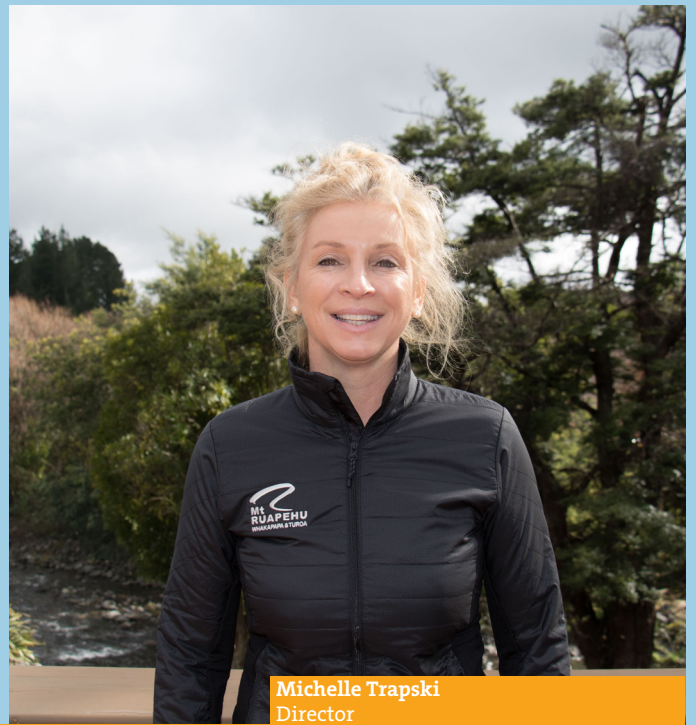


Capital Additions have been less than our annual depreciation expense during 3 of the last 6 years, due to necessary restrictions on investment until the Whakapapa licence renewal was achieved. This year's increase is due to the investments occurring at Whakapapa as outlined throughout this report. Due to the timing of the financial year end the 'additions' include a significant portion of assets under construction (refer note 3 in the Financial Statements) which will have the remainder of the project costs flow into the next financial year.

MEET OUR TEAM — OUR BOARD



Murray Gribben
Chairman



Michelle Trapski
Director



Debbie Birch
Director



Duncan Fraser
Director



Phil Royal
Director

Murray Gribben, Chair
BA (Hons), Econ, MBA, FINSTD

Murray joined the Board as a Director in May 2010 and was appointed Chairman in October 2014. His career started in the military before he moved into the finance sector where his professional career has been in investment banking and investment management. He is currently Chief Executive of Crown Irrigation Investments Ltd, a fund established to invest in regional scale irrigation infrastructure. He has held a variety of senior roles within the finance sector, both in New Zealand and overseas, including Managing Director of AMP Capital Investors. Previously held governance positions include Deputy Chairman of NZ Post Ltd and Directorships of Kiwibank Ltd, CS Ltd, Donaghys Ltd and Summerset Group Holdings Ltd. He is currently Chair of the NZ Venture Investment Fund. Murray has had a long association with Mt Ruapehu and has been skiing on the mountain most of his life.

Michelle Trapski, Director and Chair of Remuneration Committee
BMS

Michelle joined the board in February 2016. She has extensive experience in the tourism, property development and snow sports industries. She has over 25 years' experience in strategy, systems, marketing and management and was the CEO of AJ Hackett Bungy for nine years. Michelle is currently the Managing Director of Active Adventures, Director of The Headwaters/Pounamu Holdings 2014 Ltd and a Board Member of Snow Sports NZ. Michelle has had a long association with Mt Ruapehu and has been skiing on the mountain most of her life. She currently lives in Queenstown where she has resided and raised her two children Briar and Louie for over 20 years.

Phil Royal, Director
MBA

Phil joined the Board as a Director in June 2006. He is an independent Director and former Managing Partner and Board Member of PWC New Zealand and has held Directorships and CEO roles with service based organisations such as Virtual Spectator, Summerset Retirement Villages, Chitogel and CGNZ. He has had significant experience around service orientated businesses and has managed a number of large Global and Government Reform projects across the UK, Australia and New Zealand. Phil and his family have had a long association with the mountain.



Geoff Taylor
Director

Debbie Birch, Director
BSC

Debbie joined the Board as an advisor in February 2016 and became a director in August 2016. Debbie was GM, Investments at Te Tumu Paeroa (The New Māori Trustee) and was responsible for managing the organisation's assets which include dairy farms, investments in the honey and kiwi fruit sectors, investments in vocational training as well as listed equities and bonds. She has over 30 years' experience in financial markets including managing global investment portfolios in NZ, Asia and Australia. Most recently she has brought this experience into play around Te Tumu Paeroa's strategy to optimise Māori land and assets including investment across the primary sector. She is also a Director of a number of dairy farming businesses, a Director of Tourism Holdings Limited, Ngāti Awa Group Holdings Ltd, Crown Irrigation Investments Ltd, Farm Skills Ltd, Manuka Research Partnership Ltd, Manuka Farming (NZ) Ltd, a Trustee of Wellington Free Ambulance and a member of the Ministry for the Environment Audit and Risk Committee. Her iwi affiliations are with Ngāti Tuwharetoa, Ngāti Apa, Ngāti Hauiti, and Ngāti Rangī, and she is also a member of the Climate Change iwi Leaders Group.

Duncan Fraser, Director and Chair of Safety & Environment Committee
BE(hons), FIPENZ

Duncan joined the Board as a Director in October 2006 and was Chairman from October 2012 to September 2014. Duncan has had an association with skiing on Mt Ruapehu since childhood and is a past President of Skyline Ski Club. His professional background is in mechanical engineering and project management. He is currently Managing Director of Acme Engineering Ltd, a long established heavy engineering business based in Wellington.

Geoff Taylor, Director and Chairman of Audit & Risk Committee
BMS, CTP

Geoff joined the Board in July 2015. He is a Director and Manager of Dairy Investment Fund Ltd and TDB Advisory Ltd. Dairy Investment Fund Ltd is a specialised private equity vehicle in the dairy sector and has a range of investments in the sector. TDB Advisory Ltd is a New Zealand corporate finance and economics advisory business involved in funds management, treasury, economic analysis and public policy. Geoff is a Director of a number of dairy related businesses, funds management companies and sporting entities. Geoff is a Fellow of the Institute of Finance Professionals of NZ.





MEET OUR TEAM — OUR MANAGERS



Michelle Caldwell
General Manager - Sales & Marketing



James Fisher
IT Manager



Jessie Watling
Finance Manager & Company Secretary



Steve McGill
General Manager - Whakapapa



Steve Manunui
Operations & Trails Manager - Whakapapa



Mat Jonsson
Commercial Manager - Turoa



Phil Neal
Commercial Manager - Whakapapa



Matt McIvor
Marketing Manager



Callum Learmonth
Safety Services Manager - Whakapapa



Angela Guy
Practice Manager - Medical Centres



Fred Campbell
Trails Manager - Turoa



Brendon Nesbit
Safety Services Manager - Turoa



Andy Hoyle
Environmental & Risk Manager



Ross Copland
Chief Executive Officer

Michelle Caldwell, General Manager – Sales & Marketing BBus (Marketing)

RAL engaged Michelle as a marketing consultant in April 2016. She was appointed as Interim Marketing Manager in September 2016 and held that role until Matt was appointed in April 2017 and is now focussed on building partnerships with inbound and Australian distribution channels. She founded Destinate NZ in 2015 after 17.5 years working in the tourism industry for two of its largest organisations; Tourism Holdings Limited (THL) and Ngai Tahu Tourism. Her expertise is in marketing strategy and implementation and trade channel development. She is also Vice Chair (representing Allied members) of the Tourism Export Council of New Zealand Board of Directors.

James Fisher, Information technology Manager

James was appointed to the IT Manager position in 2007. Prior to working with RAL he was IT manager for the retail chains of Pack n Pedal Ltd and Central Park Interactive Ltd. James is responsible for ensuring that the IT function and technology is available to meet the needs of RAL while planning and supporting the future needs of our business. During his tenure he has been involved in a number of projects that have enhanced the internal processes and the customer experience such as the implementation of the Siriusware Point of Sale software package, the implementation of the Axxess RFID gates and the modernisation of the network and server infrastructure at both ski areas. He is a passionate skier and snowboarder and has been riding the slopes of Ruapehu for well over 30 years.

**Jessie Watling, Finance Manager & Company Secretary
BMS (1st Class Hons), CA Qualified NZICA**

Jessie was appointed to the Finance Manager position in November 2013. In February 2016 she combined the role of Company Secretary with the Finance Manager role. Jessie has come from a financial auditing background and has most recently worked with PWC in Hamilton. In March 2017 Jessie's skills as a Finance Manager were recognised when she was awarded Highly Commended in the NZ Young Finance Manager of the year award.

**Ange Guy, Mt Ruapehu Practice Manager Medical Centres
RN**

Ange has worked for RAL for 17 seasons. Ange is a fully qualified nurse and spends her summer months working in the emergency departments in the Taupo and Rotorua hospitals. Each winter she runs our two Urgent Care Clinics at the Whakapapa and Turoa Ski Areas. She is responsible for the oversight and management of all aspects of the two Urgent Care Clinic functions. The Urgent Care Clinics are a unique service that we provide our internal and external customers. Please refer to page 22 for more information surrounding these offerings.

Fred Campbell, Snow Trails Manager Turoa

Fred was appointed to the role of Snow Trails Manager for Turoa 2011. In June 2017 he combined his role with the role of Acting Operations Manager for Turoa. Fred has worked for RAL since Turoa was purchased. He started work with Turoa in 1986 as a groomer driver, and worked his way up to the Snow Trails Manager. Fred has extensive experience and understanding of the complexities of running the Turoa Ski Area. His current responsibility includes providing effective oversight and management of all aspects of Snow Trails management (including grooming, terrain park and snowmaking) and operations of Turoa (including lift operations, maintenance and road services).

**Brendon Nesbit, Turoa Safety Services Manager
Avalanche 2 Forecaster, PSIA Intermountain Examiner**

Brendon was appointed to the role of Turoa Safety Services Manager in June 2012. Prior to being appointed Safety Services Manager at RAL he has been working in snow school, race department and events and has done over 40 winters back to back within Canada, Japan and the United States. Brendon is responsible for providing effective oversight and management of all aspects of the Safety Services function for the Turoa Ski Area. He has extensive experience and understanding of the complexities around running the Turoa Ski Area and has been a key player in driving down our customer accident statistics over recent years.

Steve McGill, General Manager – Whakapapa

Steve McGill was appointed to this position in March 2016. He oversees the operational and commercial functions for the Whakapapa Ski Area. Prior to this he worked at Whakapapa over 25 years progressing through various operational, engineering and management roles. Steve is responsible for the oversight and management of the Whakapapa Ski Area. He is heavily involved in setting and implementing business plans, budgets and strategic objectives for the operational and commercial departments and is also involved with the current and proposed capital upgrades.

**Steve Manunui, Operations & Snow Trails Manager
Whakapapa**

Steve was appointed to the Operations & Snow Trails Manager for Whakapapa in May 2013. Prior to that he managed Operations and Maintenance for 5 years. Steve is presently responsible for the oversight of all lift operations, grooming, snowmaking, road services & transport for the Whakapapa Ski Area. Steve also has experience working at ski areas in Canada, USA, Japan, Switzerland & Australia. In total he has 36 winter seasons of experience under his belt. He also has a strong local iwi affiliation within Ngāti Tuwharetoa. Steve enjoyed working to help form the current relationship groups that have helped Whakapapa and Ngāti Tuwharetoa move forward in a positive and cohesive manner.

**Mat Jonsson, Turoa Commercial Manager
BCA**

Mat was appointed to the Turoa Commercial Manager position in April 2017 and in May 2017 combined this with the role of interim Turoa General Manager. Prior to working with RAL he was responsible for customer service delivery and improvement at Flick Electric Co., and strategic marketing, product management, customer experience design, and business process improvement for Contact Energy & Kiwibank. Mat is responsible for providing effective oversight and management of all commercial departments within the Turoa Ski Area with the goal that these operations consistently provide an experience that exceeds both external and internal customer expectations.

**Andy Hoyle, Safety & Environmental Risk Manager
BSC Geology, NZIM DIP FLM**

Andy was appointed to this position in February 2014. Prior to this he worked at Whakapapa for 10 years as the Safety Services Manager after three seasons of work as a ski patroller there. Andy has also spent time in Canada as a ski patroller and ski guide and in Mt Cook for the DOC Alpine Cliff Rescue Team.

Ross Copland, Chief Executive Officer
MBA, BE Civil (1st Class Hons), BCom, MINSTD

Ross Copland was appointed CEO in early November 2016. He was ski area manager at Coronet Peak for four years and in that time Coronet Peak experienced sustained growth and achieved several awards for visitor experience due to a strong focus on operational excellence and product development. Prior to that Ross had a career that included roles in engineering, construction and property, including as national operations manager for retail property company Westfield in Sydney.

Phil Neal, Whakapapa Commercial Manager
GradCertBusAdmin

Phil was appointed to the Whakapapa Commercial Manager position in December 2015. Prior to that he was the Mt Ruapehu Rentals and Retail Manager. Phil is responsible for providing effective oversight and management of all commercial departments within the Whakapapa Ski Area with the goal that these operations consistently provide an experience that exceeds both external and internal customer expectations.

Matt McIvor, Marketing Manager
BCom

Matt joined RAL in April 2017 from Cardrona Alpine Resort, where he had been the Marketing Executive since 2013. He is a ski industry specialist with 12yrs experience in snow sports and has a wide range of experience across various ski area departments. Matt also enjoyed three seasons at Turoa as both lift operator/de-icer and terrain park ranger before heading to Otago University.

Callum Learmonth, Whakapapa Safety Services Manager
CIMS, PHEC, Vertical Ropes Rescue, Alpine Search Methods, Avalanche Management L2

Callum was appointed to the Whakapapa Safety Services Manager Role in 2015. Callum first started working for RAL in Safety Services in 2001. Prior to working with RAL he was an Outdoor Instructor at the Hilary Outdoors and Senior Guide at Franz Josef Glaceir Guides. Callum is responsible for providing effective oversight and management of all aspects of the Safety Services function for the Whakapapa Ski Area. In the summer season, Callum works alongside Andy Hoyle in the Safety and Environment field. He has extensive experience and understanding of the complexities around running the Whakapapa Ski Area and has been a key player in driving down our customer accident statistics over recent years.

NEW APPOINTMENTS

Sarah Webster, Human Resources Manager
BBus (Tourism & Human Resources), BASc

Sarah Webster has been appointed as our Human Resources Manager and is due to start in role on the 12th September. Sarah has most recently worked for Trojan Holdings Limited as the Human Resources Manager of The Hermitage Hotel Mt Cook. Sarah has vast Human Resources experience and also ski industry experience. She was the Head of Guest Services at Coronet Peak and has also worked for Mammoth Mountain Ski Area in California. We look forward to welcoming Sarah to the team. Sarah will step into a leadership role where she will head a highly engaged Human Resources team that are responsible for recruitment and on-boarding, learning and development, performance and engagement, organisational development and employment relations. In the interim our Human Resources Advisor, Britta Nesbit, has stepped in as acting Human Resources Manager. Britta has been our Human Resources Advisor for 4 seasons and has worked in the Human Resources department for 10 seasons and prior to that worked for Snow Sports. All up she worked with RAL for 17 seasons.

JP Chevalier, General Manager – Turoa
Plymouth State University (Business, Management, Marketing and Related Support Services)

We are welcoming JP Chevalier 'Chev' to the team at Turoa General Manager on the 28th August. Chev was a member of the PSIA National Education Team (the pinnacle of US Ski Instructing), has held senior positions in marketing, rentals, race department, coaching and operations across some significant ski areas around the world including Mammoth (CA), Beaver Creek, Eldora and Copper Mountain (CO), Mt Buller (AUS), Mt Hutt and Remarkables (NZ). He has also worked in the FMCG sector for Cadbury Schweppes in Australia where he built significant new business on the 'supplier side' of the industry. He's a skier and a snow boarder and has incredible knowledge of the industry. We have no doubt he'll complement the skills and experience of our Turoa team nicely and provide us with a unique perspective in our senior leadership team. Chev will be responsible for the oversight and management of the Turoa Ski Area. He will be heavily involved in setting and implementing business plans, budgets and strategic objectives for the operational and commercial departments and will also be involved with the current and proposed capital upgrades.

CORPORATE GOVERNANCE

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

THE BOARD'S ROLE

The Board is responsible for providing RAL with direction, leadership, enterprise, 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.

CORPORATE GOVERNANCE PRINCIPLES AND GUIDELINES:

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 6 Directors – all appointed by the Board and approved by our Shareholders at the Annual meeting.

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

REPORTING AND DISCLOSURE

During the 2016/17 financial year the Board met 10 times in person and had 3 meetings via teleconference. Attendance records have been included in the below table:

Name	Attendance Record	Comments
Murray Gribben	13/13	Chairman
Duncan Fraser	13/13	
Phil Royal	10/13	August, October and November meetings lodged apologies
Geoff Taylor	13/13	
Michelle Trapski	13/13	
Debbie Birch	Advisor: 4/4 Director: 9/9	
Kevin Stanley	Director: 2/3	Apologies lodged for July meeting. Kevin's directorship ceased in July 2016.

The Board meeting agenda includes, but is not limited to, strategic issues, CEO updates, human resources, health & safety, financials, departmental reports, capital expenditure proposals, and opportunities facing the company.

In addition to the above Board meetings two formal Te Pae Maunga governance meetings were held with representatives of RAL and Ngāti Tuwharetoa. The RAL representatives are Murray Gribben, Michelle Trapski, Dave Mazey and Ross Copland.

BOARD COMMITTEES

The board has established three standing Subcommittees:

1. The Audit and Risk Committee, consists of all Board members and is chaired by Geoff Taylor. The purpose is to assist the Board to fulfil its responsibilities in relation to accounting and reporting, external audit, legal and regulatory compliance and general risk management.
2. The Remuneration Committee, consists of two Board members and is chaired by Michelle Trapski. The purpose is to annually review remuneration packages of the CEO and the management team and make recommendations to the Board.
3. The Health and Safety Committee, consists of all Board members and is chaired by Duncan Fraser. The purpose is to assist the Board to fulfill its responsibilities in relation to HSW-related matters arising out of the activities of RALs business operations.

REMUNERATION

Board remuneration will be reviewed with the Trustees and 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 Risk 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 needs to continually monitor 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 INTERESTS

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.

NOTICE OF ANNUAL GENERAL MEETING

The sixty-fourth Annual General Meeting of Ruapehu Alpine Lifts Limited will be held at the Happy Valley Bistro, Whakapapa Ski Area, on Saturday 23rd September 2017 at 5:00pm.

ORDINARY BUSINESS

1. Apologies
2. Presentation of the Annual Report for year ended 30th April 2017
3. Appointment of Directors
In accordance with the Constitution the following Directors retire by rotation, and being eligible, offer themselves for reappointment:
 - a) Phil Royal retires by rotation and, being eligible, offers himself for reappointment.
 - b) Duncan Fraser retires by rotation and, being eligible, offers himself for reappointment*
 - c) Debbie Birch was appointed a Director on 20th August 2016 and must seek reappointment at the next Annual General Meeting.The Directors support these appointments.
4. To confirm the reappointment of Deloitte as auditor and authorise the Directors to determine their remuneration for the ensuing year.
5. Chairman review.
6. General.

Shareholders entitled to attend and vote at the meeting are entitled to appoint a proxy, who need not be a shareholder of the Company.

Completed Forms of Proxy must be deposited at the Company address not less than 48 hours before the time for holding the meeting. The company address is Bruce Road, Private Bag 71902, Mt Ruapehu, 3951 (Email: companysecretary@mtruapehu.com).

Jessie L Watling
Finance Manager & Company Secretary

Dated at Mt Ruapehu, New Zealand this Thursday 22 day of June 2017*

*The above has been amended for the notice sent out on Thursday 22 day of June 2017 to include Duncan Fraser's retirement and reappointment as a director.

DIRECTORY

AUDITOR
Deloitte

SECRETARY
J Watling, Private Bag 71902, Mt Ruapehu 3951
email: 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 Field, Mt Ruapehu 3951

DIRECTORS
Refer page 32 - 35

MANAGEMENT
Refer page 36 - 59

DIRECTORS' REVIEW

Your Directors have the pleasure in presenting to Shareholders the Annual Report for the year ended 30th April 2017.

PRINCIPAL ACTIVITIES

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

RESULTS

Comprehensive Loss for the year	(\$3,014,458)
Total Equity at 1st May 2016	\$33,971,759
Total Equity at 30th April 2017	\$30,957,301

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	
\$100,000 - \$110,000	1	\$170,000 - \$180,000	1
\$110,000 - \$120,000	1	\$180,000 - \$190,000	1
\$120,000 - \$130,000	2	\$220,000 - \$230,000	1
\$130,000 - \$140,000	2		

DIRECTORS' INTERESTS

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

- Building Services were provided from a company in which K Stanley, a Director, has an interest.

The details of these transactions are in Note 11 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 \$150,000

Details of any other entitlements available to the Directors are detailed in Note 11 “Transactions with Related Parties”.

During the year Directors fees were paid to the following:

Murray I Gribben	\$48,125	Michelle Trapski	\$20,375
Duncan J Fraser	\$20,375	Debbie Birch	\$16,208
Phil J Royal	\$20,375	Kevin Stanley	\$ 4,167
	TOTAL		\$150,000

Kevin Stanley retired by rotation and was not reappointed as a Director. Debbie Birch was appointed by the Board in August 2016. The remainder 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

Murray Gribben Chairman
Geoff Taylor Director

Date: Friday 25th August 2017
Date: Friday 25th August 2017

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For year ended 30th April 2017

	Note	2017 \$	2016 \$
Operating Activities			
Revenue			
Lift Pass Sales		14,404,927	15,825,420
Sale of Goods and Services		9,993,880	11,295,399
Rent		269,122	293,540
Total Revenue		24,667,929	27,414,359
 Cost of Sales		 1,714,865	 1,840,202
 Gross Profit		 22,953,064	 25,574,157
 Expenses			
Auditor's Remuneration – Audit		37,809	30,000
Auditor's Remuneration – Other Advisory Services	13	-	8,250
Finance Costs		325,583	229,674
Depreciation	5	4,112,386	3,876,377
Amortisation	6	52,397	59,011
Directors' Fees	14	150,000	64,166
Provision for Bad Debts		21,815	-
Insurance		858,641	1,063,777
Electricity		1,949,749	1,942,243
Wages and Salaries		10,164,212	9,990,871
ACC		169,528	166,850
License Fees, Rates and Ski Area Levies		1,235,035	1,255,957
Marketing Campaigns		471,404	321,479
Lift Maintenance and Services		584,288	887,401
Grooming Maintenance and Services		253,962	350,478
Other Supplies and Services	16	4,757,287	4,563,631
Total Expenses		25,144,096	24,810,165
 (Loss) / Surplus from Operations	17	 (2,191,032)	 763,992
 Other Items			
Other Income			
Interest Received		70,829	30,479
Total Other Income		70,829	30,479
Other Expenses			
Turoa Diesel Spill	10	137,280	10,914
Loss on Sale / disposal of Property, Plant and Equipment and Cost of Restoration		790,190	12,273
Fair Value (Gain) / Loss of Derivatives & Foreign Exchange Losses	9	(33,215)	236,131
Total Other Expenses		894,255	259,318
 (Loss) / Surplus from Other items		 (823,426)	 (228,839)
 Total Comprehensive (Loss) / Surplus for the Year		 (3,014,458)	 535,153

The accompanying notes on pages 50 to 60 form part of these financial statements on pages 45 through to 49.

RUAPEHU ALPINE LIFTS LIMITED

STATEMENT OF FINANCIAL POSITION

as at 30th April 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Financial Assets			
Cash and Cash Equivalents		970,070	2,399,262
Trade and Other Receivables	3	487,337	658,198
Life Pass Finance Plan		338,878	-
Fair Value of Derivatives	9	66,910	(230,700)
Total Current Financial Assets		1,863,195	2,826,760
Inventories	4	764,058	469,642
Prepayments		203,628	181,661
Total Current Assets		2,830,881	3,478,063
NON CURRENT ASSETS			
Life Pass Finance Plan		354,595	-
Property, Plant and Equipment	5	62,794,658	55,407,658
Intangible Assets	6	895,608	574,787
Total Non Current Assets		64,044,861	55,982,445
TOTAL ASSETS		66,875,742	59,460,508
CURRENT LIABILITIES			
Financial Liabilities			
Trade and Other Payables	7	4,639,143	6,816,677
Lease Liabilities		-	3,256
Borrowings	9	600,000	600,000
Total Current Financial Liabilities		5,239,143	7,419,933
Revenue in Advance	8	4,735,608	5,327,029
Life Pass Deferred Revenue		1,867,070	875,986
Total Current Liabilities		11,841,821	13,622,948
NON CURRENT LIABILITIES			
Borrowings	9	4,400,000	4,196,438
Life Pass Deferred Revenue		19,676,620	7,669,363
Total Non Current Liabilities		24,076,620	11,865,801
TOTAL LIABILITIES		35,918,441	25,488,749
NET ASSETS		30,957,301	33,971,759
EQUITY			
Share Capital	2	138,200	138,200
Retained Earnings		30,819,101	33,833,559
TOTAL EQUITY		30,957,301	33,971,759

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

Murray Gribben, Chairman

Date: 7 July 2017

Geoff Taylor, Director

Date: 7 July 2017

The accompanying notes on pages 50 to 60 form part of these financial statements on pages 45 through to 49.

STATEMENT OF CHANGES IN EQUITY

For year ended 30th April 2017

	Note	Share Capital	Retained Earnings	Total
		\$	\$	\$
Balance at 1st May 2016		138,200	33,833,559	33,971,759
Comprehensive Loss for the Year		-	(3,014,458)	(3,014,458)
Total Recognised Income and Expenses		-	(3,014,458)	(3,014,458)
Balance at 30th April 2017	2	138,200	30,819,101	30,957,301
Balance at 1st May 2015		138,200	33,298,406	33,436,606
Comprehensive Surplus for the Year		-	535,153	535,153
Total Recognised Income and Expenses		-	535,153	535,153
Balance at 30th April 2016	2	138,200	33,833,559	33,971,759

The accompanying notes on pages 50 to 60 form part of these financial statements on pages 45 through to 49.

RUAPEHU ALPINE LIFTS LIMITED

CASH FLOW STATEMENTFor year ended 30th April 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from Customers		18,613,959	20,717,550
Revenue Received in Advance	8	4,735,608	5,327,029
Receipts from Life Pass Sales		13,180,855	-
Interest Received		70,829	30,479
Cash was applied to:			
Payments to Suppliers and Employees		(25,996,721)	(21,379,174)
Interest Paid		(325,583)	(229,674)
Net Cash Flows from Operating Activities		10,278,947	4,466,210
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Sale of Property, Plant and Equipment		-	-
Cash was applied to:			
Purchase of Property, Plant and Equipment	5 & 6	(11,908,446)	(4,020,731)
Net Cash Flows from Investing Activities		(11,908,446)	(4,020,731)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Term Facilities		803,563	2,546,438
Cash was applied to:			
Current Portion of Term Loans		(600,000)	(750,000)
Current Portion of Lease Liabilities		(3,256)	(19,532)
Net Cash Flows from Financing Activities		200,307	1,776,906
NET (DECREASE) / INCREASE IN CASH		(1,429,192)	2,222,385
Opening Cash		2,399,262	176,877
Closing Cash		970,070	2,399,262
COMPOSITION OF CASH AND CASH EQUIVALENTS:			
Cash on Hand		65,946	42,260
Cash at Bank		904,124	2,357,002
Closing Cash Carried Forward		970,070	2,399,262

The accompanying notes on pages 6 to 16 form part of these financial statements on pages 1 through to 5.

RECONCILIATION OF TOTAL COMPREHENSIVE SURPLUS WITH CASH FLOW FROM OPERATING ACTIVITIES

For year ended 30th April 2017

	2017	2016
	\$	\$
Reported Net (Loss) Surplus for the year	(3,014,458)	535,153
Add / (Less) Non Cash Items:		
Depreciation	4,112,386	3,876,377
Amortisation of Intangible Assets	52,397	59,011
Provision for Bad Debts	21,815	-
Fair Value Movement in Derivatives & Foreign Exchange (Gains) Losses	(33,215)	236,131
Movements in Working Capital:		
Movement in Trade and Other Payables	(3,196,278)	934,678
Movement in Inventories	(294,416)	163,087
Movement in Trade and Other Receivables	149,046	(463,826)
Movement in Life Pass Finance Plan	(693,473)	
Movement in Prepayments	(21,968)	19,281
Movement in Season Pass Revenue & Revenue in Advance	(591,421)	(78,203)
Movement in Life Pass Deferred Revenue	12,998,342	(827,751)
Items Classified as Investing Activities		
Loss / (Gain) on Disposal of Assets	790,190	12,273
Net Cash Flow from Operating Activities	10,278,947	4,466,210

The accompanying notes on pages 6 to 16 form part of these financial statements on pages 1 through to 5.

RUAPEHU ALPINE LIFTS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

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's is a public benefit entity as all profits are reinvested in the maintenance and further development of facilities at the ski areas for the benefit of the public and 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.

Cost is based on the fair value of the consideration given in exchange for the transaction.

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

These financial statements are presented in New Zealand Dollars, rounded to the nearest dollar.

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

A key area of estimation is in relation to the revenue recorded for Life Passes where the revenue is transferred from Deferred Revenue based on an estimated life over the relevant 25 and 20 year period on an average estimated days of use by the pass holder. A standard Life Pass has an estimated life of 20 years and the Life Plus Pass has an estimated life of 25 years (due to these being transferable after 10 years).

Depreciation 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.

1.6 Adoption of New and Revised Standards and Interpretations

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 Revenue

Sale of Goods

Revenue earned by the Company from the supply of goods is measured at the fair value of consideration received. Revenue received from the supply of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Sale of Services

Revenue from the supply of season passes is recognised in full from the first day of the ski season. Revenue from life passes is recognised by reference to the stage of completion (usage) of the life pass. 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.

1.8 Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except for receivables and payables that are recognised inclusive of GST.

1.9 Taxation

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

1.10 Inventories

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.

1.11 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 incurred. Capital works in progress are carried 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. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Comprehensive Income in the period in which they arise.

Depreciation

Depreciation is provided on Property, Plant and Equipment, including freehold buildings but excluding land.

Depreciation is calculated on a straight-line basis so as to write off the cost of each asset over its useful life to its estimated residual value. 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 at the end of each annual reporting period.

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

The Company has been engaged in ongoing discussions with the Department of Conservation around the renewal of the Whakapapa and Turoa license agreements. The Whakapapa license was due to expire on the 31st December 2019, and was renewed for a 30 year term plus six 5 year rights of renewal. This new license was operational from the 1st May 2016. Discussions on the Turoa license (which is due to expire on the 31st October 2022) are still ongoing. The outcome of the Turoa discussions, and the renewal of the license agreement may give rise to a review of the rates of depreciation.

1.12 Intangible Assets

Intangible Assets are initially recorded at cost. Intangible Assets with finite lives are subsequently recorded at cost less any amortisation and any impairment losses. The estimated useful life of finite life intangibles are 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. Typically the useful lives of Intangible Assets are as follows:

Software	5 years
Whakapapa Licence	60 years (term of the licence)

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. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Comprehensive Income in the period in which they arise.

1.13 Leases

The Company leases certain office equipment, motor vehicles, software, 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.

RUAPEHU ALPINE LIFTS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

1.14 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.

Cash and Equivalents

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

Trade and Other Receivables

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.

Life Pass Finance Plan

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

Financial Liabilities and Financial Assets at fair value through the profit or loss

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

Financial Liabilities

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

1.15 Foreign Currency

All foreign currency transactions are brought to account 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.

1.16 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.

1.17 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.

1.18 Borrowing Costs

All Borrowing Costs are expensed in the Statement of Comprehensive Income in the period in which they occurred.

1.19 Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual and sick leave. 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 30th April 2017

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.

2016/17

Fully Paid Ordinary Shares	A Shares	B Shares	C Shares	D Shares	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the year	6,000	28,000	94,200	10,000	138,200
Shares issued during the year	-	-	-	-	-
Balance at the end of the year	6,000	28,000	94,200	10,000	138,200

Number of Shares

Balance at the beginning of the year	6,000	1,400	4,710	10,000	22,110
Shares issued during the year	-	-	-	-	-
Balance at the end of the year	6,000	1,400	4,710	10,000	22,110

3 TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
Trade & Other Receivables	277,985	146,678
GST Receivable	209,352	511,520
	487,337	658,198

4 INVENTORIES

	2017	2016
	\$	\$
Retail	372,399	204,403
Food and Beverage	37,649	36,182
Fuel	18,880	22,047
Sundry	335,130	207,010
	764,058	469,642

5 PROPERTY, PLANT AND EQUIPMENT

30 th April 2017	Opening Cost	Additions	Disposals	Transfers	Closing Cost
	\$	\$	\$	\$	\$
Ski Lifts	23,213,449	-	(628,313)	7,032,515	29,617,651
Buildings and Fixtures	28,008,572	-	(215,469)	833,115	28,626,218
Car Parks and Roads	6,557,492	-	(10,000)	-	6,547,492
Motor Vehicles	8,949,680	-	(879,999)	1,273,647	9,343,328
Plant and Equipment	22,919,779	-	(1,304,973)	2,169,123	23,783,929
	89,648,972	-	(3,038,754)	11,308,400	97,918,618
Assets Under Development	6,789,509	12,154,660	-	(11,308,400)	7,635,769
Total Property, Plant and Equipment	96,438,481	12,154,660	(3,038,754)	-	105,554,387

30th April 2016	Opening Cost	Additions	Disposals	Transfers	Closing Cost
	\$	\$	\$	\$	\$
Ski Lifts	24,207,876	-	(994,427)	-	23,213,449
Buildings and Fixtures	28,008,572	-	-	-	28,008,572
Car Parks and Roads	6,557,492	-	-	-	6,557,492
Motor Vehicles	8,893,402	-	-	56,278	8,949,680
Plant and Equipment	22,084,334	-	-	835,445	22,919,779
	89,751,676	-	(994,427)	891,723	89,648,972
Assets Under Development	70,404	7,610,828	-	(891,723)	6,789,509
Total Property, Plant and Equipment	89,822,080	7,610,828	(994,427)	-	96,438,481

RUAPEHU ALPINE LIFTS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

5 PROPERTY, PLANT AND EQUIPMENT (continued)**30th April 2017**

	Opening Accum Depn	Depreciation	Disposals	Closing Balance
	\$	\$	\$	\$
Ski Lifts	10,701,538	799,942	(389,026)	11,112,454
Buildings and Fixtures	9,792,719	878,157	(150,021)	10,520,855
Car Parks and Roads	2,481,800	196,425	(2,725)	2,675,500
Motor Vehicles	5,198,767	828,950	(536,735)	5,490,982
Plant and Equipment	12,855,999	1,408,912	(1,304,973)	12,959,938
Total Property, Plant and Equipment	41,030,824	4,112,386	(2,383,480)	42,759,729

30th April 2016

	Opening Accum Depn	Depreciation	Disposals	Closing Balance
	\$	\$	\$	\$
Ski Lifts	11,015,675	644,320	(958,457)	10,701,538
Buildings and Fixtures	8,935,600	857,119	-	9,792,719
Car Parks and Roads	2,285,075	196,725	-	2,481,800
Motor Vehicles	4,438,960	759,807	-	5,198,767
Plant and Equipment	11,437,593	1,418,406	-	12,855,999
Total Property, Plant and Equipment	38,112,903	3,876,377	(958,457)	41,030,823

Balance as at 30th April:Net Carrying Value as at 30th April 2017: **\$62,794,658**Net Carrying Value as at 30th April 2016: **\$55,407,658****6 INTANGIBLE ASSETS****30th April 2017**

	Opening Cost	Additions	Disposals	Transfers	Closing Cost
	\$	\$	\$	\$	\$
Intangible Assets	1,200,541	-	-	50,595	1,251,136
	1,200,541	-	-	50,595	1,251,136
Assets Under Development	12,394	373,218	-	(50,595)	335,017
Total Intangible Assets	1,212,935	373,218	-	-	1,586,153

30th April 2016

	Opening Cost	Additions	Disposals	Transfers	Closing Cost
	\$	\$	\$	\$	\$
Intangible Assets	681,699	-	-	518,842	1,200,541
	681,699	-	-	518,842	1,200,541
Assets Under Development	181,821	349,415	-	(518,842)	12,394
Total Intangible Assets	863,520	349,415	-	-	1,212,935

30th April 2017

	Opening Accum Amort	Amortisation	Disposals	Transfers	Closing Balance
	\$	\$	\$	\$	\$
Intangible Assets	638,148	52,397	-	-	690,545
	638,148	52,397	-	-	690,545

30th April 2016

	Opening Accum Amort	Amortisation	Disposals	Transfers	Closing Balance
	\$	\$	\$	\$	\$
Intangible Assets	579,137	59,011	-	-	638,148
	579,137	59,011	-	-	638,148

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

6 INTANGIBLE ASSETS (continued)

Balance as at 30th April:

Net Carrying Value as at 30 th April 2017:	\$895,608
Net Carrying Value as at 30 th April 2016:	\$574,787

7 TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Trade Creditors	1,854,942	5,539,103
Short Term Employee Entitlements	546,529	436,254
Other Accruals and Sundry Creditors	2,237,672	841,320
	4,639,143	6,816,677

Of the total value of trade and other payables, \$1,018,744 relates to capital purchases (2016: \$3,915,816), the majority of this balance for 2017 is captured in the 'other accruals and sundry creditors' line above along with our DOC licence fee accrual, and other revenue in advance items.

8 REVENUE IN ADVANCE

	2017	2016
	\$	\$
Deferred Revenue Season Passes	4,247,440	5,268,993
Other Revenue in Advance	488,168	58,036
	4,735,608	5,327,029

The deferred revenue relates to season pass sales during October 2016 and April 2017 for the 2017 winter season. These passes cannot be utilised until the opening of the ski season, as such, the revenue is recognised throughout the season. The April 2017 campaign closed in early May and an additional \$520,863 of sales were received after the financial year end (2016: \$955,852).

9 FINANCIAL INSTRUMENTS

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 Company manages its interest rate risk by securing short and medium term fixed interest rates. The effective interest rates (including a 1.9% margin) on the term borrowings are 5.41% and 5.47% (2016: 4.94 %).

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, for a maximum period of 12 months forward. At balance date the contracted amount of forward exchange contracts outstanding was NZD \$2,252,699 (2016: \$4,185,715).

The following table details the forward foreign currency exchange (FC) contract as at 30th April 2017.

	Average Foreign Currency Exchange Rate		Contract Value	Fair Value
		2017	2017 NZ	NZ
Forward Exchange Contracts			\$	\$
Buy AUD				
Less than 3 months	\$0.93	AUD \$287,630	308,067	314,240
Buy USD				
Less than 3 months	\$0.71	USD \$190,807	271,164	278,259
Buy EUR				
Less than 3 months	\$0.65	EUR €699,442	1,072,883	1,111,937
Greater than 3 months	\$0.65	EUR €386,963	600,585	615,174
			2,252,699	2,319,610

RUAPEHU ALPINE LIFTS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

9 FINANCIAL INSTRUMENTS (continued)

The net movements in the Fair Value of Derivatives and Foreign Exchange Gains/(Losses) were \$33,215 (2016: (\$236,131)) and are included in Other Expenses on the Statement of Comprehensive Income.

Liquidity Risk

Liquidity risk 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 also has an overdraft facility of \$50,000 (2016: \$50,000) available and a flexible facility of \$5,000,000 (2016: \$5,000,000) with the banker to assist the Company in meeting its obligations. The maturity analysis of the Company is as follows:

As at balance date the net cash position was \$970,070 (2016: \$2,399,262), the additional \$50,000 overdraft facility is not being utilised.

2017

<u>Financial Assets</u>	< 1 Year	1 – 5 Years	5 + Years	Total
	\$	\$	\$	\$
Cash and Cash Equivalents	970,070	-	-	970,070
Trade and Other Receivables	487,337	-	-	487,337
Life Pass Finance Plan	338,878	354,595	-	693,473
Fair Value of Derivatives	66,910	-	-	66,910
Total Assets	1,863,196	354,595	-	2,217,790

Financial Liabilities

Accounts Payable	4,639,143	-	-	4,639,143
Borrowings	618,996	5,117,623	-	5,736,619
Total Liabilities	5,258,139	5,117,623	-	10,375,762

2016

<u>Financial Assets</u>	< 1 Year	1 – 5 Years	5 + Years	Total
	\$	\$	\$	\$
Cash and Cash Equivalents	2,399,262	-	-	2,399,262
Trade and Other Receivables	658,198	-	-	658,198
Total Assets	3,057,460	-	-	3,057,460

Financial Liabilities

Accounts Payable	6,816,677	-	-	6,816,677
Lease Liability	3,256	-	-	3,256
Fair Value of Derivatives	230,700	-	-	230,700
Borrowings	617,378	5,060,234	-	5,677,612
Total Liabilities	7,668,011	5,060,234	-	12,728,245

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

9 FINANCIAL INSTRUMENTS (continued)

Categories of Financial Instruments

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

2017					
Financial Assets	Cash and Equivalents	Fair Value Through Profit or Loss	Loans and Receivables	Financial Liabilities at Amortised Cost	Total
	\$	\$	\$	\$	\$
Cash at Bank	970,070	-	-	-	970,070
Trade and Other Receivables	-	-	487,337	-	487,337
Life Pass Fiance Plan	-	-	693,473	-	-
Fair Value of Derivatives	-	66,910	-	-	66,910
Total Assets	970,070	66,910	1,180,810	-	1,524,317
Financial Liabilities					
Accounts Payable	-	-	-	4,639,143	4,639,143
Borrowings	-	-	-	5,736,619	5,736,619
Total Liabilities	-	-	-	10,375,762	10,375,761

2016					
Financial Assets	Cash and Equivalents	Fair Value Through P or L	Loans and Receivables	Financial Liabilities at Amortised Cost	Total
	\$	\$	\$	\$	\$
Cash at Bank	2,399,262	-	-	-	2,399,262
Trade and Other Receivables	-	-	658,198	-	658,198
Total Assets	2,399,262	-	658,198	-	3,057,460
Financial Liabilities					
Accounts Payable	-	-	-	6,854,253	6,854,253
Lease Liability	-	230,700	-	3,256	3,256
Borrowings	-	-	-	-	230,700
	-	-	-	4,796,438	4,796,438
Total Liabilities	-	230,700	-	11,653,947	11,884,647

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).
- 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).

The Company has derivatives in place at balance date and these are valued at Level 2 on the hierarchy.

Security

ANZ Bank New Zealand Limited has a security agreement over all present and after acquired property of the Company.

Borrowings

During 2017 the Company was not subject to an event review under the terms of its loan agreement with the ANZ Bank New Zealand Limited. The term borrowings includes a committed interest component of \$736,619 (2016: \$881,174).

RUAPEHU ALPINE LIFTS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

9 FINANCIAL INSTRUMENTS (continued)

Sensitivity Analysis

The Company is exposed to market risks such as interest rate risk and foreign exchange risk during the course of the Company's normal trading activities. No sensitivity analysis has been performed for the Company's exposure to interest rate risk given the majority of the Company's exposure to interest rate risk is on the term borrowings that are on fixed interest rates.

The below sensitivity analysis has been performed for the foreign exchange risk on the derivatives open as at 30 April 2017. The following table details the Company's sensitivity to a 100 basis point increase and decrease in AUD, USD and EUR Exchange rates:

2017 Sensitivity Analysis

	AUD	USD	EUR
	\$	\$	€
Total Comprehensive Surplus for the Year + 100 basis points	(5,546)	(7,999)	(44,427)
Total Comprehensive Surplus for the Year - 100 basis points	5,668	8,236	45,863
Total Equity for the Year + 100 basis points	(5,546)	(7,999)	(44,427)
Total Equity for the Year - 100 basis points	5,668	8,236	45,863

2016 Sensitivity Analysis

	USD	EUR
	\$	€
Total Comprehensive Surplus for the Year + 100 basis points	(3,398)	(10,049)
Total Comprehensive Surplus for the Year - 100 basis points	3,497	10,383
Total Equity for the Year + 100 basis points	(3,398)	(10,049)
Total Equity for the Year - 100 basis points	3,497	10,383

10 TUROA DIESEL SPILL

In September 2013 a diesel tank at Turoa spilled 19,000 litres into the Makotuku Stream contaminating the Raetihi town water supply. In 2014 the projected insurance proceeds and costs were disclosed in the Statement of Comprehensive Income based upon the best estimate of the agreed claims quantified.

Since the date of the spill the Company has incurred a total of \$708,040 costs (including \$300,794 of fines) of which \$450,926 has been covered by insurance. A further \$137,280 was incurred in 2017 (2016: \$10,914) that was not covered through insurance proceeds. The majority of the 2017 costs are made up of a settlement to the Ruapehu District Council (the 'Council') (including a \$30,000 cash settlement) and the revenue foregone from 400 child and youth passes to be distributed across the Ruapehu District as the Council sees fit.

11 TRANSACTIONS WITH RELATED PARTIES

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

Geoff Taylor:	Professional Services have previously been received from TDB Advisory Limited, a company in which Geoff Taylor, a Director, is a director and a shareholder. No services were received from this company during the financial year (2016: \$7,927).
Chris Thrupp:	Land and Buildings were leased from a company in which Chris Thrupp, General Manager Turoa, is the Director and a shareholder. The lease is for a term of 6 years commencing October 2009 with the right of renewal of a further two, six year periods, expiring in 2027. During the financial year ended 30th April 2017, Red Sand was paid \$54,587. (2016: \$54,437). Of this amount none was outstanding at year end. It is noted that Chris Thrupp resigned from his General Manager Turoa position in May 2017.
Andy Hoyle:	Tower pads have previously been purchased from Arc Solutions Ltd a company in which Andy Hoyle is a director and a shareholder. No purchases were made during the financial year (2016: \$15,320).

During the year the Company received services from and sold to companies in which past Directors and Management have an interest:

Kevin Stanley:	Building services were received from Stanley Construction a company in which Kevin Stanley, a past Director, is the Managing Director and a shareholder. Services to the value of \$776,756 were received from this company during the financial year (2016: \$46,131). These services relate to the replacement of the Giant roof at Turoa and Elevator installation project at Whakapapa, both projects commenced after Kevin's directorship ceased. Of this amount \$454,242 was outstanding at year end.
Dave Mazey:	Rental and Retail purchases to the value of \$249,993 (2016: \$187,501) were purchased from a company of which the son of Dave Mazey, Chief Executive Officer, is an employee and shareholder. Of this amount \$6,294 was outstanding at year end.

These transactions were performed on normal commercial terms. No related party debts were written off or forgiven during the year. The Directors are entitled to receive complimentary use of ski lifts and discounts in the retail, rental and cafeteria outlets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

12 COMMITMENTS

Capital Commitments	2017	2016
	\$	\$
Estimated capital expenditure contracted for at balance date but not provided for, was for the purchase of the new lifts, Axess gates, groomers, and snowmaking machines.	2,772,287	2,316,920
Operating Lease Commitments		
Lease commitments under non-cancellable operating leases:		
Not later than one year	371,496	249,748
Later than one year and not later than five years	1,249,833	960,000
Later than five years and not later than ten years	20,000	20,000
These operating leases are for staff accommodation, workshop facilities, and a sales and information office. Total expenditure for 2017 amounted to \$324,720 (2016: \$313,408).		

13 AUDIT REMUNERATION – Other Advisory Services

Deloitte haven't been engaged for any additional services in the 2017 financial year. The other advisory services in 2016 related to Share Register work undertaken by Dan Williams (prior to his retirement from company secretary). In addition to this the financial advisory team at Deloitte reviewed RAL's reporting requirements under the new PBE standards, and performed a relationship analysis on payments between staff and suppliers.

14 DIRECTORS FEES

Directors

During the year Directors' fees were paid to the following:

	\$		\$
Murray I Gribben	48,125	Michelle Trapski	20,375
Duncan J Fraser	20,375	Kevin T Stanley	4,167
Phil J Royal	20,375	Debbie Birch	16,208
Geoff Taylor	20,375		
		TOTAL	150,000

At the AGM held in July 2016 the shareholders approved a increase in Directors fees to the aggregate value of \$150,000 (2016 total director fees amounted to \$64,166).

Kevin Stanley retired by rotation and was not reappointed as a Director. Debbie Birch was appointed by the Board in August 2016, she was an advisor to the Board prior to her appointment and was paid \$5,000 (2016: \$2,500) for these services.

15 KEY MANAGEMENT PERSONNEL

Key management personnel of the Company include the Directors and Senior Leadership team.

Board Members	2017	2016
Remuneration	\$150,000	\$64,166
Full-Time Equivalent members	6.0	5.6
Leadership Team		
Remuneration	\$1,073,216	\$988,822
Full-Time Equivalent members	6.9	5.8
Total key Management personnel remuneration	\$1,223,217	\$1,052,988
Total Full Time equivalent personnel	12.9	11.4

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 11 to the financial statements.

The Company provided compensation at arm's length terms to close family members of key management personnel during the year to the value of \$146,246 (2016: \$35,199). The Company did not provide any loans to key management personnel or their close family members.

RUAPEHU ALPINE LIFTS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For year ended 30th April 2017

16 OTHER SUPPLIES AND SERVICES

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

	2017	2016
	\$	\$
Accommodation Leases & Supplies and services	344,310	366,419
Bank fees	50,465	28,846
Board meeting expenses	59,785	43,694
Cadetship	(37,941)	(6,998)
Consumable and Cleaning Supplies	204,922	229,700
Corporate support and services	378,845	240,483
Credit Card Commission Paid	245,457	218,202
FBT	40,948	25,124
Field Operations supplies and services	56,413	99,338
Food and beverage supplies and services	62,344	67,424
Fuel & Vehicle expenditure	652,426	777,205
Kiwisaver	201,344	188,942
Maintenance and Service of Buildings and Equipment	413,232	420,086
Medical Centre supplies and services	56,331	62,698
Ohakune Office lease, supplies and services	12,771	-
Postage, Courier, Printing and Stationary	47,421	37,767
Professional Fees	50,498	36,597
Rentals supplies and services	32,333	42,673
Retail supplies and services	11,508	12,498
Road and Carpark Maintenance	157,088	108,308
Safety & Environmental Risk	44,175	59,563
Ski Patrol supplies and services	64,558	111,385
Snow School supplies and services	22,512	54,768
Snowmaking Supplies	242,296	265,027
Software Fees & IT Services and supplies	418,048	344,679
Staff Training Expenditure	241,157	103,480
Staff Uniform	308,755	310,657
Summer operation supplies and services	36,447	27,585
Telephone Rental	80,565	66,363
Ticket Stock Consumed	153,173	143,983
Travel & Entertainment	105,101	77,138
Total	4,757,287	4,563,631

17 RECONCILIATION OF SURPLUS FROM OPERATIONS TO EBITDA

	2017	2016
	\$	\$
(Loss) / Surplus from Operations	(2,191,032)	763,992
<i>Add back:</i>		
Finance Costs	325,583	229,674
Depreciation	4,112,386	3,876,377
Amortisation	52,397	59,011
EBITDA	2,299,334	4,929,054

18 SUBSEQUENT EVENTS

There were no significant subsequent events subsequent to balance date that would have a material impact on these financial statements.

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 April 2017, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, on pages 45 to 61, present fairly, in all material respects, the financial position of the Company as at 30 April 2017, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards.

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 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, 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.

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/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

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.

A handwritten signature in black ink that reads "Deloitte Limited". The script is cursive and fluid, with the letters connected.

Wellington, New Zealand
7 July 2017

SHAREHOLDING INFORMATION

Number of Shares Number of Shareholders

5 or Less 3,661

Between 6 & 10 246

Between 11 & 100 157

101 and over 2

In addition, the Ruapehu Alpine Lifts Limited Trust also holds 10,000 “D” shares. There are 4,065 shareholders on the register, with no known address for 1,942 (48%) of these shareholders. There is a continuing process to contact these people, or their relatives, etc, which produces steady results (a 10% reduction in GNAs has been achieved since the 2016 annual report was published).

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.

Since the 26th 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.

RUAPEHU ALPINE LIFTS 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 45% 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 are Roger Manthel, Tomas Huppert and John Parker.

