



12 January 2022

Penny Phillips
Treasurer
Australian Hotels Association - Northern Territory Branch
Sent via email: admin@ahant.com.au
CC: Munli.chee@meritpartners.com.au

Dear Penny Phillips,

**Australian Hotels Association - Northern Territory Branch
Financial Report for the year ended 30 June 2021 – (FR2021/178)**

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Australian Hotels Association - Northern Territory Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 30 November 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 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 2022 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 comment to assist you when you next prepare a financial report.

Statement of Comprehensive Income

During the initial review of the financial report, I noted that the Statement of Comprehensive Income presented an amount of \$1,036,411 as the *total revenue from contracts with customers*. However, Note 3: *Disaggregation of revenue from contracts with customers* within the Notes to the financial statements disclosed an amount of \$1,215,147 as the *total revenue from contracts with customers*.

On 6 December 2021, I contacted Leisa Marshall, the reporting unit's Finance and Administration Officer to seek clarification regarding this discrepancy.

I received confirmation from Leisa on 11 January 2022 that the presentation in the Statement of Comprehensive Income was correct and that the *total revenue from contracts with customers* was \$1,036,411. The discrepancy was due to the incorrect inclusion of an amount of \$178,736 in Note 3 which was attributable to *Other Income*.

Please ensure when preparing future reports that the figures in the notes match the corresponding figures in the statements.

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 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,



Mihiri Jayawardane
Registered Organisations Commission

Australian Hotels Association Northern Territory Branch

Designated Officer's Certificate

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate for the year ended 30 June 2021

I, Penny Phillips, being the Treasurer of the Australian Hotels Association Northern Territory Branch certify that:

- the documents lodged herewith are copies of the full report for the Australian Hotels Association Northern Territory Branch for the period ended 30 June 2021 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- a copy of the full report was available to members of the reporting unit on 29 October 2021; and
- a copy of the full report was presented to the Annual General Meeting of members of the reporting unit on 23 November 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer.....Penny Phillips

Title of prescribed designated officer.... Treasurer.....

Dated..... 30 November 2021

**Australian Hotels Association Northern
Territory Branch**

ABN: 48 911 463 427

Financial Statements

For the year ended 30 June 2021

**Australian Hotels Association Northern Territory Branch
Financial Statements 2020–21**

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Independent Audit Report to the Members of Australian Hotels Association Northern Territory Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Hotels Association Northern Territory 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 Australian Hotels Association Northern Territory 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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are 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.

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 our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We 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

Our 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. we 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

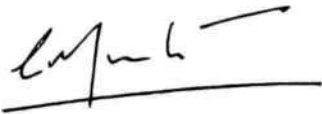
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

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

Merit Partners

Merit Partners

A handwritten signature in black ink, appearing to read 'MunLi Chee', written over a horizontal line.

MunLi Chee
Partner

Darwin

28 October 2021

Registration number (as registered by the Commissioner under the RO Act) : AA2021/6

Australian Hotels Association Northern Territory Branch

ABN: 48 911 463 427

Expenditure report required under subsection 255(2A)

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.

Descriptive form

Categories of expenditures	2021 (\$)	2020 (\$)
Remuneration and other employment-related costs and expenses – employees	454,229	490,777
Advertising	6,888	2,554
Operating costs	644,045	413,367
Donations to political parties	–	–
Legal costs	–	2,781

Signature of designated officer: 

Name and title of designated officer: Perry Phillip, TREASURER

Dated: 28/10/21

Australian Hotels Association Northern Territory Branch

ABN: 48 911 463 427

Operating Report

For the year ended 30 June 2021

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2021.

Principal Activities

The principal activities of the branch during the financial year were:

- The Australian Hotels Association Northern Territory Branch ("AHA") is an employers' branch representing the rights and interests of licensees particularly in relation to liquor licensing, gaming, small business, tourism, industrial relations and health.
- The AHA considers all political developments both Commonwealth and in the Northern Territory affecting the AHA and takes steps to initiate, promote, amend, modify or reject, as the case may be, all or any of such political measure. The AHA regularly meets with Members of Parliament and key Government representatives to consult key issues.
- There were no significant changes in the nature of these activities during the year under review.
- The President and Chief Executive Officer attended several National Executive meetings throughout the year.

Significant Changes in Financial Affairs

There were not significant changes to the surplus for the year of \$109,985 (2020 Surplus \$147,784).

The results of the reporting unit's activities were consistent with the reporting unit's aims and activities. COVID 19 had no significant impact on the revenue or expenditure of the Branch, however, placed restrictions which may have limited travel taking place.

Right of members to resign

under section 174 of the Fair Work (Registered Organisations) Act 2009 ("RO Act"), a member may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which he is a member (see rule 32, Australian Hotels Association Rules).

The register of members of the AHA was maintained in accordance with the RO Act.

Trustee of Superannuation Entity

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of members


As at 30 June 2021 to which this report relates, the number of members of the AHA was 169 including 4 Honorary Life members (155 are voting members).

Number of employees

As at 30 June 2021, the total number of employees employed by the reporting entity was 5.

The office holders during the financial year or up to date of signing:

Paul Palmer	President
Michael Burns	Senior Vice President
Frank Dalton	Vice President
Jason Hanna	Secretary
Penny Phillips	Treasurer
Justin Coleman	Board Member
Doug Sallis	Board Member
Russell Reid	Board Member
Matt Hewer	Board Member
Todd Grierson	Board Member
Ray Loechel	Board Member
Craig Jervis	Board Member
Amy McArdle	Board Member
David Robinson	Board Member
Matthew Hutcheon	Board Member
Jon Jenkins – Resigned 19 May 2021	Board Member
Ian McCormack – Resigned 19 May 2021	Board Member
Deryck Goodman – Appointed 19 May 2021	Board Member
Fiona McDonald – Appointed 19 May 2021	Board Member
Kyle Pearson – Appointed 19 May 2021	Board Member
Jason Wolfe – Appointed 19 May 2021	Board Member
Cassandra Harney – Appointed 24 August 2021	Board Member
Chris Chaffe – Appointed 24 August 2021	Board Member

Signature of designated officer: 

Name and title of designated officer: Penny Phillips, TREASURER
Dated: 28/10/21

Australian Hotels Association Northern Territory Branch

ABN: 48 911 463 427

Committee of Management Statement

For the year ended 30 June 2021

On the 28 October 2021 the Committee of Management of the Australian Association Northern Territory Branch (the 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.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer:

Name and title of designated officer:

Dated: 28/10/21

Australian Hotels Association Northern Territory Branch

ABN: 48 911 463 427

Statement of comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue from contracts with customers	3		
Membership subscriptions		149,533	168,936
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Grant Funding		497,095	384,436
Corporate Sponsorship		245,755	261,431
Functions		144,028	75,806
Total revenue from contracts with customers		1,036,411	890,609
Income for furthering objectives	3		
Grants and/or donations	3C	-	-
Income recognised from volunteer services	3D	-	-
Total income for furthering objectives		-	-
Other Income			
Net gains from sale of assets	3E	-	5,000
Revenue from recovery of wages activity	3F	-	-
Investment income	3G	180	650
Other income	3H	178,556	161,025
Total other income		178,736	166,675
Total income		1,215,147	1,057,284
Expenses			
Employee expenses	4A	454,229	490,747
Capitation fees and other expense to another reporting unit	4B	-	-
Affiliation fees	4C	9,859	9,859
Administration expenses	4D	623,496	385,832
Grants or donations	4E	500	10,000
Depreciation and amortisation	4F	5,286	1,670
Legal costs	4G	-	2,781
Audit fees	14	11,790	8,611
Total expenses		1,105,160	909,500
Surplus for the year		109,987	147,784
Other comprehensive income			
Surplus for the year		109,987	147,784
Other comprehensive income		-	-
Total comprehensive income for the year		109,987	147,784

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

Australian Hotels Association Northern Territory Branch

ABN: 48 911 463 427

Statement of financial position

As at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	670,942	465,160
Trade and other receivables	5B	39,541	107,373
Total current assets		710,483	572,533
Non-current assets			
Property, plant and equipment	6A	45,535	7,774
Total non-current assets		45,535	7,774
Total assets		756,018	580,307
LIABILITIES			
Current liabilities			
Trade payables	7A	196,790	10,369
Other payables	7B	108,285	238,125
Employee provisions	8A	17,683	11,833
Total current liabilities		322,758	260,327
Non-current liabilities			
Employee provisions	8A	19,288	15,995
Total non-current liabilities		19,288	15,995
Total liabilities		342,046	276,322
Net assets		413,972	303,985
EQUITY			
General funds	9A	-	-
Reserves	9B	-	-
Retained earnings (accumulated deficit)		413,972	303,985
Total equity		413,972	303,985

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

Australian Hotels Association Northern Territory Branch

ABN: 48 911 463 427

Statement of changes in equity

For the year ended 30 June 2021

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 July 2019		156,201	156,201
Surplus		147,784	147,784
Other comprehensive income		-	-
Closing balance as at 30 June 2020		303,985	303,985
Surplus		109,987	109,987
Other comprehensive income		-	-
Closing balance as at 30 June 2021		413,972	413,972

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

Australian Hotels Association Northern Territory Branch

ABN: 48 911 463 427

Statement of cash flows

for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		1,286,663	1,096,126
Receipts from other reporting unit/controlled entity(s)	10B	-	-
Interest		180	650
Cash used			
Employees		(443,060)	(490,777)
Suppliers		(585,095)	(269,034)
Payment to other reporting units/controlled entity(s)	10B	(9,859)	(9,859)
Net cash from (used by) operating activities	10A	248,829	327,106
INVESTING ACTIVITIES			
Cash used			
Purchase of property plant and equipment		(43,047)	(2,348)
Net cash from (used by) investing activities		(43,047)	(2,348)
Net increase (decrease) in cash held		205,782	324,758
Cash & cash equivalents at the beginning of the reporting period		465,160	251,557
Cash & cash equivalents at the end of the reporting period	5A	670,942	465,160

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

Australian Hotels Association Northern Territory Branch

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Australian Hotels Association Northern Territory Branch

ABN: 48 911 463 427

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, Australian Hotels Association Northern Territory 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

No accounting assumptions or estimates have been identified 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

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

Future Australian Accounting Standards

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact.

Australian Hotels Association Northern Territory Branch

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1.5 Investment in associates and joint arrangements

An associate is an entity over which Australian Hotels Association Northern Territory 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 results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with *AASB 5 Non-current Asset Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, Australian Hotels Association Northern Territory Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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

Australian Hotels Association Northern Territory 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 Act.

Australian Hotels Association Northern Territory Branch

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1.7 Current versus non-current classification

Australian Hotels Association Northern Territory Branch presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Australian Hotels Association Northern Territory Branch classifies all other liabilities as non-current.

1.8 Revenue

Australian Hotels Association Northern Territory 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.

Australian Hotels Association Northern Territory Branch

ABN: 48 911 463 427

Revenue from contracts with customers

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

If there is only one distinct membership service promised in the arrangement, Australian Hotels Association Northern Territory Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect Australian Hotels Association Northern Territory 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, Australian Hotels Association Northern Territory Branch's 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 Australian Hotels Association Northern Territory 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), Australian Hotels Association Northern Territory Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, Australian Hotels Association Northern Territory 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 Australian Hotels Association Northern Territory Branch at their standalone selling price, Australian Hotels Association Northern Territory Branch accounts for those sales as a separate contract with a customer.

Australian Hotels Association Northern Territory Branch

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Capitation fees

Where Australian Hotels Association Northern Territory Branch's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, Australian Hotels Association Northern Territory Branch recognises the capitation fees promised under that arrangement when or as it transfers the services.

In circumstances where the criteria for a contract with a customer are not met, Australian Hotels Association Northern Territory Branch will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as Australian Hotels Association Northern Territory Branch transfers the services.

In circumstances where the criteria for a contract with a customer are not met, Australian Hotels Association Northern Territory Branch will recognise levies as income upon receipt (as specified in the income recognition policy below).

Income of Australian Hotels Association Northern Territory Branch as a Not-for-Profit Entity

Consideration is received by Australian Hotels Association Northern Territory Branch to enable the entity to further its objectives. Australian Hotels Association Northern Territory Branch recognises each of these amounts of consideration as income when the consideration is received (which is when Australian Hotels Association Northern Territory Branch obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- Australian Hotels Association Northern Territory Branch's recognition of the cash contribution does not give rise to any related liabilities.

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.

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1.9 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 Australian Hotels Association Northern Territory 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. Australian Hotels Association Northern Territory 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.

1.10 Leases

Australian Hotels Association Northern Territory 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.

Australian Hotels Association Northern Territory Branch as a lessee

Australian Hotels Association Northern Territory Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Australian Hotels Association Northern Territory Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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Right-of-use assets

Australian Hotels Association Northern Territory Branch recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2021	2020
Land & buildings	N/A	N/A
Plant and equipment	N/A	N/A

If ownership of the leased asset transfers to Australian Hotels Association Northern Territory Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, Australian Hotels Association Northern Territory Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by Australian Hotels Association Northern Territory Branch and payments of penalties for terminating the lease, if the lease term reflects Australian Hotels Association Northern Territory Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Australian Hotels Association Northern Territory Branch uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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Short-term leases and leases of low-value assets

Australian Hotels Association Northern Territory Branch short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases that are below \$5,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.11 Borrowing costs

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

1.12 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.

1.13 Financial instruments

Financial assets and financial liabilities are recognised when Australian Hotels Association Northern Territory Branch becomes a party to the contractual provisions of the instrument.

1.14 Financial assets

Contract assets and receivables

A contract asset is recognised when Australian Hotels Association Northern Territory Branch's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on Australian Hotels Association Northern Territory Branch'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.

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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 Australian Hotels Association Northern Territory Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, Australian Hotels Association Northern Territory Branch 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.

Australian Hotels Association Northern Territory Branch's 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 Australian Hotels Association Northern Territory Branch 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.

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Financial assets at amortised cost

Australian Hotels Association Northern Territory Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Australian Hotels Association Northern Territory Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through other comprehensive income

Australian Hotels Association Northern Territory Branch measures debt instruments at fair value through other comprehensive income (**OCI**) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Australian Hotels Association Northern Territory Branch's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments included under other non-current financial assets.

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Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, Australian Hotels Association Northern Territory Branch can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when Australian Hotels Association Northern Territory Branch benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Australian Hotels Association Northern Territory Branch elected to classify irrevocably its listed and non-listed equity investments under this category.

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- Australian Hotels Association Northern Territory 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) Australian Hotels Association Northern Territory Branch has transferred substantially all the risks and rewards of the asset; or
 - b) Australian Hotels Association Northern Territory Branch has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When Australian Hotels Association Northern Territory 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, Australian Hotels Association Northern Territory 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.

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(i) Trade receivables

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

Therefore, Australian Hotels Association Northern Territory Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Australian Hotels Association Northern Territory 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, Australian Hotels Association Northern Territory 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 Australian Hotels Association Northern Territory 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).

Australian Hotels Association Northern Territory Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Australian Hotels Association Northern Territory Branch may also consider a financial asset to be in default when internal or external information indicates that Australian Hotels Association Northern Territory 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.

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1.15 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.

Australian Hotels Association Northern Territory Branch's 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.

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1.16 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 Australian Hotels Association Northern Territory Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when Australian Hotels Association Northern Territory 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. Australian Hotels Association Northern Territory Branch's refund liabilities arise from customers' right of return. The liability is measured at the amount Australian Hotels Association Northern Territory Branch ultimately expects it will have to return to the customer. Australian Hotels Association Northern Territory Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.17 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.

1.18 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations — land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

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Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following rates:

	2021	2020
Leasehold Improvements	5%	5%
Plant and equipment	15%	15%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

1.19 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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1.20 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than the carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if Australian Hotels Association Northern Territory Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.21 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.22 Taxation

Australian Hotels Association Northern Territory 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.

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1.23 Fair value measurement

Australian Hotels Association Northern Territory Branch measures financial instruments, such as, financial assets as at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A *Financial assets and liabilities*.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by Australian Hotels Association Northern Territory Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Australian Hotels Association Northern Territory Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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For assets and liabilities that are recognised in the financial statements on a recurring basis, Australian Hotels Association Northern Territory Branch determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, Australian Hotels Association Northern Territory Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.24 Going concern

The Committee of Management have resolved that the Australian Hotels Association Northern Territory Branch is a going concern.

Australian Hotels Association Northern Territory Branch is not reliant on the agreed financial support of another Australian Hotels Association Northern Territory Branch to continue on a going concern basis.

Australian Hotels Association Northern Territory 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

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 Australian Hotels Association Northern Territory Branch, the results of those operations, or the state of affairs of Australian Hotels Association Northern Territory Branch in subsequent financial periods.

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2021	2020
\$	\$

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of Australian Hotels Association Northern Territory Branch's 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:

Type of customer

Members	149,533	168,936
Other reporting units	-	-
Government	497,095	384,436
Other parties	568,519	503,912
Total revenue from contracts with customers	1,215,147	1,057,284

Disaggregation of income for furthering activities

A disaggregation of Australian Hotels Association Northern Territory Branch's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

Income funding sources

Members	-	-
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total income for furthering activities	-	-

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

Capitation fees:

Capitation fees	-	-
Subtotal capitation fees	-	-

Other revenue from another reporting unit:

AHA National Office	-	-
Subtotal other revenue from another reporting unit	-	-
Total capitation fees and other revenue from another reporting unit	-	-

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	2021	2020
	\$	\$
Note 3B: Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Grants and/or donations		
Grants	-	-
Donations	-	-
Total grants and donations	<u>-</u>	<u>-</u>
Note 3D: Income recognised from volunteer services		
Amounts recognised from volunteer services	-	-
Total income recognised from volunteer services	<u>-</u>	<u>-</u>
Note 3E: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	5,000
Intangibles	-	-
Other	-	-
Total net gain from sale of assets	<u>-</u>	<u>5,000</u>
Note 3F: 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	<u>-</u>	<u>-</u>
Note 3G: Investment income		
Interest		
Deposits	180	650
Total investment income	<u>180</u>	<u>650</u>
Note 3H: Other income		
Other Income	178,556	161,025
Total other income	<u>178,556</u>	<u>161,025</u>

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	2021	2020
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>-</u>	<u>-</u>
Employees other than office holders:		
Wages and salaries	405,996	442,974
Superannuation	37,100	40,766
Leave and other entitlements	9,142	3,822
Separation and redundancies	-	-
Other employee expenses	1,991	3,185
Subtotal employee expenses employees other than office holders	454,229	490,747
Total employee expenses	454,229	490,747
Note 4B: Capitation fees and other expense to another reporting unit		
Capitation fees		
Capitation fees	-	-
Subtotal capitation fees	<u>-</u>	<u>-</u>
Other expense to another reporting unit		
Other expenses	-	-
Subtotal other expense to another reporting unit	<u>-</u>	<u>-</u>
Total capitation fees and other expense to another reporting unit	<u>-</u>	<u>-</u>
Note 4C: Affiliation fees		
AHA National Office	9,859	9,859
Total affiliation fees/subscriptions	9,859	9,859

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	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	212,509	170,884
Contractors/consultants	45,319	18,054
Property expenses	3,371	4,366
Office expenses	13,069	19,344
Information communications technology	10,598	11,666
Other	298,239	139,062
Subtotal administration expense	583,105	363,376
Operating lease rentals:		
Short term, low value and variable lease payments	40,391	22,456
Total administration expenses	623,496	385,832
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	500	-
Total expensed that exceeded \$1,000	-	10,000
Total grants or donations	500	10,000
Note 4F: Depreciation and amortisation		
Depreciation		
Leasehold Improvements	638	-
Property, plant and equipment	4,648	1,670
Total depreciation	5,286	1,670
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	5,286	1,670
Note 4G: Legal costs		
Litigation	-	-
Other legal costs	-	2,781
Total legal costs	-	2,781

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2021
\$

2020
\$

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	670,913	464,818
Cash on hand	29	342
Total cash and cash equivalents	670,942	465,160

Note 5B: Trade and other receivables

Receivables from other reporting unit(s)

AHA National Office	-	-
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Total receivables from other reporting unit(s)	-	-
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Less allowance for expected credit losses

AHA National Office	-	-
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Total allowance for expected credit losses	-	-
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Receivable from other reporting unit(s) (net)	-	-
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Other receivables:

GST receivable	24,335	-
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Other	15,206	107,373
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Total other receivables	39,541	107,373
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Total trade and other receivables (net)	39,541	107,373
--	---------------	----------------

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

At 1 July	989	989
Provision for expected credit losses	7,321	-
Write-off	-	-
At 30 June	8,310	989

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2021	2020
\$	\$

Note 5B: Trade and other receivables (continued)

Australian Hotels Association Northern Territory Branch has recognised the following assets and liabilities related to contracts with customers:

Receivables	15,206	83,762
Receivables – current	15,206	83,762
Receivables – non-current	-	-
Contract assets	-	-
Contract assets – current	-	-
Contract assets – non-current	-	-
Other contract liabilities	82,277	195,382
Contract liabilities – current	82,277	195,382
Contract liabilities – non-current	-	-

The significant changes between opening and closing balances of contract liabilities primarily relates to the completion of the performance obligations held at the year ended 30 June 2021.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$195,382.

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2021 is \$15,206. Australian Hotels Association Northern Territory Branch expects that 100% of the transaction price allocated to remaining performance obligations is expected to be recognised as revenue within one year. These performance obligations primarily relate to member subscription contracts and grants provided by government organisations.

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Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2021

	Leasehold Improvements	Plant and Equipment	Total
	\$	\$	\$
Property, Plant and Equipment:			
carrying amount	37,566	69,742	107,308
accumulated depreciation	(10,639)	(51,134)	(61,773)
Total Property, Plant and Equipment	26,927	18,608	45,535

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 July 2020	-	7,774	7,774
Additions:			
By purchase	27,565	15,482	43,047
Depreciation expense	(638)	(4,648)	(5,286)
Disposals:			
Other	-	-	-
Net book value 30 June 2021	26,927	18,608	45,535
Net book value as of 30 June 2021 represented by:			
Gross book value	37,566	69,742	107,308
Accumulated depreciation and impairment	(10,639)	(51,134)	(61,773)
Net book value 30 June 2021	26,927	18,608	45,535

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Note 6A: Property, Plant and Equipment (continued)

2020

	Leasehold Improvements	Plant and Equipment	Total
	\$	\$	\$
Property, Plant and Equipment:			
carrying value	10,001	54,260	64,261
accumulated depreciation	(10,001)	(46,486)	(56,487)
Total Property, Plant and Equipment	-	7,774	7,774

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 July 2019	-	7,096	7,096
Additions:			
By purchase	-	2,348	2,348
Depreciation expense	-	(1,670)	(1,670)
Disposals:			
By sale	-	(29,796)	(29,796)
Accumulated depreciation on disposal	-	29,796	29,796
Net book value 30 June 2020	-	7,774	7,774
Net book value as of 30 June 2020 represented by:			
Gross book value	10,001	54,260	64,261
Accumulated depreciation and impairment	(10,001)	(46,486)	(56,487)
Net book value 30 June 2020	-	7,774	7,774

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	2021	2020
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	196,760	10,369
Subtotal trade creditors	<u>196,790</u>	<u>10,369</u>
Payables to other reporting unit(s)		
AHA National Office	-	-
Subtotal payables to other reporting unit(s)	<u>-</u>	<u>-</u>
Total trade payables	<u>196,790</u>	<u>10,369</u>

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	1,854	-
Superannuation	12,003	9,233
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal costs	-	-
GST payable	-	36
Unearned revenue	82,277	195,382
Other	12,151	33,474
Total other payables	<u>108,285</u>	<u>238,125</u>
Total other payables are expected to be settled in:		
No more than 12 months	108,285	238,125
More than 12 months	-	-
Total other payables	<u>108,285</u>	<u>238,125</u>

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	2021	2020
	\$	\$
Note 8		
Provisions		
Note 8A: Employee provisions		
Office holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	-	-
Employees other than office holders:		
Annual leave	17,683	11,833
Long service leave	19,288	15,995
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	36,971	27,828
Total employee provisions	36,971	27,828
Current	17,683	11,833
Non-current	19,288	15,995
<i>Total employee provisions</i>	36,971	27,828

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	2021	2020
	\$	\$
Note 9 Equity		
Note 9A: General funds		
General fund		
Balance as at start of year	-	-
Transferred to general fund	-	-
Transferred out of general fund	-	-
Balance as at end of year	-	-
Total general funds	-	-
Note 9B: Other funds		
Compulsory levy/voluntary contribution fund		
Other fund		
Balance as at start of year	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
Balance as at end of year	-	-
Total compulsory levy/voluntary contribution fund	-	-
Other fund(s) required by rules		
Other fund		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

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2021
\$

2020
\$

Note 10 Cash Flow

Note 10A: 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	670,942	465,160
Balance sheet	670,942	465,160
Difference	-	-

The difference is represented by rounding errors from within the financial statements.

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

Profit/(deficit) for the year	109,987	147,784
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Adjustments for non-cash items

Depreciation/amortisation	5,286	1,670
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	67,832	39,492
(Increase)/decrease in prepayments	-	-
Increase/(decrease) in supplier payables	186,421	(930)
Increase/(decrease) in other payables	(129,840)	135,267
Increase/(decrease) in employee provisions	9,143	3,823
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	248,829	327,106

Note 10B: Cash flow information

Cash inflows

AHA National Office	-	-
Total cash inflows	-	-

Cash outflows

AHA National Office	9,859	9,859
Total cash outflows	9,859	9,859

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2021	2020
\$	\$

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and contingencies

At 30 June 2021 the entity has no contingent assets or liabilities (2020: \$nil).

Note 12 Related Party Disclosures

Note 12A: 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.

Revenue received from AHANT Inc includes the following:

Administration fee	14,000	15,000
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Expenses paid to AHANT Inc includes the following:

Rent	33,600	16,800
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Amounts owed by AHANT Inc include the following:

Nil	-	-
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Amounts owed to AHANT Inc include the following:

Trade payables	16,800	2,750
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Loans from/to AHANT Inc includes the following:

Nil	-	-
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Assets transferred from/to AHANT Inc includes the following:

Nil	-	-
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Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2021, Australian Hotels Association Northern Territory Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: \$nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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2021
\$

2020
\$

Note 12B: Key management personnel remuneration for the reporting period

Short-term employee benefits

Salary (including annual leave taken)	219,377	214,821
Annual leave accrued	2,597	-
Performance bonus	-	-

Total short-term employee benefits 221,974 214,821

Post-employment benefits:

Superannuation	19,927	20,543
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Total post-employment benefits 19,927 20,543

Other long-term benefits:

Long-service leave	1,980	-
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Total other long-term benefits 1,980 -

Termination benefits

Total - -
243,881 235,364

Note 13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	11,790	8,611
Other services	-	-

Total remuneration of auditors 11,790 8,611

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2021
\$

2020
\$

Note 14 Financial Instruments

Exposure to interest rate risk, credit risk, and liquidity risk arise in the normal course of activities through its financial instruments for Australian Hotels Association Northern Territory Branch:

Australian Hotels Association Northern Territory Branch's categories of financial instruments are as follows:

Note 14A: Categories of Financial Instruments

Financial assets

Fair value through profit or loss:	-	-
Total	-	-
At amortised cost:		
Cash and cash equivalents	670,942	465,160
Trade and other receivables	15,206	107,373
Total	686,148	572,533
Fair value through other comprehensive income	-	-
Total	-	-
Carrying amount of financial assets	686,148	572,533

Financial liabilities

Fair value through profit or loss:	-	-
Total	-	-
Other financial liabilities:		
Trade payables and accruals	196,760	10,369
Other payables	26,008	42,743
Total	222,768	53,112
Carrying amount of financial liabilities	222,768	53,112

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Note 14B: Net income and expense from financial assets	2021	2020
	\$	\$
Financial assets at fair value through profit or loss		
Held for trading:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit or loss	-	-
Net gain/(loss) on financial assets at fair value through profit or loss	-	-
Sub-total net income/(expense) from financial assets	-	-
Financial assets at fair value through other comprehensive income		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/(loss) on disposal	-	-
Total financial assets at fair value through other comprehensive income	-	-
Net income/(expense) from financial assets	-	-
Note 14C: Net income and expense from financial liabilities		
At amortised cost		
Interest expense	-	-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	-	-
Fair value through profit or loss		
Held for trading:		
Change in fair value	-	-
Interest expense	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit or loss:		
Change in fair value	-	-
Interest expense	-	-
Total designated as fair value through profit or loss	-	-
Net gain/(loss) at fair value through profit or loss	-	-
Net gain/(loss) from financial liabilities	-	-

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2021 2020
\$ \$

Note 14D: Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

Australian Hotels Association Northern Territory Branch manages its credit risk by undertaking transactions with a large number of counterparties and by performing adequate due diligence on major new customers to ensure only credit-worthy organisations are its counterparties. Australian Hotels Association Northern Territory Branch's exposure to credit risk is limited.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets

Trade and other receivables	15,206	107,373
Total	-	-
Financial liabilities	-	-
Total	-	-

In relation to the entity's gross credit risk the following collateral is held: Nil.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

30 June 2021	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-%	-%	-%	-%	75.5%	
Estimate total gross carrying amount at default	-	1,034	4,000	7,480	11,002	23,516
Expected credit loss	-	-	-	-	8,310	8,310
30 June 2020	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-%	-%	-%	-%	0.01%	
Estimate total gross carrying amount at default	52,500	52,500	-	-	55,963	83,763
Expected credit loss	-	-	-	-	989	989

Australian Hotels Association Northern Territory Branch's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2021 and 2020 is the carrying amounts as illustrated above.

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Note 14E: Liquidity risk

Liquidity risk is the risk Australian Hotels Association Northern Territory Branch will not be able to meet its financial obligations as they fall due.

Liquidity risk is managed by ensuring Australian Hotels Association Northern Territory Branch has sufficient assets, especially cash, to meet its liabilities when due without incurring unacceptable losses. If longer term liquidity needs are required, Australian Hotels Association Northern Territory Branch will secure adequate committed credit facilities.

Australian Hotels Association Northern Territory Branch's exposure to liquidity risk is minimal at the reporting dates.

Contractual maturities for financial liabilities 2021

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	196,760	-	-	-	196,760
Other payables	-	26,008	-	-	-	26,008
Total	-	222,768	-	-	-	222,768

Contractual maturities for financial liabilities 2020

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	10,369	-	-	-	10,369
Other payables	-	42,743	-	-	-	42,743
Total	-	53,112	-	-	-	53,112

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Note 14F: Market risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk. At the reporting date, Australian Hotels Association Northern Territory Branch does not have exposure to price and currency risks.

Interest rate risk

Interest rate risk is managed with the use of a mix of fixed and floating rates for cash and cash equivalents. Australian Hotels Association Northern Territory Branch's exposure to interest rate risk is in the table below.

Sensitivity analysis of the risk that the entity is exposed to for 2021

Risk variable	Change in risk variable %	Effect on	
		Profit or loss	Equity
		\$	\$
Interest rate risk	- [+ 0.5%]	3,355	3,355
Interest rate risk	- [- 0.5%]	(3,355)	(3,355)

Sensitivity analysis of the risk that the entity is exposed to for 2020

Risk variable	Change in risk variable %	Effect on	
		Profit or loss	Equity
		\$	\$
Interest rate risk	- [+ 0.5%]	2,326	2,326
Interest rate risk	- [- 0.5%]	(2,326)	(2,326)

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Note 15 Fair value measurement

Note 15A: Financial assets and liabilities

Management of Australian Hotels Association Northern Territory Branch assessed that cash and cash equivalents, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table contains the carrying amounts and related fair values for Australian Hotels Association Northern Territory Branch's financial assets and liabilities:

	Carrying amount 2021 \$	Fair value 2021 \$	Carrying amount 2020 \$	Fair value 2020 \$
Financial assets				
Cash and cash equivalents	670,942	670,942	465,160	465,160
Trade and other receivables	15,206	15,206	107,373	107,373
Total	686,148	686,148	572,533	572,533
Financial liabilities				
Trade payables and accruals	196,760	196,760	10,369	10,369
Other payables	26,008	26,008	42,743	42,743
Total	222,768	222,768	53,112	53,112

Note 16B: Financial and non-financial assets and liabilities fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2021

	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value			
Cash and cash equivalents	670,942	-	-
Trade and other receivables	15,206	-	-
Total	686,148	-	-
Liabilities measured at fair value			
Trade payables and accruals	196,760	-	-
Other payables	26,008	-	-
Total	222,768	-	-

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Fair value hierarchy – 30 June 2020

	Level 1	Level 2	Level 3
	\$	\$	\$
Assets measured at fair value			
Cash and cash equivalents	465,160	-	-
Trade and other receivables	107,373	-	-
Total	572,533	-	-
Liabilities measured at fair value			
Trade payables and accruals	10,369	-	-
Other payables	42,743	-	-
Total	53,112	-	-

Note 16 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).

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Officer declaration statement

I, Penny Phillips, being the designated officer of the Australian Hotels Association Northern Territory Branch, declare that the following activities did not occur during the reporting period ending 30 June 2021.

Australian Hotels Association Northern Territory 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 an organisation, a determination or revocation by the General Manager, Fair Work Commission
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit
- derive any revenue from undertaking of recovery of wages activity

Signed by the officer: 

Dated: 28/10/21