



24 October 2023

David Canny
President
Australian Hotels Association - Victorian Branch

Sent via email: p.osullivan@ahavic.com.au

CC: hunderwood@shinewing.com.au

Dear David Canny

**Australian Hotels Association - Victorian Branch
Financial Report for the year ended 30 June 2023 – FR2023/129**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Australian Hotels Association - Victorian Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 23 October 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 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 next year's financial report may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely

KEN MORGAN
Assistant Director, Financial Analysis
Registered Organisations Services Branch

AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

Financial Report

For the Year Ended 30 June 2023

Australian Hotels Association (Victoria Branch)

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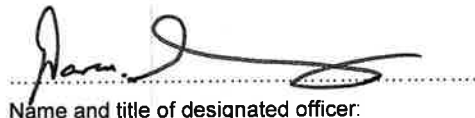
Australian Hotels Association (Victoria Branch)

Report required under subsection 255(2A) For the year ended 30 June 2023

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2023.

Categories of expenditures	2023 (\$)	2022 (\$)
Remuneration and other employment-related costs and expenses -- employees	-	-
Advertising	-	-
Operating costs	1,328,353	1,264,289
Donations to political parties	-	-
Legal costs	-	-

Signature of designated officer:



Name and title of designated officer:

David Canny, President

Signature of designated officer:



Name and title of designated officer:

Paul Stocks, Treasurer

Dated: 12th September 2023

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Australian Hotels Association (Victoria Branch)

Operating Report For the year ended 30 June 2023

Your Executive Committee members present their report on the Association for the financial year ended 30 June 2023.

The Members of Committee of Management

The names of the Executive Committee Members elected for the period 1 July 2022 to 30 June 2023 were:

Name of Officer	Office Held
David Canny	President
Alan Andrew Clark	Country Vice President
Mark O'Reilly	Metropolitan Vice President
David Curry	Honorary Minute Secretary
Paul Stocks	Honorary Treasurer
Matthew Mullins	Executive Member
Matthew Nikakis	Executive Member
Peter Williams	Executive Member
Rachel Checinski	Executive Member
Ray Sharawara	Executive Member
Stewart Naismith	Executive Member
Shaun D'Cruz	Executive Member – Accommodation Division
Lee Davey	Executive Member – Accommodation Division

Australian Hotels Association (Victoria Branch)

Operating Report (Continued) For the year ended 30 June 2023

The Members of Committee of Management (Continued)

The names of the Council Members in office were:

Name of Officer	Office Held
Jackie Booth	Councillor Accommodation Hotel Division
Lee Christopher Davey	Councillor Accommodation Hotel Division
Shaun D'Cruz	Councillor Accommodation Hotel Division
Tracy Atherton	Councillor Accommodation Hotel Division
Robert Dawson	Councillor Accommodation Hotel Division
Darren Thomas	Councillor Alexandra/ Healesville
Mark Marantelli	Councillor Ararat
Rachel Jones	Councillor Bairnsdale
Ben Fisher	Councillor Bairnsdale
Dan Cronin	Councillor Ballarat North
Patrick Sheehan	Councillor Ballarat North
Daniel Quinlan	Councillor Ballarat South
David Canny	Councillor Ballarat South
John Upham	Councillor Bellarine
Gary Wilson	Councillor Bellarine
Andrew Lethlean	Councillor Bendigo East
Sally Gebert	Councillor Bendigo West
Melanie Aldred	Councillor Brunswick
Con Nikitas	Councillor Brunswick
Anthony Molan	Councillor Carlton
Kathy Withers	Councillor Carlton
Tammy MaKenzie	Councillor Castlemaine/ Maryborough
David Curry	Councillor Caulfield/ Oakleigh
Matthew Nikakis	Councillor Caulfield/ Oakleigh
Andrew Brown	Councillor Caulfield/ Oakleigh
Paul Mulquiny	Councillor Coburg/ Preston
Russell O'Brien	Councillor Coburg/ Preston
Daniel Molan	Councillor Collingwood/ Abbotsford
Joe Giustiniano	Councillor Collingwood/ Abbotsford
Mark Robertson OAM	Councillor Essendon/ Flemington
Stewart Naismith	Councillor Essendon/ Flemington

Australian Hotels Association (Victoria Branch)

Operating Report (Continued) For the year ended 30 June 2023

The Members of Committee of Management (Continued)

Name of Officer	Office Held
Rachel Checinski	Councillor Fitzroy
Paul Hunter	Councillor Footscray
Tom Francis	Councillor Footscray
George Ramia	Councillor Geelong North
Mitchell Koroneos	Councillor Geelong North
Alan Andrew Clark	Councillor Geelong South
Joel Taylor	Councillor Geelong South
Chelton Crow	Councillor Goulburn Valley
Nick Zurcas	Councillor Goulburn Valley
Garry Lewis	Councillor Hamilton
Mark O'Reilly	Councillor Hawthorn/ Kew
Ross Blair-Holt	Councillor Hawthorn/ Kew
Nick Murray	Councillor Horsham
Gary Kirwan	Councillor Melbourne/ East Melbourne
Michael Robertson	Councillor Melbourne/ East Melbourne
Andrew Nikakis	Councillor Mornington Peninsula
Paul Stocks	Councillor Mornington Peninsula
Peter Houghton	Councillor Mornington Peninsula
Peter Appleby	Councillor North Melbourne
John Payne	Councillor Northcote/ Heidelberg
Tom Payne OAM	Councillor Northcote/ Heidelberg
Sam Benjamin	Councillor Polwarth
Michael Burke	Councillor Port Melbourne/ Albert Park
Matthew Mullins	Councillor Prahran
Tony Jackson	Councillor Prahran
Richard Davis	Councillor Richmond
Monika Cala	Councillor Richmond
Fiona Cox	Councillor Rodney
Chad De Lany	Councillor Sale/ Taralgon
Paul Schroeder	Councillor Sale/ Taralgon
Ray Sharawara	Councillor Seymour
Jonathan Sherren	Councillor South Eastern Suburbs

Australian Hotels Association (Victoria Branch)

Operating Report (Continued) For the year ended 30 June 2023

The Members of Committee of Management (Continued)

Name of Officer	Office Held
Ros Newsham	Councillor South Eastern Suburbs
Bruce J Mathieson	Councillor St Kilda/ Brighton
David Shannon	Councillor St Kilda/ Brighton
Duncan Laidlaw	Councillor Wangaratta/ Benalla
Simon Appleby	Councillor Warragul
Nici Nicholson	Councillor West/ South Melbourne
Andrew Needham	Councillor Williamstown
Craig Barnett	Councillor Wodonga
Peter Williams	Councillor Wonthaggi
Shannon Makin	Councillor Woodend

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

Number of members

The number of Branch members as at 30 June 2023 was 882.

Number of employees

The number of Branch employees as at 30 June 2023 was nil.

Unfinancial members

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

Rights of members to resign

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

Other directorships held

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

- Paul Stocks – Chairman
- David Canny

Australian Hotels Association (Victoria Branch)

Operating Report (Continued) For the year ended 30 June 2023

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The consolidated deficit for the year amounted to \$399,426 (2022: Surplus \$67,675). During the period total subscription revenue remained consistent with the prior year.

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

In compliance with AASB 10 *Consolidated Financial Statements*, AHA (Vic) and AHHA Inc. have presented consolidated financial statements for FY23.

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

The 2022/23 AHA(Vic) Business Plan approved by the Executive Committee and the Council in June 2022 was focussed on charting the pub and hotel sector's pathway out of the Covid 19 pandemic, whilst pursuing the on-going core priorities of AHA(Vic) in respect of liquor, gaming, gambling, workplace relations, planning, member and commercial partner engagement etc.

Significant changes in financial affairs

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

Strategic Objectives 2022/23

The over-arching strategic objectives pursued during 2022/23 were to:

Policy and Advocacy

- Protect, promote and advance the interests and rights of members;
- Uphold and promote the quality, integrity and reputation of the pub & hotel industry, and
- Constructively contribute to the efficacy of the regulatory schemes impacting on members.

Membership

- Provide timely, effective and value-adding services to members, and
- Foster the growth of developing member networks, particularly encouraging the new generation of publicans to discuss challenges and engage with AHA(Vic) on issues impacting on their business, and

Commercial Partnerships

- Develop and maintain mutually advantageous value-adding commercial partnerships with key industry stakeholders.

Workplace Relations

- Provide members with the resources to maintain "an employer of choice" position amongst its employees as well as the broader employment market, and
- Provide members with support and representation regarding disputes or through mediation at the Fair Work Commission and other relevant employee-related tribunals.

Events and Member Experience

- Maintain and create memorable, informative, value-adding and thought-provoking events and forums to support and assist members and commercial partners in achieving their business objectives.

Governance

- Continue to satisfy all regulatory requirements of a Registered Organisation subject to supervision by the Fair Work Commission and the Australian Electoral Commission;
- Foster a working environment that values a diverse range of views, knowledge and experiences, and
- Implement an effective Environmental, Social and Governance policy across AHA(Vic) and its activities.

Administration

- Achieve best practice in administration within the industry association sector.

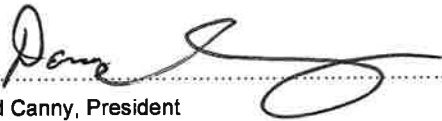
Australian Hotels Association (Victoria Branch)

Operating Report (Continued) For the year ended 30 June 2023

The 2022/23 strategic objectives were pursued and achieved through:

- Maintaining effective working relationships with the State Labor Government and the Liberal/Nationals Coalition Opposition to ensure that appropriate regard was had to pub and hotel interests in policy development, legislation and program implementation;
- Establishing and maintaining appropriate working relationships across relevant Ministerial Offices, Government Departments, Regulatory Agencies and enforcement bodies to enable and facilitate effective advocacy in the interests of members;
- Continuing promotion of the need for a policy and program agenda by the State Government that facilitates innovation and growth within the pub and hotel sector;
- Active pursuit of reasonable workplace relations reforms in conjunction with the AHA (National) program seeking on-going improvement of the Hospitality Industry (General) Award and other relevant awards and instruments;
- Provision of representation and advocacy services on behalf of Victoria's accommodation hotels through Tourism Accommodation Australia (Victoria), including making progress on the merging of TAA and the Accommodation Association of Australia (AAoA);
- Continuing to conduct a program of contemporary and relevant member events directed to enhancing business development and performance at a venue level and to provide networking opportunities for commercial partners, and
- Through measured engagement with the media, continue to promote pubs and hotels as safe, affordable and hospitality venues of first-choice and, when appropriate, to respond to topical issues.

Signed in accordance with a resolution of the Committee of Management.



David Canny, President

Dated this 12 day of September 2023

Australian Hotels Association (Victoria Branch)

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue and other income			
Membership subscriptions	2	1,328,353	1,264,289
Other revenue	2	3,375,948	3,925,258
Other income	2	49,164	1,330
Total revenue and other income		4,753,465	5,190,877
Employee benefit expense		(1,977,646)	(1,850,131)
Capitation fees and other expenses to another reporting unit		(255,923)	(243,817)
Depreciation and amortisation expenses		(290,118)	(296,648)
Sundry expenses		(2,502,764)	(2,631,332)
Interest expense	3	(35,521)	(21,549)
Audit fees	5	(45,000)	(35,000)
Honorariums		(65,000)	(65,000)
Current year (deficit)/surplus before income tax		(418,507)	47,400
Income tax benefit	4	19,081	20,275
Net current year (deficit)/surplus		(399,426)	67,675
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains on revaluation of buildings at fair value, net of tax	4	126,895	67,356
Total other comprehensive income for the year		126,895	67,356
Total comprehensive (loss)/income for the year		(272,531)	135,031

The accompanying notes form part of these financial statements.

Australian Hotels Association (Victoria Branch)

Consolidated Statement of Financial Position For the year ended 30 June 2022

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,904,802	2,814,656
Trade and other receivables	7	986,017	478,918
Other current assets	8	248,133	235,016
TOTAL CURRENT ASSETS		3,138,952	3,528,590
NON-CURRENT ASSETS			
Property, plant and equipment	9	8,248,658	8,414,232
Right-of-use assets	10	193,409	188,458
TOTAL NON-CURRENT ASSETS		8,442,067	8,602,690
TOTAL ASSETS		11,581,019	12,131,280
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	458,580	533,853
Contract liabilities	12	130,985	149,009
Provisions	13	430,269	419,420
Lease liabilities	10	94,836	58,371
Borrowings	14	350,000	-
TOTAL CURRENT LIABILITIES		1,464,670	1,160,653
NON-CURRENT LIABILITIES			
Provisions	13	47,962	20,705
Lease liabilities	10	136,118	149,146
Net deferred tax liabilities	15	494,222	640,198
Borrowings	14	-	450,000
TOTAL NON-CURRENT LIABILITIES		678,302	1,260,049
TOTAL LIABILITIES		2,142,972	2,420,702
NET ASSETS		9,438,047	9,710,578
EQUITY			
Asset revaluation reserve		5,418,289	5,291,394
Retained surplus		4,019,758	4,419,184
TOTAL EQUITY		9,438,047	9,710,578

Australian Hotels Association (Victoria Branch)

Consolidated Statement of Changes in Equity For the year ended 30 June 2022

	Note	Asset revaluation reserve \$	Retained surplus \$	Total \$
Balance at 1 July 2021		5,224,038	4,351,509	9,575,547
Comprehensive income				
Surplus for the year		-	67,675	67,675
Other comprehensive income for the year		67,356	-	67,356
Total comprehensive income attributable to members of the Association		67,356	67,675	135,031
Balance at 30 June 2022		5,291,394	4,419,184	9,710,578
Balance at 1 July 2022		5,291,394	4,419,184	9,710,578
Comprehensive income				
Deficit for the year		-	(399,426)	(399,426)
Other comprehensive income for the year		126,895	-	126,895
Total comprehensive loss attributable to members of the Association		126,895	(399,427)	(272,531)
Balance at 30 June 2023		5,418,289	4,019,758	9,438,047

The accompanying notes form part of these financial statements.

Australian Hotels Association (Victoria Branch)

Consolidated Statement of Cash Flows For the year ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,291,093	5,620,425
Payments to suppliers and employees		(5,007,058)	(4,706,480)
Interest received		18,875	672
Interest paid		(27,509)	(15,996)
Net cash (used in)/provided by operating activities	20	(725,199)	898,621
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		31,255	4,774
Purchase of property, plant and equipment		(73,902)	(40,323)
Net cash used in investing activities		(42,647)	(35,549)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(42,008)	(57,881)
Repayment of loan facilities		(100,000)	-
Net cash used in financing activities		(142,008)	(57,881)
Net (decrease)/increase in cash held		(909,854)	805,191
Cash on hand at beginning of financial year		2,814,656	2,009,465
Cash on hand at end of financial year	6	1,904,802	2,814,656

The accompanying notes form part of these financial statements.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

The financial report covers Australian Hotels Association (Victoria Branch) (the Reporting Unit) and its controlled entities (the Group).

The financial statements were authorised for issue on the date of signing the Committee Member's Declaration.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The consolidated 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*. For the purpose of preparing the general purpose financial statements, the Group is a not-for-profit entity.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets. The amounts presented in the consolidated financial statements have been rounded to the nearest dollar. The Group's functional and presentation currency is Australian dollars.

Accounting Policies

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Australian Hotels Association (Victoria Branch)) and its subsidiary (Australian Hotels & Hospitality Association Inc. (the Association)). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

b. Income Tax

As a registered Employer Association, the Reporting Unit is exempt from income tax in accordance with Section 50-15 of the Income Tax Assessment Act 1997. However, the Reporting Unit's subsidiary is not exempt from income tax expense.

The Association applies the Principle of Mutuality. The principle provides that where a number of persons contribute to a common fund created and controlled by them for a common purpose, any surplus arising from the use of that fund for the common purpose is not taxable income. As such, the Association performs a calculation each year to determine the non-member derived taxable income.

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies (Continued)

b. Income Tax (Continued)

Current income tax expense charged to the statement of profit or loss and other comprehensive income is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority, using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which the committee expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset are measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Fair Value

The Association measures its buildings at fair value on a recurring basis.

Fair value is the price the Association would receive to sell an asset or would have to pay to transfer a liability in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the Association at the end of the reporting period.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies (Continued)

d. Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Buildings

Buildings are measured at their fair value, based on a valuation performed at least tri-annually, less accumulated depreciation and any accumulated impairment losses.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated using the reducing balance method over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and Equipment	5 – 37.5%
Carpets	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies (Continued)

e. Leases

The Association as lessee

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost, less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Association commits itself to either the purchase or the sale of the asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus or minus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies (Continued)

f. Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at amortised cost.

The Association's financial assets are subsequently measured at amortised cost because they meet the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expire, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Association no longer controls the asset (i.e., no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Association recognises a loss allowance for expected credit losses on financial assets held at amortised cost.:

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is a difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the simplified approach to impairment, as applicable under AASB 9.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies (Continued)

f. Financial Instruments (Continued)

Impairment

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to the Association's trade receivables.:

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss, (ie diversity of its customer base, appropriate groupings of its historical loss experience etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

g. Impairment of Assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

h. Employee Provisions

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of trade and other payables in the statement of financial position.

Long-term employee benefits

Provision is made for employees' leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in the statement of profit or loss and other comprehensive income in the periods in which the changes occur.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies (Continued)

h. Employee Provisions (Continued)

Long-term employee benefits (Continued)

The Association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

i. Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

j. Trade and other receivables

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

k. Revenue

Revenue recognition

Partnerships, memberships, operating grants and functions

When the association receives revenue from partnerships, memberships, operating grants or functions, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If there are no other related amounts applicable to the donation (ie donations are received for nil consideration), the association recognises income once it has control over the relevant asset.

If a contract liability is recognised as a related amount above, the association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies (Continued)

k. Revenue (Continued)

Interest income

Interest income is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

m. Comparative Figures

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

Where the Association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

n. Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

o. Judgements and Key Sources of Estimation Uncertainty

The committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key estimates

(i) *Fair value of buildings*

The Association measures its buildings at fair value. The Association's buildings were revalued on 10 November 2021 and the Committee have adopted the value as at 30 June 2023 less subsequent accumulated depreciation. Fair value is based on a valuation performed by Charter Keck Cramer, an accredited independent valuer. Fair values have been determined in accordance with the fair value measurement hierarchy. Refer to Note 22: Fair Value Measurements for the details of the fair value measure key assumptions and inputs.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

o. Judgements and Key Sources of Estimation Uncertainty (Continued)

Key judgements

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

(ii) *Control of Australian Hotels & Hospitality Association Inc.*

The Reporting Unit has determined that it has control over Australian Hotels & Hospitality Association Inc. (the Association) despite holding no share capital in the Association. The Reporting Unit and Association share common management and governance structures. Furthermore, the Association is engaged to help the Reporting Unit achieve its objectives and therefore exposes the Reporting Unit to variable returns from this relationship.

p. Accounting standards not yet adopted

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Trust. The Group has decided not to early adopt any of the new and amended pronouncements. Accounting standards issued but not yet effective that are relevant to the Group but applicable in future reporting periods have been set out below:

1. AASB 2020-1 and AASB 2020-6 *Amendments to Australian Accounting Standards Classification of Liabilities as Current or Noncurrent – Deferral of Effective Date* (applicable to annual reporting periods beginning on or after 1 January 2023).
2. AASB 2021-2 *Amendments to Australian Accounting Standards Disclosure of Accounting Policies and Definition of Accounting Estimates* (applicable to annual reporting periods beginning on or after 1 January 2023 with earlier application permitted).

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 2: Revenue and Other Income

	2023	2022
	\$	\$
Membership subscriptions		
– Membership subscriptions	1,328,353	1,264,289
Other revenue		
– Partnership fees	2,195,119	2,151,670
– Government grants	41,109	884,827
– Events revenue	1,139,720	888,761
Total other revenue	3,375,948	3,925,258
Total revenue	4,704,301	5,189,547
Other income		
– Interest income	18,875	672
– Gain on sale of non-current assets	29,415	613
– Other income	874	45
Total other income	49,164	1,330
Total revenue and other income	4,753,465	5,190,877
Revenue recognition		
– Revenue recognised by applying AASB 15 <i>Revenue from Contracts with Customers</i>	2,509,182	3,037,877
– Revenue recognised by applying AASB 1058 <i>Income of Not-for-profit Entities</i>	2,195,119	2,151,670
	4,704,301	5,189,547
Timing of revenue recognition		
– Over Time	1,369,462	2,149,116
– Point in time	1,139,720	888,761
	2,509,182	3,037,877

Transaction price allocated to the remaining performance obligation

The table below shows the revenue expected to be recognised in the future related to the performance obligations that are unsatisfied (partially unsatisfied) at the reporting date.

	2024	Total
	\$	\$
Revenue from contracts with customers	130,985	130,985

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 2: Revenue and Other Income (Continued)

Particulars	Membership subscriptions	Events revenue	Government grants
Nature of goods or services provided	Membership of the reporting unit, with benefits provided over the membership period which corresponds with the financial year.	Revenue generated from functions hosted by the Association.	Grants received from the State Government to deliver programs and services to the community.
Satisfaction of performance obligations	Performance obligations are satisfied when services are rendered.	Performance obligations are satisfied at a point in time when the function is delivered.	Performance obligations are satisfied when services are rendered and/or programs delivered.
Other obligations	No other obligations	No other obligations	Refund clause

Note 3: Significant Expenses

	2023	2022
	\$	\$
a. Expenses		
Employee provisions expense:		
– defined contribution superannuation expense	178,855	160,399
Interest expense		
– financial liabilities not at fair value through profit or loss	27,509	15,996
– lease liabilities	8,012	5,553
	35,521	21,549

Note 4: Income Tax Expense

a.	The components of income tax expense/(benefit) comprise:					
	Deferred tax					
				(19,081)		(20,275)
b.	Tax effects relating to each component of other comprehensive income:					
	2023			2022		
	Before-tax Amount	Tax (Expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (Expense) Benefit	Net-of-tax Amount
	\$	\$	\$	\$	\$	\$
Revaluation of buildings	-	126,895	126,895	67,356	-	67,356

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 5: Auditor's Fees

	Note	2023 \$	2022 \$
Remuneration of the auditor of the Group for:			
– Auditing the Reporting Unit's financial statements		5,000	2,000
– Auditing the Association's financial statements		40,000	33,000
		45,000	35,000

Note 6: Cash and Cash Equivalents

Cash at bank		828,873	1,457,598
Term deposits		1,075,929	1,357,058
	21	1,904,802	2,814,656

The effective interest rate on term deposits was 0.05% (2022: 0.05%); these deposits have an average maturity of 30 days.

Note 7: Trade and Other Receivables

CURRENT

Financial assets at amortised cost

Trade receivables		976,634	434,945
Provision for impairment		-	-
		976,634	434,945
Other debtors		9,383	43,973
Total trade and other receivables	21	986,017	478,918

a. Credit Risk

The Association has no significant concentrations of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Association is considered to relate to the class of assets described as trade receivables.

The Association always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 7: Trade and Other Receivables (Continued)

a. Credit Risk (Continued)

The Association writes off a trade receivable amount when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

Collateral held as security

No collateral is held as security for any of the trade and other receivable balances.

Note 8: Other Current Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	248,133	235,016

Note 9: Property, Plant and Equipment

	2023	2022
	\$	\$
Buildings:		
At fair value	8,200,000	8,200,000
Buildings - Accumulated depreciation	(205,000)	-
	7,995,000	8,200,000
Plant and Equipment:		
At cost	509,166	468,046
Accumulated depreciation	(294,297)	(263,271)
	214,869	204,775
Carpet:		
At cost	46,566	46,566
Accumulated depreciation	(40,128)	(38,518)
	6,438	8,048
Work in Progress:		
At cost	32,351	1,409
	32,351	1,409
Total property, plant and equipment	8,248,658	8,414,232

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 9: Property, Plant and Equipment (Continued)

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Plant and Equipment	Carpets	Work in Progress	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	8,200,000	198,738	10,060	137,644	8,546,442
Additions	-	38,914	-	1,409	40,323
Disposals	-	(4,161)	-	-	(4,161)
Transfer from Work in Progress	137,644	-	-	(137,644)	-
Revaluation	67,356	-	-	-	67,356
Depreciation expense	(205,000)	(28,716)	(2,012)	-	(235,728)
Carrying amount at 30 June 2022	8,200,000	204,775	8,048	1,409	8,414,232
Balance at 1 July 2022	8,200,000	204,775	8,048	1,409	8,414,232
Additions	-	41,552	-	32,350	73,902
Disposals	-	(1,840)	-	-	(1,840)
Transfer from Work in Progress	-	1,408	-	(1,408)	-
Depreciation expense	(205,000)	(31,026)	(1,610)	-	(237,636)
Carrying amount at 30 June 2023	7,995,000	214,869	6,438	32,351	8,248,658

Note 10: Right-of-use Assets

The Association's lease portfolio includes office equipment and motor vehicles. These leases have an average of 4 years as their lease term.

i) AASB 16 related amounts recognised in the balance sheet

Right-of-use assets	2023	2022
	\$	\$
Leased office equipment	123,590	123,590
Accumulated depreciation	(61,404)	(43,350)
	62,186	80,240
Leased motor vehicles	262,251	244,663
Accumulated depreciation	(131,028)	(136,445)
	131,223	108,218
Total right-of-use asset	193,409	188,458

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 10: Right-of-use Assets (Continued)

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles	Office Equipment	Total
	\$	\$	\$
Balance at 1 July 2021	148,418	24,567	172,985
Additions	-	78,969	78,969
Disposals	(2,576)	-	(2,576)
Depreciation expense	(37,624)	(23,296)	(60,920)
Carrying amount at 30 June 2022	108,218	80,240	188,458
Balance at 1 July 2022	108,218	80,240	188,458
Additions	74,241	-	74,241
Disposals	(16,808)	-	(16,808)
Depreciation expense	(34,428)	(18,054)	(52,482)
Carrying amount at 30 June 2023	131,223	62,186	193,409

ii) AASB 16 related amounts recognised in the statement of profit or loss

	2023	2022
	\$	\$
Depreciation charge related to right-of-use assets	52,482	60,920
Interest expense on lease liabilities	8,012	5,553

iii) Movements in carrying amounts of lease liabilities

As at 1 July	207,517	183,452
Additions	56,496	76,393
Payments	(41,071)	(57,881)
Interest charged	8,012	5,553
As at 30 June	230,954	207,517

Note 11: Trade and Other Payables

CURRENT

Financial liabilities at amortised cost

Trade payables	261,947	492,176
Accruals and other payables	196,633	41,677
	458,580	533,853

The average credit period on trade and other payables is 30 days. No interest is payable on outstanding payables during this period.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 12: Contract Liabilities

CURRENT

Revenue received in advance	130,985	149,009
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Note 13: Provisions

	2023	2022
	\$	\$
CURRENT		
Annual leave – office bearers	-	-
Annual leave – employees	175,234	186,551
Long service leave– office bearers	-	-
Long service leave– employees	255,035	232,869
	430,269	419,420
NON-CURRENT		
Long service leave– office bearers	-	-
Long service leave– employees	47,962	20,705
	47,962	20,705
Total provisions	478,231	440,125

Analysis of provisions

	Employees	Office bearers
Opening balance at 1 July 2022	440,125	-
Additional provisions	197,830	-
Amounts used	(159,724)	-
Balance at 30 June 2023	478,231	-

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Association does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 14: Borrowings

	Note	2023 \$	2022 \$
CURRENT			
Bank loan secured		350,000	-
NON-CURRENT			
Bank loan secured		-	450,000
a. Assets pledged as security			
Freehold buildings	9	7,995,000	8,200,000
b. Unused facility limit			
Facility limit		500,000	500,000
Drawn borrowings		(350,000)	(450,000)
Unused facility		150,000	50,000

c. Facility details

The interest rate is BBSY plus a margin of 1.26% and the date of maturity is 25 November 2023.

The Association is currently considering its financing options and intends to refinance the facility closer to maturity.

Note 15: Tax

	Opening Balance \$	Charged to P/L \$	Charged Directly to Equity \$	Closing Balance \$
2022				
Deferred tax liability on:				
Fair value gain on buildings	726,763	-	-	726,763
Right-of-use assets	27,510	2,172	-	29,682
	754,273	2,172	-	756,445
Deferred tax asset on:				
Lease liabilities	28,894	3,790	-	32,684
Provisions	59,346	18,704	-	78,050
Accruals	5,560	(47)	-	5,513
	93,800	22,447	-	116,247
Net deferred tax liability	660,473	(20,275)	-	640,198

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 15: Tax (Continued)

	Opening Balance	Charged to P/L	Charged Directly to Equity	Closing Balance
	\$	\$	\$	\$
2023				
Deferred tax liability on:				
Fair value gain on buildings	726,763	-	(126,895)	599,868
Right-of-use assets	29,682	(4,539)	-	25,143
	<u>756,445</u>	<u>(4,539)</u>	<u>(126,895)</u>	<u>625,011</u>
Deferred tax asset on:				
Lease liabilities	32,684	(2,660)	-	30,024
Provisions	78,050	(15,880)	-	62,170
Accruals	5,513	33,082	-	38,595
	<u>116,247</u>	<u>14,542</u>	<u>-</u>	<u>130,789</u>
Net deferred tax liability	<u>640,198</u>	<u>(19,081)</u>	<u>(126,895)</u>	<u>494,222</u>

Note 16: Reserves

a. Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

Note 17: Contingent Liabilities and Contingent Assets

The Reporting Unit and the Group have no contingent liabilities at 30 June 2023.

Note 18: Events after the reporting period

The Committee of Management is not aware of any significant events since the end of the reporting period.

Note 19: Related Party Transactions

	2023	2022
	\$	\$
a. Key Management Personnel		
Key management personnel compensation:		
Short-term employee benefits		
– Salaries and wages (including annual leave taken)	362,109	344,074
– Annual leave accrued	30,805	29,338
– Honorarium payments	65,000	65,000
Total short-term employee benefits	<u>457,914</u>	<u>438,412</u>

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 19: Related Party Transactions (continued)

a. Key Management Personnel (continued)

	2023	2022
	\$	\$
Post-employment benefits		
– Superannuation	25,292	23,568
Total post-employment benefits	25,292	23,568
Other long term benefits		
– Long service leave accrued	17,399	6,356
Total other long term benefits	17,399	6,356
	500,605	468,336
b. Other related parties		
Capitation fee paid to Australian Hotels Association (National)	255,923	243,817

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 20: Cash Flow Information

	2023	2022
	\$	\$
Reconciliation of cash flows from operating activities with net current year surplus		
Net current year (deficit)/surplus	(399,426)	67,675
Adjustments for:		
– depreciation expense	290,118	296,648
– interest expense on leases	8,012	5,553
– net gain on disposal of property, plant and equipment	(29,415)	(613)
Movements in working capital:		
– (increase)/decrease in trade and other receivables	(507,099)	1,143,725
– (increase)/decrease in other assets	(13,117)	(78,217)
– increase/(decrease) in trade and other payables	(75,273)	310,492
– increase/(decrease) in contract liabilities	(18,024)	(891,366)
– Increase/(decrease) in deferred tax liabilities	(19,081)	(20,275)
– Increase/(decrease) in provisions	38,106	64,999
Net cash generated by operating activities	(725,199)	898,621

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 21: Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, receivables and payables, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments*, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 \$	2022 \$
Financial assets			
Financial assets at amortised cost			
– Cash and cash equivalents	6	1,904,802	2,814,656
– Trade and other receivables	7	986,017	478,918
Total financial assets		2,890,819	3,293,574
Financial liabilities			
Financial liabilities at amortised cost:			
– Trade and other payables	11	458,580	533,853
– Borrowings	14	350,000	450,000
– Lease liabilities		230,954	207,517
Total financial liabilities		1,039,534	1,191,370

Financial Risk Management Policies

The Association's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The treasurer monitors the Association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

The treasurer's overall risk management strategy seeks to ensure that the Association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Association is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.

Credit risk is managed through the maintaining of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 21: Financial Risk Management (Continued)

a. Credit risk (Continued)

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions).

There is no collateral held by the Association securing trade and other receivables.

The Association has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 7(a).

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

b. Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Association does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	458,580	533,853	-	-	-	-	458,580	533,853
Borrowings	350,000	-	-	450,000	-	-	350,000	450,000
Lease liabilities	94,836	58,371	136,118	149,146	-	-	230,954	207,517
Total contractual outflows	903,416	592,224	136,118	599,146	-	-	1,039,534	1,191,370
Total expected outflows	903,416	592,224	136,118	599,146	-	-	1,039,534	1,191,370

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 21: Financial Risk Management (Continued)

b. Liquidity risk (Continued)

Financial liability and financial asset maturity analysis (Continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets – cash flows								
realisable								
Cash and cash equivalents	1,904,820	2,814,656	-	-	-	-	1,904,802	2,814,656
Trade and other receivables	986,017	478,918	-	-	-	-	986,017	478,918
Total anticipated inflows	2,890,819	3,293,574	-	-	-	-	2,890,819	3,293,574
Net (outflow)/inflow expected on financial instruments	1,987,403	2,701,350	(136,118)	(599,146)	-	-	1,851,285	2,102,204

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Association to interest rate risk are limited to lease liabilities, borrowings and cash on hand.

The Association also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Sensitivity analysis

The following table illustrates sensitivities to the Association's exposures to changes in interest rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in interest rates.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Current Surplus	Equity
Year ended 30 June 2023	\$	\$
+/- 2% in interest rates	38,096	38,098
Year ended 30 June 2022		
+/- 2% in interest rates	47,293	47,293

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 21: Financial Risk Management (Continued)

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 22 for detailed disclosures regarding the fair value measurement of the Association's financial assets and financial liabilities.

		2023		2022		
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
		\$	\$	\$	\$	
Financial assets						
–	Cash and cash equivalents	6	1,904,802	1,904,802	2,814,656	2,814,656
–	Trade and other receivables	7	986,017	986,017	478,918	478,918
Total financial assets			2,890,819	2,890,819	3,293,574	3,293,574
Financial liabilities						
–	Trade and other payables	11	458,580	458,580	533,853	533,853
–	Borrowings	14	350,000	350,000	450,000	450,000
–	Lease liabilities		230,954	230,954	207,517	207,517
Total financial liabilities			1,039,534	1,039,534	1,191,370	1,191,370

Note 22: Fair Value Measurements

The Association measures and recognises buildings at fair value on a recurring basis after initial recognition:

The Association does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 22: Fair Value Measurements (Continued)

a. Fair Value Hierarchy (Continued)

Valuation techniques

The Association selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Association are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach* converts estimated future cash flows or income and expenses into a single current (i.e., discounted) value.
- *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Association's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy:

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2023					
Recurring fair value measurements					
<i>Non-financial assets</i>					
– Buildings	9	-	-	7,995,000	7,995,000
Total assets recognised at fair value on a recurring basis		-	-	7,995,000	7,995,000
2022					
Recurring fair value measurements					
<i>Non-financial assets</i>					
– Buildings	9	-	-	8,200,000	8,200,000
Total assets recognised at fair value on a recurring basis		-	-	8,200,000	8,200,000

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 22: Fair Value Measurements (Continued)

b. Valuation techniques and significant unobservable inputs used in level 3 fair value measurement

Description	Valuation techniques	Significant unobservable inputs
Buildings at fair value	Market approach using recent observable market data for similar properties	Rent per square metre per annum and capitalisation rate

Note 23: Reconciliation of Liabilities from Financing Cash Flows

	1 July 2022	Cash flows	Interest charge	Additions	30 June 2023
	\$	\$	\$	\$	\$
Borrowings	450,000	(100,000)	-	-	350,000
Lease liabilities	207,517	(48,578)	8,012	80,027	230,954
Total	657,517	(148,578)	8,012	80,027	580,954

Note 24: Parent Information

	2023	2022
	\$	\$
Statement of Financial Position		
Assets		
Total assets	-	-
Liabilities		
Total liabilities	-	-
Net assets	-	-
Equity		
Total equity	-	-

Statement of Profit or Loss and Other Comprehensive Income

Net surplus for the year	-	-
Total comprehensive income for the year	-	-

Guarantees

Australian Hotels Association (Victoria Branch) has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

Contingent liabilities

The Reporting Unit has no contingent liabilities at 30 June 2023 (2022: Nil).

Contractual commitments

The Reporting Unit has no contractual commitments at 30 June 2023 (2022: Nil).

Australian Hotels Association (Victoria Branch)

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

Note 25: Reporting Unit Details

The registered office and principal place of business of the Reporting Unit is:

Australian Hotels Association (Victoria Branch)
Level 1, 1 Little Collins Street
Melbourne VIC 3000

Note 26: Additional Disclosures - S253 of 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).

Note 27: Administration of financial affairs by a third party

Australian Hotels and Hospitality Association Inc. provides Australian Hotels Association (Victoria Branch) with all administrative and advocacy services. The services are governed by a services agreement between the two entities. The fee for services provided in 2023 is \$1,002,430 (2022: \$953,472).

Australian Hotels Association (Victoria Branch)

Officer Declaration Statement For the year ended 30 June 2023

I, David Canny, being the President of Australian Hotels Association (Victoria Branch), declare that the following activities did not occur during the reporting period ending 30 June 2023.

The Reporting Unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay wages and salaries to employees (other than holders of office)
- pay superannuation to employees (other than holders of office)
- pay leave and other entitlements to employees (other than holders of office)
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer:

Dated: 12th September 2023

Australian Hotels Association (Victoria Branch)

Committee of Management Statement For the year ended 30 June 2023

On 12 September 2023, the Members of the Committee of Management (Board of Directors) of the Australian Hotels Association (Victoria Branch) passed the following resolution in relation to the general-purpose financial report (GPFR) for the financial year ended 30 June 2023:

The Board of Directors declares in relation to the general purpose financial report that in its opinion:

- a) The consolidated financial statements and notes comply with the Australian Accounting Standards;
- b) The consolidated 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 consolidated 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;
- e) During the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the board of directors were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - 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;
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act;
 - 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner;
 - 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.

Name: David Canny
Title of office held: President

Name: Paul Stocks
Title of office held: Treasurer

Signature: 

Signature: 

Date: 12th September 2023

Date: 12th September 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

Opinion

We have audited the financial report of Australian Hotels Association (Victoria Branch) (the Reporting Unit) and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 (the Financial Report).

In our opinion, the accompanying Financial Report presents fairly, in all material aspects, the financial position of the Group as at 30 June 2023, 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 Act).

I declare that management's use of the going concern basis in the preparation of the Financial Report of the Group 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 Group in accordance with the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The committee of management are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the Financial Report and our auditor's report thereon.

Our opinion on the Financial Report does not cover the other information and accordingly we 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.

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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 the Committee of Management for the Financial Report

The committee of management of the Group is responsible for the preparation of the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the 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 are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 this 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 Group'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 Group'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 Group 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 Group to express an opinion on the Financial Report. We are responsible for the direction, supervision and performance of the Group 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 Act.



SW Audit

Chartered Accountants



Hayley Underwood

Partner

Melbourne, 12 September 2023

Registration number: AA2017/54

Australian Hotels Association (Victoria Branch)

Certificate by Prescribed Designated Officer For the year ended 30 June 2023

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

- That the documents lodged herewith are copies of the full report for the Australian Hotels Association (Victoria Branch) for the period referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- Approval of the full report by the Committee of Management occurred on the 12th of September 2023;
- That the full report was provided to members of the Reporting Unit on the 18th of September 2023; and
- That the full report was presented to a general meeting of members of the reporting unit on the 10th of October 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



David Canny, President

Dated this 10th day of October 2023