



27 October 2021

David Canny
Branch President
Australian Hotels Association - Victorian Branch
Sent via email: d.harris@ahavic.com.au
CC: mark@charmanpartners.com.au

Dear David Canny,

**Australian Hotels Association - Victorian Branch
Financial Report for the year ended 30 June 2021 – (FR2021/177)**

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Australian Hotels Association - Victorian Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 22 October 2021.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 11 June 2021, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Mark Peter Barson was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Mark Peter Barson is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via [this link](#).

General purpose financial report (GPFR)

Date of resolution

Item 27 of the RGs requires that the committee of management statement be made in accordance with such resolution as is passed by the committee of management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided.

Please ensure in future year that the committee of management statement includes this date.

Notes to the Cash Flow Statement

RG 18 states:

Where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, the following details of such cash flow should be separately disclosed either in the cash flow statement or in the notes to the financial statements:

- i. the name of the other reporting unit and/or controlled entity concerned; and*
- ii. the amount paid to/received from each.*

Note 11B *Cash flow information* does not disclose the breakdowns of cash inflow/outflows to another reporting unit as per requirements of RG 18.

Please ensure in future year that this note is updated to provide the appropriate disclosures relating to cash flows to and from another reporting unit.

Use of model financial statements

I note that the reporting unit has prepared its GPFR using the model financial statements available on the ROC website. Please note the introduction on page 2 of the model financial statements which states:

'a reporting unit will need to ensure that only the disclosures that are applicable to their individual circumstances are included in the audited financial report distributed to members and lodged with the Registered Organisations Commission.'

The audited financial report lodged with the ROC contains disclosures that are NOT applicable to the reporting unit and it would appear that the model statements have been replicated without a review by the reporting unit to ensure they accurately reflect the operations of the branch. I also note that items that are required to be disclosed in accordance with the guidelines have been included twice, within the main statements and within individual notes. This has led to the financial report being longer than necessary. The financial report also contains irrelevant information on the reporting unit's accounting policies.

Please ensure in future years that the financial report contains only information that is applicable to the reporting unit's circumstances and that is mandatory according to the RGs.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN 052 166 015

Financial Statements 2020–21

Contents

Independent audit report.....	2
Certificate by prescribed designated officer.....	5
Report required under subsection 255 (2A).....	6
Operating report.....	7
Committee of management statement.....	13
Statement of comprehensive income.....	15
Statement of financial position.....	16
Statement of changes in equity.....	17
Statement of cash flows.....	18
Index to the notes of the financial statements	19
Officer declaration statement.....	44

Independent Audit Report to the Members of the Australian Hotels Association (Victoria Branch)

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Australian Hotels Association (Victoria Branch) (the reporting unit), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australian Hotels Association (Victoria Branch) as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**).

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the **Code**) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Subsequent Event

Without modifying my opinion, I draw attention to the Note 2 of the financial reports, which describes the impact on global financial markets of the COVID-19 virus and therefore the current market value of the Association assets.

Information Other than the Financial Report and Auditor's Report Thereon

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the reporting unit'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 committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

I communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

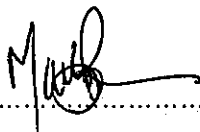
I declare that I am an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

No matters requiring disclosure in accordance with these sections of the RO Act were identified.

Name of Firm: Charman Partners


.....

Mark Peter Barson
Partner

Date: 10th September 2021

Address: 10-12 Chapel Street
Blackburn VIC 3130

Registration number (as registered by the Commissioner under the RO Act) : AA2017/219

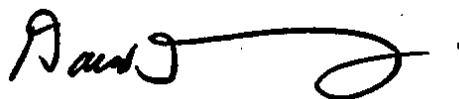
**AUSTRALIAN HOTELS ASSOCIATION
(VICTORIA BRANCH)
ACN: 052 166 015**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2021**

I, David Canny, being the President of the Australian Hotels Association (Victoria Branch) certify:

- that the documents lodged herewith are copies of the full report for the Australian Hotels Association (Victoria Branch) for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- approval of the full report by the Committee of Management occurred on 7th September 2021.
- that the full report was provided to members of the reporting unit on 17th September 2021; and
- that the full report was presented to *a general meeting of members* of the reporting unit on 12th October 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: David Canny

Title of prescribed designated officer: President

Dated: 12th October 2021

**AUSTRALIAN HOTELS ASSOCIATION
(VICTORIA BRANCH)**

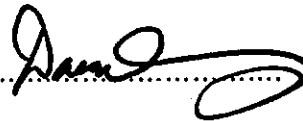
ACN: 052 166 015

**EXPENDITURE REPORT FOR THE YEAR ENDED 30 JUNE
2021**

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2021.

Categories of expenditures	2021 (\$)	2020 (\$)
Remuneration and other employment-related costs and expenses – employees	–	–
Advertising	–	–
Operating costs	1,201,681	1,208,470
Donations to political parties	–	–
Legal costs	–	–

Signature of designated officer:



Name and title of designated officer: David Canny
President

Paul Stocks
Treasurer

Dated: 7th September 2021

AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2021

Your Executive Committee members present their report on the Association for the financial year ended 30 June 2021

The COVID-19 pandemic in the 2020/21 financial year altered the Association's election schedule. The Australian Electoral Commission (AEC) froze election processes for the majority of 2020, postponing the scheduled election for the office of Councillor and the offices of the Executive Committee of Management due to take place throughout September and October 2020.

The election for the office of Councillor was rescheduled to February 2021 and the AEC Declaration of Results for the election was provided on 28 April 2021. The subsequent election of offices for the Executive Committee of Management commenced in June 2021. This election was not completed before the end of the financial year.

The election of extraordinary vacancies of Council (Rule 19A of AHA (Vic) Rules) was not conducted before the end of the financial year.

The list of officers of the Association below reflect the processes provided for above.

The names of the Executive Committee Members in office from 1 July 2020 to 30 June 2021 were:

David Canny	President
Alan Andrew Clark	Country Vice President
Mark Robertson OAM	Metropolitan Vice President
David Curry	Honorary Minute Secretary
Paul Stocks	Honorary Treasurer
Matt Mullins	Executive Member
Matthew Nikakis	Executive Member
Mark O'Reilly	Executive Member
Peter Williams	Executive Member
Rachel Checinski	Executive Member
Ray Sharawara	Executive Member
Tracey Atherton	Executive Member – Accommodation Division (ceased Aug 20)

The names of the Council members in office from 28 April 2021 to 30 June 2021 were:

Melanie Aldred	Shaun D'Cruz	Nick Murray	George Ramia
Sam Benjamin	Tom Francis	Stewart Naismith	Michael Robertson
Ross Blair-Holt	Peter Houghton	Andrew Needham	Mark Robertson OAM
Jackie Booth	Paul Hunter	Ros Newsham	David Shannon
David Canny	Rachel Jones	Matthew Nikakis	Roman Sharawara
Rachel Checinski	Gary Kirwan	Andrew Nikakis	Jonathan Sherren
Andrew Clark	Andrew Lethlean	Russell O'Brien	Paul Stocks
Dan Cronin	Shannon Makin	Mark O'Reilly	Joel Taylor
David Curry	Bruce J. Mathieson	John Payne	Darren Thomas
Lee Davey	Matt Mullins	Tom Payne OAM	John Upham
Richard Davis	Paul Mulquiny	Danny Quinlan	Peter Williams

The names of the Council members in office from 1 July 2020 to 27 April 2021 were:

Melanie Aldred
Peter Appleby
Peter Archbold
Tracy Atherton (ceased Aug 20)
Keith Barrett
Robbie Beaton
Bill Bell
Sam Benjamin
Ross Blair-Holt
Jackie Booth
Andrew Brown
Michael Burke
David Canny
Rachel Checinski
Alan Andrew Clark
Dan Cronin
Chelton Crow
David Curry
Matthew Darcy
Richard Davis
Mark Ellis
Sally Gebert
Pat Glenane
Michael Hickey
Peter Houghton

Bailey Hunter
Paul Hunter
Rachel Jones
Garry Kirwan
Mitchell Koroneos
Duncan Laidlaw
Andrew Lethlean
Garry Lewis
Dennis Madden
Mark Marantelli
Bruce J Mathieson
Anthony Molan
Matt Mullins
Paul Mulquiny
Nick Murray
Stewart Naismith
Ros Newsham
John Nicholson
Andrew Nikakis
Matthew Nikakis
Con Nikitas
Mark Robertson OAM
Paul O'Brien
Russell O'Brien
Bob O'Kane

Mark O'Reilly
Troy Patterson (ceased Feb 21)
John Payne
Tom Payne OAM
Cameron Price
Daniel Quinlan
Michael Robertson
David Shannon
Ray Sharawara
Patrick Sheehan
Jonathan Sherren
Ben Sington (ceased Aug 20)
Antony Spielvogel
Stuart Steele
Paul Stocks
John Taylor
Darren Thomas
David Tomsic
Sam Tresise
John Upham
Annette Verhoeff (ceased Nov 20)
Mario Volpe
Peter Williams
Gary Wilson
Nick Zurcas

OPERATING REPORT (continued)

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

The number of Branch members as at 30 June 2021 was 873.

The number of Branch employees as at 30 June 2021 was nil.

Under rule 9, any member owing any fees, fines, levies or dues longer than two months after they first become due shall be unfinancial. No unfinancial member shall be eligible to nominate or be nominated for any office, vote in any election or plebiscite, attend or vote at any meeting of members and by resolution of the Council may be refused entry to the Association's premises.

Under rule 32 of the Association's federal rules, a Member of the Association may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which they are a member.

Mark Robertson OAM held a position of Director of HostPlus Pty Ltd, a superannuation entity, during the financial year. Mark Robertson OAM was a committee member of the Association.

The following committee members held a position of Director with the Hotel Care Foundation (Vic) Pty Ltd for the financial year;

- Mark Robertson OAM - Chairman
- David Canny
- Alan Andrew Clark
- Paul Stocks

The surplus of the year amounted to \$NIL (2020: NIL). During the period total subscription revenue remained consistent with the prior year.

The financial records of the reporting unit have been kept, as far as possible, in a consistent manner to each of the other reporting units of the organisation.

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

The principal activity of the Association during the financial year was to provide membership services to members of the Association. An administration levy is paid to the Australian Hotels and Hospitality Association Inc which is contracted to provide a full range of administrative services to the Australian Hotels Association (Victoria Branch).

OPERATING REPORT (continued)

AHA (Vic) Statement of Performance 2020/21

Introduction

The 2020/21 Business Plan approved by the Executive Committee and the Council in July 2020 was based upon an expectation at the time that the impact of Covid-19 would be sufficiently contained such that the Victorian pub and hotel industry would return to "Covid Normal" operations relatively early into the 2020/21 financial year.

The continuing spread of Covid-19 in the Victorian community in fact saw hospitality venues in Melbourne and the Mitchell Shire unable to provide on-premises services up to 1 November 2020, regional venues closed from 5 August to 16 September 2020, with further lockdown restrictions from 27 May 2021 and capacity restrictions continuing up to 30 June 2021 and beyond.

Covid-19 and the lockdowns and severe trading restrictions had a marked and material impact on all pubs and hotels across Victoria during 2020/21.

Whilst the impact of these interventions was dire, determined and fact-based advocacy by AHA (Vic) did in fact temper many initially proposed trading restrictions and the timetable for their recission to the advantage of publicans, hoteliers, industry suppliers, staff and customers.

Whilst the Covid-19 crisis dominated 2020/21, it remained business as usual in many of the core pursuits of AHA (Vic), particularly in respect of liquor, gambling and gaming, industrial relations and planning matters.

Priority Strategic Objectives through the Covid-19 period

With the continuing and significant impact of Covid-19, the over-riding priorities of AHA (Vic) for 2020/21 were focussed on:

- Seeking to ensure that regard was had by the State and Commonwealth Governments to the on-going viability of the pub and hotel industry in the development and roll-out of Covid-19-related financial support packages for business;
- Providing optimum support to members to assist them in addressing immediate issues of concern, particularly during lockdowns and restricted trading periods;
- Working with industry partners to further assist members;
- Continuing to pursue the range of non-Covid-19 policy issues relevant to members, and
- Managing the AHA (Vic) budget to secure the financial viability of the Association.

Within this Covid-19-related context, all activities pursued by the Association continued to be underpinned by the on-going strategic objectives of AHA (Vic), including to:

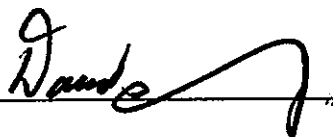
- Protect, promote and advance the interests and rights of members;
- Uphold and promote the quality, integrity and reputation of the hotel industry;
- Provide timely, effective and value-adding services to members;
- Create a supportive forum for the new generation of publicans to network, discuss challenges and voice concerns which may inform specific advocacy efforts;
- Enhance the diversity of the AHA (Vic) Executive Committee and Council by creating and maintaining an environment that values a varied range of views, knowledge and experiences that can be leveraged to maximise service delivery capabilities and outcomes;
- Develop and maintain value-adding commercial partnerships with key industry stakeholders to the benefit of members and such partners, and
- As an organisation, achieve best practice in administration within the industry association sector.

The 2020/21 strategic objectives were pursued and achieved through:

- Maintaining effective working relationships with the State Labor Government and the Coalition Opposition to ensure that appropriate attention and regard was paid to pub and hotel interests in policy development, legislation and program implementation;
- Establishing and maintaining appropriate working relationships across relevant Ministerial offices, Government Departments, regulatory agencies and enforcement bodies to enable and facilitate effective advocacy in the interests of pubs and hotels;
- Continuing promotion of the need for a policy and program agenda by the State Government that facilitates responsible innovation and growth with a particular focus on regulatory reform and “red-tape” reduction;
- Active pursuit of reasonable workplace relations reforms in conjunction with the AHA National program for on-going reform of the Hospitality Industry (General) Award;
- Provision of representation and advocacy services on behalf of Victoria’s accommodation hotels through Tourism Accommodation Australia (Vic) – TAA (Vic) directed to issues management and initiatives to advance the interests of member hotels;

- Conducting a program of contemporary and relevant AHA (Vic) member events to enhance business development and performance at a venue level and to provide networking opportunities for commercial partners, and
- Undertaking measured engagement with various media representatives and outlets to promote pubs and hotels as safe, affordable and first-class licensed hospitality venues and destinations and, when appropriate, to respond to topical issues.

President: _____

A handwritten signature in black ink, appearing to read "David Canny", written over a horizontal line.

David Canny

Date this 7th day of September 2021

AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN 052 166 015

COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

On the September 2021 the Committee of Management of the Australian Hotels Association (Victoria Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2021:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Revenue from contracts with customers	3		
Membership subscriptions*		1,201,681	1,208,470
Capitation fees and other revenue from another reporting unit*	3A	-	-
Levies* <small>Error! Bookmark not defined.</small>	3B	-	-
Total revenue from contracts with customers		1,201,681	1,208,470
Income for furthering objectives	3		
Grants and/or donations*	3C	-	-
Income recognised from volunteer services* [if applicable]	3D	-	-
Total income for furthering objectives		-	-
Other Income			
Revenue from recovery of wages activity*	3G	-	-
Total other income		-	-
Total income		1,201,681	1,208,470
Expenses			
Employee expenses*	4A	-	-
Capitation fees and other expense to another reporting unit* - AHA National Office contributions	4B	239,276	239,276
Affiliation fees*	4C	-	-
Administration expenses	4D	909,372	944,452
Grants or donations*	4E	-	-
Legal costs*	4H	-	-
Audit fees	14	1,700	1,700
Honorariums	4A	51,333	23,042
Total expenses		1,201,681	1,208,470
Surplus (deficit) for the year		-	-

	2021 \$	2020 \$
Other comprehensive income		
Items that will be subsequently reclassified to profit or loss	-	-
Total comprehensive income for the year	-	-

The above statement should be read in conjunction with the notes.

**AUSTRALIAN HOTELS ASSOCIATION
(VICTORIA BRANCH)**

ACN: 052 166 015

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Trade and other receivables*	5B	-	-
Total current assets		-	-
Non-current assets			
Total non-current assets		-	-
Total assets		-	-
LIABILITIES			
Current liabilities			
Trade payables*	7A	-	-
Other payables*	7B	-	-
Total current liabilities		-	-
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		-	-
Net assets		-	-
	Notes	2021 \$	2020 \$
EQUITY			
Total equity		-	-

The above statement should be read in conjunction with the notes.

**AUSTRALIAN HOTELS ASSOCIATION
(VICTORIA BRANCH)**

ACN: 052 166 015

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2019		-	-	-
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Adjusted Balance as at 1 July 2019				
Surplus / (deficit)		-	-	-
Closing balance as at 30 June 2020		-	-	-
Adjustment for errors		-	-	-
Surplus / (deficit)		-	-	-
Other comprehensive income		-	-	-
Closing balance as at 30 June 2021		-	-	-

The above statement should be read in conjunction with the notes.

**AUSTRALIAN HOTELS ASSOCIATION
(VICTORIA BRANCH)
ACN: 052 166 015**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting unit/controlled entity(s)*	11B	1,316,716	1,327,013
Interest		-	-
Other		-	-
Cash used			
Honorariums		51,333	23,042
Suppliers		1,870	1,870
Payment to other reporting units/controlled entity(s)*	11B	1,263,513	1,302,101
Net cash from (used by) operating activities	11A	-	-
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		-	-
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Repayment of lease liabilities	6E	-	-
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		-	-
Cash & cash equivalents at the beginning of the reporting period		-	-
Cash & cash equivalents at the end of the reporting period	5A	-	-

The above statement should be read in conjunction with the notes.

Index to the notes of the financial statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Revenue and income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Non-current liabilities
Note 10	Equity
Note 11	Cash flow
Note 12	Contingent liabilities, assets and commitments
Note 13	Related party disclosures
Note 14	Remuneration of auditors
Note 15	Financial instruments
Note 16	Fair value measurements
Note 17	Administration of financial affairs by a third party
Note 18	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009 (RO Act)*. For the purpose of preparing the general purpose financial statements, the Australian Hotels Association (Victoria Branch) is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There are no accounting assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

The accounting policies adopted are consistent with those of the previous financial year except for the following accounting standards and amendments, which have been adopted for the first time this financial year, where required:

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

[Application of this standard is discussed further below]

Application of these above amendments are discussed in Appendix C

- *AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions*
- *AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- *AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business*

No accounting standard has been adopted earlier than the application date stated in the standard.

Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Australian Hotels Association (Victoria Branch).

Future Australian Accounting Standards

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and which are applicable to future reporting periods that are expected to have a future financial impact on Australian Hotels Association (Victoria Branch).

1.5 Investment in associates and joint arrangements

An associate is an entity over which Australian Hotels Association (Victoria Branch) has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The Australian Hotels Association (Victoria Branch) has no such investments or arrangements.

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The Australian Hotels Association (Victoria Branch) did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act¹.

1.7 Revenue

The Australian Hotels Association (Victoria Branch) enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Australian Hotels Association (Victoria Branch) has a contract with a customer, Australian Hotels Association (Victoria Branch) recognises revenue when or as it transfers control of goods or services to the customer. The Australian Hotels

¹ Note: if the fact that the reporting unit did not acquire any such assets or liabilities in the above circumstances is disclosed in the officer declaration statement, it is not necessary to make such disclosure here.

Association (Victoria Branch) accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Australian Hotels Association (Victoria Branch).

If there is only one distinct membership service promised in the arrangement, the Australian Hotels Association (Victoria Branch) recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Australian Hotels Association (Victoria Branch) promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Australian Hotels Association (Victoria Branch) allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Australian Hotels Association (Victoria Branch) charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Australian Hotels Association (Victoria Branch) recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Australian Hotels Association (Victoria Branch) has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Australian Hotels Association (Victoria Branch) at their standalone selling price, the Australian Hotels Association (Victoria Branch) accounts for those sales as a separate contract with a customer.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Australian Hotels Association (Victoria Branch) in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Australian Hotels Association (Victoria Branch) recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

The Australian Hotels Association (Victoria Branch) assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Australian Hotels Association (Victoria Branch) is not a party to any leases.

1.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when *[reporting unit]* becomes a party to the contractual provisions of the instrument.

1.13 Financial assets

Contract assets and receivables

A contract asset is recognised when reporting unit's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the reporting unit's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and *[reporting unit's]* business model for managing them. With the exception of trade receivables that do not contain a significant financing component, *[reporting unit]* initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Australian Hotels Association (Victoria Branch) business model for managing financial assets refers to how it manages its financial assets in order to generate

cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that *[reporting unit]* commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Australian Hotels Association (Victoria Branch) has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Australian Hotels Association (Victoria Branch) has transferred substantially all the risks and rewards of the asset; or
 - b) the Australian Hotels Association (Victoria Branch) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Australian Hotels Association (Victoria Branch) has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Australian Hotels Association (Victoria Branch) continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses (ECLs) at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Australian Hotels Association (Victoria Branch) applies a simplified approach in calculating ECLs which requires lifetime ECLs to be recognised from initial recognition of the receivables.

Therefore, the Australian Hotels Association (Victoria Branch) does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Australian Hotels Association (Victoria Branch) has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Australian Hotels Association (Victoria Branch) recognises an allowance for ECLs using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Australian Hotels Association (Victoria Branch) expects to receive, discounted at an approximation of the original EIR.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Australian Hotels Association (Victoria Branch) considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Australian Hotels Association (Victoria Branch) may also consider a financial asset to be in default when internal or external information indicates that the Australian Hotels Association (Victoria Branch) is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.14 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Australian Hotels Association (Victoria Branch) financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 *Financial Instruments* are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.15 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Australian Hotels Association (Victoria Branch) transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Australian Hotels Association (Victoria Branch) performs under the contract (i.e. transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Australian Hotels Association (Victoria Branch) refund liabilities arise from customers' right of return. The liability is measured at the amount the Australian Hotels Association (Victoria Branch) ultimately expects it will have to return to the customer. The Australian Hotels Association (Victoria Branch) updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.16 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.17 Taxation

The Australian Hotels Association (Victoria Branch) is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO); and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified within operating cash flows.

1.18 Going concern

The Australian Hotels Association (Victoria Branch) is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Australian Hotels Association (Victoria Branch) has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Australian Hotels Association (Victoria Branch), is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial of the Australian Hotels Association (Victoria Branch). Other than the current disclosures, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Australian Hotels Association (Victoria Branch), the results of those operations, or the state of affairs of the Australian Hotels Association (Victoria Branch) in subsequent financial periods.

2021	2020
\$	\$

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Australian Hotels Association (Victoria Branch) revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

<i>Type of customer</i>		
Members	1,201,681	1,208,470
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total revenue from contracts with customers	1,201,681	1,208,470

Note 3A: Capitation fees and other revenue from another reporting unit*

Capitation fees:

Subtotal capitation fees

-	-
---	---

Other revenue from another reporting unit:

Subtotal other revenue from another reporting unit

-	-
---	---

Total capitation fees and other revenue from another reporting unit

-	-
---	---

2021	2020
\$	\$

Note 3B: Levies*

Total levies

-	-
---	---

Note 3C: Grants and/or donations*

Grants

-	-
---	---

Donations

-	-
---	---

Total grants and donations

-	-
---	---

Note 3F: Net gains from sale of assets

Land and buildings

-	-
---	---

Plant and equipment

-	-
---	---

Intangibles

-	-
---	---

Other

Total net gain from sale of assets

-	-
---	---

Note 3G: Revenue from recovery of wages activity*

Amounts recovered from employers in respect of wages

-	-
---	---

Interest received on recovered money

-	-
---	---

Total revenue from recovery of wages activity

-	-
---	---

2021	2020
\$	\$

Note 3H: Investment income

Interest

 Deposits

-	-
---	---

Loans	-	-
Debt instruments at fair value through other comprehensive income	-	-
Dividends	-	-
Total investment income	<u>-</u>	<u>-</u>

Note 3I: Revenue

Membership contributions	<u>1,201,681</u>	<u>1,208,470</u>
Total income	<u>1,201,681</u>	<u>1,208,470</u>

	2021	2020
	\$	\$

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:

Wages and salaries	-	-
Honorariums	51,333	23,042
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-

Subtotal employee expenses holders of office	<u>51,333</u>	<u>23,042</u>
---	---------------	---------------

Employees other than office holders:

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-

Subtotal employee expenses employees other than office holders	<u>-</u>	<u>-</u>
---	----------	----------

Total employee expenses	<u>51,333</u>	<u>23,042</u>
--------------------------------	---------------	---------------

Note 4B: Capitation fees and other expense to another reporting unit *

Capitation fees

AHA National Office	<u>239,276</u>	<u>239,276</u>
---------------------	----------------	----------------

Subtotal capitation fees	<u>-</u>	<u>-</u>
---------------------------------	----------	----------

Other expense to another reporting unit

	<u>-</u>	<u>-</u>
Subtotal other expense to another reporting unit	<u>-</u>	<u>-</u>

Total capitation fees and other expense to another reporting unit	-	-
--	---	---

Note 4C: Affiliation fees*

Total affiliation fees/subscriptions	-	-
---	---	---

	2021	2020
	\$	\$
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	-	-
Contractors/consultants	-	-
Property expenses	-	-
Office expenses	-	-
Information communications technology	-	-
Administration Fees – Australian Hotels and Hospitality Association Inc.	909,372	944,452
Subtotal administration expense	909,372	944,452

The Australian Hotels and Hospitality Association Incorporated (AHHA Inc.), being an entity to the *Associations Incorporation Reform Act 2012*, is contracted by the Australian Hotels Association (Victoria Branch) (AHA VIC) to provide services to its members.

The administration fees represent the surplus funds Received from member’s subscriptions available to fund the Activities of the AHHA Inc.

Members of the AHA Vic are eligible for membership of AHHA Inc.

AHA Vic did not incur any of the specified expenditure detailed in item 11 of the Reporting Guidelines for Section 253 of Schedule 1 of the *Fair Work (Registered Organisations) Act 2009*, except as specified above.

Office holders are only paid honorarium and do not receive Wages, salary, leave, super or other entitlements or Provisions.

Note 4E: Grants or donations*

Grants:

Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-

Donations:

Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-

Total grants or donations	-	-
----------------------------------	---	---

Note 4F: Depreciation and amortisation

Depreciation

Land & buildings	-	-
Property, plant and equipment	-	-

Total depreciation	-	-
---------------------------	---	---

Amortisation

Intangibles	-	-
-------------	---	---

Total amortisation	-	-
---------------------------	---	---

Total depreciation and amortisation	-	-
--	---	---

2021	2020
\$	\$

Note 4G: Finance costs

Overdrafts/loans	-	-
------------------	---	---

Unwinding of discount	-	-
-----------------------	---	---

Total finance costs	-	-
----------------------------	---	---

Note 4H: Legal costs*

Litigation	-	-
------------	---	---

Other legal costs	-	-
-------------------	---	---

Total legal costs	-	-
--------------------------	---	---

Note 4I: Write-down and impairment of assets

Asset write-downs and impairments of:

Land and buildings	-	-
--------------------	---	---

Plant and equipment	-	-
---------------------	---	---

Intangible assets	-	-
-------------------	---	---

Other	-	-
-------	---	---

Total write-down and impairment of assets	-	-
--	---	---

Note 4J: Net losses from sale of assets

Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-

Note 4K: Other expenses

Penalties - via RO Act or the <i>Fair Work Act 2009</i> *	-	-
Total other expenses	-	-

2021	2020
\$	\$

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	-	-
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	-	-

Note 5B: Trade and other receivables

Receivables from other reporting unit(s)*	-	-
Total receivables from other reporting unit(s)	-	-

Less allowance for expected credit losses*	-	-
Total allowance for expected credit losses	-	-
Receivable from other reporting unit(s) (net)	-	-

Other receivables:

GST receivable	-	-
Other	-	-
Total other receivables	-	-
Total trade and other receivables (net)	-	-

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 30 June	-	-

2021	2020
\$	\$

Note 5B: Trade and other receivables (continued)

The Australian Hotels Association (Victoria Branch) has recognised the following assets and liabilities related to contracts with customers:

Receivables	-	-
Receivables – current	-	-
Receivables – non-current	-	-
Contract assets	-	-
Contract assets – current	-	-
Contract assets – non-current	-	-
Other contract liabilities	-	-
Contract liabilities – current	-	-
Contract liabilities – non-current	-	-
	2021	2020
	\$	\$

Note 5C: Inventory

Current		
Held for distribution	-	-
Total current inventories	-	-
Non-current		
Held for distribution	-	-

Total non-current inventories	-	-
Total inventories	<u>-</u>	<u>-</u>

Note 5D: Other current assets

Total other current assets	<u>-</u>	<u>-</u>
-----------------------------------	----------	----------

Note 6 Non-current Assets

Note 6G: Other non-current assets

Loan to a related party	-	-
Prepayments	-	-
Other	-	-
Total other non-current assets	<u>-</u>	<u>-</u>

2021	2020
\$	\$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	-	-
Subtotal trade creditors	<u>-</u>	<u>-</u>
Payables to other reporting unit(s)*		
Subtotal payables to other reporting unit(s)	<u>-</u>	<u>-</u>
Total trade payables	<u>-</u>	<u>-</u>

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	-	-
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*		
Litigation	-	-

Other legal costs	-	-
GST payable	-	-
Other	-	-
Total other payables	-	-

Total other payables are expected to be settled in:

No more than 12 months	-	-
More than 12 months	-	-
Total other payables	-	-

2021	2020
\$	\$

Note 8 Provisions

Note 8A: Employee provisions*

Office holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions—office holders

Employees other than office holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions—employees other than office holders

Total employee provisions

Current	-	-
Non-current	-	-
Total employee provisions	-	-

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

Total other non-current liabilities

2021	2020
\$	\$

Note 10 Equity

Note 10A: General funds*

Balance as at start of year	-	-
Balance as at end of year	-	-
Total general funds	-	-

Note 10B: Other funds*

Compulsory levy/voluntary contribution fund

Balance as at start of year	-	-
Balance as at end of year	-	-
Total compulsory levy/voluntary contribution fund	-	-

Other fund(s) required by rules

Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

2021 2020
\$ \$

Note 11 Cash Flow

Note 11A: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

Cash and cash equivalents as per:

Cash flow statement	-	-
Balance sheet	-	-
Difference	-	-

The difference is represented by

(Note: this explanation is required only where there is a difference).

Reconciliation of profit/(deficit) to net cash from operating activities:

Profit/(deficit) for the year	-	-
-------------------------------	---	---

Adjustments for non-cash items

Depreciation/amortisation	-	-
Net write-down of non-financial assets	-	-

Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	-	-
(Increase)/decrease in prepayments	-	-
Increase/(decrease) in supplier payables	-	-
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	-	-
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	-	-

Note 11B: Cash flow information*

Cash inflows	1,316,716	1,327,013
Total cash inflows	1,316,716	1,327,013
Cash outflows	1,316,716	1,327,013
Total cash outflows	1,316,716	1,327,013
	2021	2020
	\$	\$

Note 13 Related Party Disclosures

Note 13A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Expenses paid to Australian Hotels and Hospitality Association Incorporated (AHHA Inc.) includes the following:

909,372 **944,452**

2021 **2020**
\$ **\$**

Note 13B: Key management personnel remuneration for the reporting period

Short-term employee benefits

Salary (including annual leave taken)	-	-
Annual leave accrued	-	-
Performance bonus	-	-
Total short-term employee benefits	-	-

Post-employment benefits:

Superannuation	-	-
Total post-employment benefits	-	-
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	-	-

Note 13C: Transactions with key management personnel and their close family members

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

Note 14 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	1,700	1,700
Total remuneration of auditors	1,700	1,700

2021	2020
\$	\$

Note 17 Administration of financial affairs by a third party²

Name of Entity providing service: Australian Hotels and Hospitality Association Inc.

Terms and conditions: The services are provided on a cost recovery basis.

Nature of expenses/consultancy service: The Australian Hotels and Hospitality Association Inc. provides AHA (Victoria Branch) with all administrative and advocacy services.

Detailed breakdown of revenues collected and/or expenses incurred

Revenue		
Membership subscription	2,228,424	2,367,906
Capitation fees	909,372	944,452
Levies	-	-
Interest	2,131	8,006
Rental Income	-	-
Events	179,513	274,006
Stimulus – Cash Flow Boost	37,500	62,500

² Refer to item 31 in the Reporting guidelines.

Stimulus – Job Keeper	214,650	60,000
COVID Contingency Funds	60,560	-
Workwell Mental Health Grant	115,929	-
DJPR COVID Safe Field Officer Grant	88,531	-
DJPR Economic Stimulus Grant	100,000	-
Other Revenue	-	41,176
Total revenue	3,936,610	3,758,046
Expenses		
Employee expense	1,524,187	1,412,566
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
Annual General Meeting & Council	61,651	111,186
Travel Expenses	19,965	29,150
Administration expenses	-	-
Grants or donations greater than \$1,000	16,148	11,209
Grants or donations less than \$1,000	1,088	2,155
Events and Functions expense	465,811	540,356
Depreciation	(81,360)	247,649
Amortisation	7,132	9,203
Finance costs	23,407	26,981
Outsourced Services	158,388	285,016
Occupancy Expenses	156,361	199,412
Public Affairs Costs	161,691	15,909
Legal costs	-	3,660
Audit fees	33,550	32,050
Gaming Taxation Review	440,000	-
COVID-19	260,560	550,000
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-
Other expenses	445,117	259,879
Total expenses	3,693,696	3,736,381

Note 18 Section 272 *Fair Work (Registered Organisations) Act 2009*

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- 1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3) A reporting unit must comply with an application made under subsection (1).

AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

OFFICER DECLARATION STATEMENT FOR THE YEAR ENDED

30 JUNE 2021

I, David Canny, being the President of the Australian Hotels Association (Victoria Branch), declare that the following activities did not occur during the reporting period ending 30 June 2021.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue via compulsory levies
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer: David Canny 

Dated: 7th September 2021

Appendix A – Australian Accounting Standards not applicable to illustrative financial statements

- *AASB 1 First-time Adoption of Australian Accounting Standards*
- *AASB 2 Share-based Payment*
- *AASB 3 Business Combinations*
- *AASB 4 Insurance Contracts*
- *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*
- *AASB 6 Exploration for and Evaluation of Mineral Resources*
- *AASB 8 Operating Segments*
- *AASB 10 Consolidated Financial Statements*
- *AASB 14 Regulatory Deferral Accounts*
- *AASB 102 Inventories*
- *AASB 112 Income Taxes*
- *AASB 121 The Effects of Changes in Foreign Exchange Rates*
- *AASB 129 Financial Reporting in Hyperinflationary Economies*
- *AASB 133 Earnings per Share*
- *AASB 134 Interim Financial Reporting*
- *AASB 141 Agriculture*
- *AASB 1004 Contributions³*
- *AASB 1023 General Insurance Contracts*
- *AASB 1038 Life Insurance Contracts*
- *AASB 1039 Concise Financial Reports*
- *AASB 1049 Whole of Government and General Government Sector Financial Reporting*
- *AASB 1050 Administered Items*
- *AASB 1051 Land Under Roads*
- *AASB 1052 Disaggregated Disclosures*
- *AASB 1056 Superannuation Entities*
- *AASB 1059 Service Concession Arrangements: Grantors*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

³ The scope of AASB 1004 *Contributions* has been significantly reduced by consequential amendments made by AASB 1058 *Income of Not-for-Profit Entities*.

- *AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*
- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*
- *AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*
- *AASB 2019-7 Amendments to Australian Accounting Standards - Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations*
- *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*
- *Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities*
- *Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments*
- *Interpretation 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
- *Interpretation 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*
- *Interpretation 7 Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies*
- *Interpretation 10 Interim Financial Reporting and Impairment*
- *Interpretation 12 Service Concession Arrangements*
- *Interpretation 16 Hedges of a Net Investment in a Foreign Operation*
- *Interpretation 17 Distributions of Non-Cash Assets to Owners*
- *Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments*
- *Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine*
- *Interpretation 21 Levies*
- *Interpretation 22 Foreign Currency Transactions and Advance Consideration*
- *Interpretation 23 Uncertainty over Income Tax Treatments*
- *Interpretation 107 Introduction of the Euro*
- *Interpretation 110 Government Assistance — No Specific Relation to Operating Activities*
- *Interpretation 125 Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*
- *Interpretation 129 Service Concession Arrangements: Disclosures*
- *Interpretation 1003 Australian Petroleum Resource Rent Tax*

- Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities*
- Interpretation 1047 *Professional Indemnity Claims Liabilities in Medical Defence Organisations*
- Interpretation 1052 *Tax Consolidation Accounting*
- Interpretation 1055 *Accounting for Road Earthworks*

Appendix B - Future Australian Accounting Standards Requirements

- *AASB 17 Insurance Contracts*
- *AASB 2020-3 Amendment to AASB 141 –Taxation in Fair Value Measurements*
- *AASB 2020-3 Amendment to AASB 1 – Subsidiary as a First-time Adopter*
- *AASB 2020-3 Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract*
- *AASB 2020-3 Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use*
- *AASB 2020-31 Amendment to AASB 9 – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities*

Appendix C – Amendments issued and effective at the reporting date

AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

The amendment to AASB 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the financial statements of the Australian Hotels Association (Victoria Branch), but may impact future periods should the Australian Hotels Association (Victoria Branch) enter into any business combinations.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the accounting standard setter in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The amendments had no impact on the financial statements of the Australian Hotels Association (Victoria Branch).

AASB 2020-4 Amendments to AASs – Covid-19-Related Rent Concessions

These amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16 *Leases*, if the change were not a lease modification.

The amendments had no impact on the financial statements of the Australian Hotels Association (Victoria Branch).

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH) ACN 052 166 015
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001 TO THE MEMBERS OF THE AUSTRALIAN HOTELS ASSOCIATION
(VICTORIA BRANCH)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Date 9th September 2021

Name of Partner 
MARK P BARSON

Name of Firm Charman Partners

Address Suite 4
10 - 12 Chapel Street
Blackburn VIC 3130