



17 July 2024

Michael Capezio  
President  
Australian Hotels Association - Australian Capital Territory Branch

Sent via email: [actaha@actaha.org.au](mailto:actaha@actaha.org.au)

CC: [gmurphy@nexiacanberra.com.au](mailto:gmurphy@nexiacanberra.com.au)

Dear Michael Capezio

**Australian Hotels Association - Australian Capital Territory Branch  
Financial Report for the year ended 31 December 2022 – FR2022/229**

I acknowledge receipt of the amended financial report for the year ended 31 December 2022 for the Australian Hotels Association - Australian Capital Territory Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 9 July 2024.

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

I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these matters have been addressed prior to filing next year's report.

**1. Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the Commission website, in particular, the fact sheet 'Financial reporting process' which explains the timeline requirements, and the fact sheet 'summary of financial reporting timelines' which sets out the timelines in diagrammatical format. The Commission website also contains a '[Compliance Calculator](#)' to help organisations comply with the RO Act timelines.

I note that the following timescale requirements were not met:

**Preparation of general purpose financial report (GPFR)**

Sections 253 and 254 of the RO Act require that a GPFR and an operating report be prepared as soon as practicable after the end of the financial year. Section 266 requires that the financial report be presented to a general meeting of members or a committee of management meeting within six months after the end of the financial year. In the absence of an extension of time for holding a general meeting (see section 265(5)) the latest possible date for lodgement with the Fair Work Commission is six months and 14 days after the end of the financial year.

## **2. General Purpose Financial Report (GPFR)**

### Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 14(g)(v) - pay other employee expenses to employees (other than holders of office)

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**

# **Australian Hotels Association ACT**

**ABN: 37 315 422 917**

## **Financial Statements**

**For the year ended 31 December 2022**

**Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

## **Financial Statements 2022**

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**Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

Section 268 Fair Work (Registered Organisations) Act 2009

## **Certificate by Prescribed Designated Officer**

Certificate for the year ended 31 December 2022

I, Michael Capezio, being the President of the Australian Hotels Association ACT certify:

- that the documents lodged herewith are copies of the full report for the Australian Hotels Association ACT for the period ended 31 December 2022 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 14 June 2024; and
- that the full report was presented to a general meeting of members of the reporting unit on 8 July 2024 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

*Michael Capezio*

Michael Capezio  
President

Dated 8 July 2024

**Independent audit report to the Members of Australian Hotels Association ACT****Report on the Audit of the Financial Report****Opinion**

I have audited the financial report of Australian Hotels Association ACT (the reporting unit), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2022, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Hotels Association ACT as at 31 December 2022, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

**Basis for Opinion**

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

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

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

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

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

**Audit. Tax. Advisory.**

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Nexia Duesburys (Audit) (ABN 21 841 510 270) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

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

### **Responsibilities of Committee of Management for the Financial Report**

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

In preparing the financial report, the committee of management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. I have nothing to report in this regard.



**Nexia Duesburys (Audit)**

Canberra, 13 June 2024

Registration number (as registered under the RO Act): AA2017/201



**G J Murphy**  
**Partner**



Australian Hotels Association (ACT)

ABN: 37 315 422 917

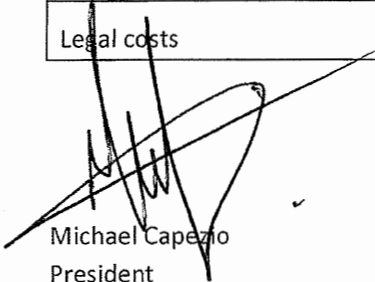
## Report required under subsection 255(2A)

for the year ended 31 December 2022

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2022.

Descriptive form

Categories of expenditures	2022 (\$)	2021 (\$)
Remuneration and other employment-related costs and expenses – employees	145,200	165,526
Advertising	-	79
Operating costs	223,339	152,426
Donations to political parties	4,545	4,545
Legal costs	-	81,131



Michael Capezio  
President

Dated 13 June 2024

**Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

## **Operating report**

for the year ended 31 December 2022

The committee of management presents its operating report on Australian Hotels Association (ACT) (AHA ACT or reporting unit) for the year ended 31 December 2022.

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

The principal activity of the reporting unit during the financial year was to represent and further the interests of the licensed hospitality industry of the Australian Capital Territory.

### **Operating results**

The profit of AHA ACT after providing for income tax amounted to \$82,682 (2021: \$43,310 deficit). Non-financial operating results:

- AHA ACT is one of Australia's leading industry advocacy associations, which represents and advocates for the interests of the licensed hospitality and accommodation sector in Canberra. Its members include licensed pubs, cafes, bars, restaurants, accommodation hotels, and nightclubs in Canberra.
- At both a National and Territory level, the AHA provides leadership and advocates for the industry in a variety of ways, including providing advice to assist members in areas such as regulations, minimising their impact on the environment, the responsible service of alcohol, employment matters, advocacy on key industry issues and how to integrate new products and technologies into hospitality businesses. AHA ACT works and consults with a wide spectrum of stakeholders and Government representatives in the ACT.
- Corporate partners have been assigned as sponsors to all Award categories, maximising sponsorship revenue. The number of Award categories is lower than previous years.
- In the political arena during 2022, AHA ACT remains actively involved in advocating Industry policy positions.
- COVID-19 has resulted in an ongoing impact on corporate partnership revenue, where a sponsor reduced its corporate partnership by a significant amount.

### **Review of operations**

As a federally registered employer association, AHA ACT provides a wide range of industrial relations services to assist members to comply with employment issues, regulatory, and legislative matters.

AHA ACT serves as a lobby group on behalf of industry.

AHA ACT has developed strong relationships with key local and federal parliamentary figures, and with senior public servants in relevant government departments and agencies.

## **Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

### **Significant changes in financial affairs**

There have been no significant changes in the state of financial affairs of AHA ACT during the year.

### **Right of members to resign**

All members of AHA ACT have the right to resign from AHA ACT in accordance with Rule 32 of Australian Hotels Association Rules, (and section 174 of the Fair Work (Registered Organisations) Act of 2009); namely, by providing written notice to the Branch Secretary.

### **Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position**

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

### **Number of members**

The number of persons that were at the end of the financial year recorded in the register of members for Section 230 of the Fair Work (Registered Organisations) Act 2009 was 83.

A register of members of the ACT Branch has been kept and maintained during the immediately preceding calendar year as required by section 230 (1)(a) and (2).

### **Number of employees**

2 employees were employed by the ACT Branch during the financial year. One of the full-time employees was terminated during the 2022 financial year, and one of the full-time employees commenced work during 2022.

**Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

**Names of committee of management members and period positions held during the financial year**

The names of each person who has been a member during the year and to the date of this report are:

Michael Capezio	President	Full Year
Peter Barclay	Vice President	Full Year
Todd Handy	Board Member	Full Year
Andrew Turnbull	Board Member	Full Year
Jane Collins	Board Member	Full Year

The address for all persons named is Level 1, 27 Murray Crescent, Griffith ACT 2603.

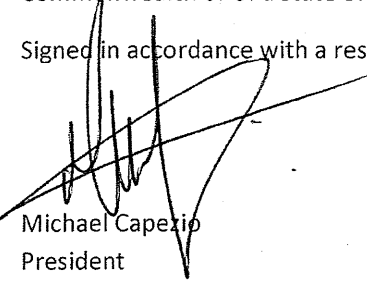
**Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected the operations of ACT AHA, the results of those operations or the state of affairs of ACT AHA in future financial years.

**Environmental Issues**

AHA ACTs' operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

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



Michael Capezio  
President

Dated 13 June 2024

Australian Hotels Association (ACT)

ABN: 37 315 422 917

## Committee of management statement

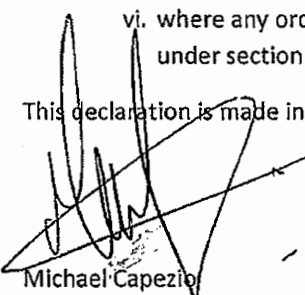
for the year ended 31 December 2022

On 13 /06/ 2024 the Committee of Management of the Australian Hotels Association ACT passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2022:

The Committee of Management declares that in its opinion:

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

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

  
Michael Capezio  
President

Dated 13 Jun 2024

Australian Hotels Association (ACT)

ABN: 37 315 422 917

## Statement of comprehensive income

for the year ended 31 December 2022

	Notes	2022 \$	2021 \$
<b>Revenue from contracts with customers</b>	3		
Membership subscriptions		122,699	117,214
Other sales of goods or services	3A	241,679	192,842
<b>Total revenue from contracts with customers</b>		<b>364,378</b>	310,056
<b>Income for furthering objectives</b>			
Grants and/or donations	3B	8,000	40,000
<b>Total income for furthering objectives</b>		<b>8,000</b>	40,000
<b>Other income</b>			
Other income	3C	83,388	11,341
<b>Total other income</b>		<b>83,388</b>	11,341
<b>Total income</b>		<b>455,766</b>	361,397
<b>Expenses</b>			
Employee expenses	4A	154,700	172,226
Capitation fees and other expense to another reporting unit	4B	29,992	26,359
Administration expenses	4C	45,129	19,617
Donations	4D	4,545	4,645
Depreciation and amortisation	4E	-	49
Legal costs	4F	-	81,131
Other expenses	4G	118,673	89,995
Write-down and impairment of assets	4H	8,681	1,685
Audit fees	12	11,364	9,000
<b>Total expenses</b>		<b>373,084</b>	404,707
<b>Surplus (deficit) for the year</b>		<b>82,682</b>	(43,310)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>82,682</b>	(43,310)

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

Australian Hotels Association (ACT)

ABN: 37 315 422 917

## Statement of financial position

as at 31 December 2022

		2022	2021
	Notes	\$	Restated \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5A	352,485	230,430
Trade and other receivables	5B	46,751	20,832
Other current assets	5C	1,846	-
<b>Total current assets</b>		<b>401,082</b>	<b>251,262</b>
<b>Non-current assets</b>			
Property, plant and equipment	6A	-	-
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>401,082</b>	<b>251,262</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	7A	4,550	3,355
Other payables	7B	21,827	23,505
Employee provisions	8A	26,876	32,489
Contract liabilities	5B	99,311	26,077
<b>Total current liabilities</b>		<b>152,564</b>	<b>85,426</b>
<b>Non-current liabilities</b>			
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>152,564</b>	<b>85,426</b>
<b>Net assets</b>		<b>248,518</b>	<b>165,836</b>
<b>EQUITY</b>			
Retained earnings		248,518	165,836
<b>Total equity</b>		<b>248,518</b>	<b>165,836</b>

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

Australian Hotels Association (ACT)

ABN: 37 315 422 917

## Statement of changes in equity

for the year ended 31 December 2022

	Retained earnings	Total equity
	\$	\$
<b>Balance as at 1 January 2021</b>	222,258	222,258
Adjustment for errors	(13,112)	(13,112)
<b>Adjusted Balance as at 1 January 2021</b>	<b>209,146</b>	<b>209,146</b>
Deficit	(43,310)	(43,310)
Other comprehensive income	-	-
<b>Closing balance as at 31 December 2021</b>	<b>165,836</b>	<b>165,836</b>
Surplus	82,682	82,682
Other comprehensive income	-	-
<b>Closing balance as at 31 December 2022</b>	<b>248,518</b>	<b>248,518</b>

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



**Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

## **Statement of cash flows**

for the year ended 31 December 2022

		2022	2021
	Notes	\$	\$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from customers		414,487	268,843
Donations and Grants		8,000	40,000
Receipts from other reporting unit/controlled entity(s)	9B	26,051	27,500
Interest		1,494	1,228
Other		81,894	10,113
<b>Cash used</b>			
Employees		(154,732)	(154,137)
Suppliers		(222,148)	(215,023)
Payment to other reporting units/controlled entity(s)	9B	(32,991)	(28,995)
<b>Net cash from (used by) operating activities</b>	9A	<b>122,055</b>	<b>(50,471)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Net cash from (used by) investing activities</b>		-	-
<b>FINANCING ACTIVITIES</b>			
<b>Net cash from (used by) financing activities</b>		-	-
<b>Net increase (decrease) in cash held</b>		<b>122,055</b>	<b>(50,471)</b>
Cash & cash equivalents at the beginning of the reporting period		230,430	280,901
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>352,485</b>	<b>230,430</b>

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

**Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

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## **Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

### **Note 1 Summary of significant accounting policies**

#### **1.1 Basis of preparation of the financial statements**

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

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars and are rounded to the nearest dollar.

#### **1.2 Going concern**

AHA ACT is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

#### **1.3 Comparative amounts**

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

#### **1.4 Significant accounting judgements and estimates**

AHA ACT has made the following significant accounting judgements in the process of applying its accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(a) Revenue recognition

Revenue is recognised under AASB 15 when, or as, performance obligations are satisfied. Judgement is exercised in determining whether promises are sufficiently specific and the period over which promised goods or services are provided.

The following estimates have been made in the process of applying AHA ACT's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

(a) Key estimates – receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

## **Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

### **1.5 New Australian Accounting Standards**

The accounting policies adopted are consistent with those of the previous financial year unless stated otherwise. A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no impact on AHA ACT.

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

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

### **1.6 Current versus non-current classification**

AHA ACT presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

AHA ACT classifies all other liabilities as non-current.

## **Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

### **1.7 Revenue**

AHA ACT enters into various arrangements where it receives consideration from another party. These arrangements principally include consideration in the form of membership subscriptions, sponsorships, event income and grants.

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

#### **Revenue from contracts with customers**

Where AHA ACT has a contract with a customer, AHA ACT recognises revenue when or as it transfers control of goods or services to the customer. AHA ACT accounts for an arrangement as a contract with a customer if the following criteria are met:

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

#### **Membership subscriptions**

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of AHA ACT.

If there is only one distinct membership service promised in the arrangement, AHA ACT recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect AHA ACT's promise to stand ready to provide assistance and support to the member as required.

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

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

When a member subsequently purchases additional goods or services from AHA ACT at their standalone selling price, AHA ACT accounts for those sales as a separate contract with a customer.

### **Sponsorships and events income**

For sponsorship and event income, revenue is recognised at the time that related events and activities are held and is generally received in advance. Any income billed but not received at year end is recorded as part of trade debtors. Amounts unbilled and accrued at year end are recognised as contract assets. When income is received prior to the provision of services, a contract liability is recognised.

### **Income of AHA ACT as a Not-for-Profit Entity**

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

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- AHA ACT recognition of the cash contribution does not give rise to any related liabilities.

AHA ACT receives cash consideration from the following arrangements whereby that consideration is recognised as income upon receipt:

- grants

### **Interest income**

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

## **1.8 Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits in the circumstances set out below.

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

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

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

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

### **1.9 Leases**

AHA ACT assesses at contract inception whether a contract is, or contains, a lease.

AHA ACT has one short term lease related to its premises. The lease is recorded at cost and recognised as an expense as incurred.

### **1.10 Cash**

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

### **1.11 Financial instruments**

Financial assets and financial liabilities are recognised when AHA ACT becomes a party to the contractual provisions of the instrument.

### **1.12 Financial assets**

#### **Contract assets and receivables**

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

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

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### **Initial recognition and measurement**

AHA ACT's financial assets include cash and cash equivalents and trade and other receivables.

AHA ACT's financial assets are classified as financial assets subsequently measured at amortised cost because both of the following conditions are met:

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

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset.

AHA ACT initially measures a financial asset at its fair value plus transaction costs. However, contract assets and trade receivables that do not contain a significant financing component are measured at the transaction price as determined in accordance with the revenue policy in Note 1.7.

### **Subsequent measurement**

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

### **Impairment**

#### **Expected credit losses (ECLs)**

##### **i. Trade receivables and contract assets**

For trade receivables that do not have a significant financing component, the AHA ACT applies a simplified approach in calculating ECLs. Therefore, the AHA ACT does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The AHA ACT has established a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## **1.13 Financial Liabilities**

### **Initial recognition and measurement**

AHA ACT's financial liabilities include trade and other payables.

AHA ACT's financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

These financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.



**Subsequent measurement**

**Financial liabilities at amortised cost**

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

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

**1.14 Liabilities relating to contracts with customers**

**Contract liabilities**

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

**1.15 Contingent liabilities and contingent assets**

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

**1.16 Plant and equipment**

**Asset recognition threshold**

Purchases of plant and equipment are recognised initially at cost in the statement of financial position.

**Depreciation**

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

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

	<b>2022</b>	<b>2021</b>
Plant and equipment	-	5 years

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### **Derecognition**

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

### **1.17 Taxation**

AHA ACT is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

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

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

### **1.18 Prior period restatement**

Prior period figures have been restated for errors totalling \$13,112. The errors have resulted in the restatement of equity as disclosed in the statement of changes in equity, as well as an increase in other payables from \$10,393 to \$23,505. There has been no impact on the comparative profit or loss as a result of the errors.

### **Note 2 Events after the reporting period**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of AHA ACT, the results of those operations, or the state of affairs of AHA ACT in subsequent financial periods.

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2022	2021
\$	\$

**Note 3 Revenue and income****Disaggregation of revenue from contracts with customers**

A disaggregation of AHA ACT's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

**Type of customer**

Members	<b>122,699</b>	117,214
Sponsors and event attendees	<b>217,996</b>	167,842
National office	<b>23,683</b>	25,000
<b>Total revenue from contracts with customers</b>	<b>364,378</b>	310,056

**Note 3A: Other sales of goods and services**

Sponsorship general	<b>117,371</b>	102,398
Awards for Excellence income	<b>100,625</b>	65,444
National office reimbursement	<b>23,683</b>	25,000
<b>Total revenue from contracts with customers</b>	<b>241,679</b>	192,842

**Note 3B: Grants and/or donations**

Cash flow boost/Grant	<b>8,000</b>	40,000
Donations	-	-
<b>Total grants and donations</b>	<b>8,000</b>	40,000

**Note 3C: Other income**

Merchant fees	<b>133</b>	144
Insurance recoveries	<b>81,761</b>	-
JobKeeper	-	9,900
Refunds	-	69
Interest income	<b>1,494</b>	1,228
<b>Total other income</b>	<b>83,388</b>	11,341

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**2022**                      **2021**  
**\$**                              **\$**

**Note 4 Expenses**

**Note 4A: Employee expenses**

**Holders of office:**

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	<b>9,500</b>	<b>6,700</b>
<b>Subtotal employee expenses holders of office</b>	<b>9,500</b>	<b>6,700</b>

**Employees other than office holders:**

Wages and salaries	<b>137,313</b>	<b>134,358</b>
Superannuation	<b>13,500</b>	<b>13,079</b>
Leave and other entitlements	<b>(5,613)</b>	<b>18,089</b>
<b>Subtotal employee expenses employees other than office holders</b>	<b>145,200</b>	<b>165,526</b>
<b>Total employee expenses</b>	<b>154,700</b>	<b>172,226</b>

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

**Capitation fees**

Capitation fees	<b>10,223</b>	<b>9,859</b>
<b>Subtotal capitation fees</b>	<b>10,223</b>	<b>9,859</b>

**Other expense to another reporting unit**

Rent	<b>12,894</b>	<b>12,500</b>
Industrial services	<b>6,875</b>	<b>4,000</b>
<b>Subtotal other expense to another reporting unit</b>	<b>19,769</b>	<b>16,500</b>
<b>Total capitation fees and other expense to another reporting unit</b>	<b>29,992</b>	<b>26,359</b>

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	2022	2021
	\$	\$
<b>Note 4C: Administration expenses</b>		
Conference and meeting expenses	21,583	5,078
Recruitment costs	11,450	-
Office expenses	-	167
Other	12,096	14,372
<b>Total administration expense</b>	<b>45,129</b>	<b>19,617</b>
<b>Note 4D: Donations</b>		
Donations:		
Total expensed that were \$1,000 or less	-	100
Total expensed that exceeded \$1,000	4,545	4,545
<b>Total Donations</b>	<b>4,545</b>	<b>4,645</b>
<b>Note 4E: Depreciation and amortisation</b>		
Depreciation		
Plant and equipment	-	49
<b>Total depreciation</b>	<b>-</b>	<b>49</b>
<b>Note 4F: Legal costs</b>		
Litigation	-	81,131
<b>Total Legal costs</b>	<b>-</b>	<b>81,131</b>
<b>Note 4G: Other expenses</b>		
Awards for Excellence	113,473	87,203
Sponsorship	2,000	-
Accounting fees	3,200	2,792
<b>Total other expenses</b>	<b>118,673</b>	<b>89,995</b>
<b>Note 4H: Write-down and impairment of assets</b>		
<b>Asset write-downs and impairments of:</b>		
Receivables	8,681	1,685
<b>Total asset write-downs and impairments</b>	<b>8,681</b>	<b>1,685</b>

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**Note 5 Current Assets**

	2022	2021
	\$	\$

**Note 5A: Cash and cash equivalents**

Cash at bank	352,485	230,430
<b>Total cash and cash equivalents</b>	<b>352,485</b>	<b>230,430</b>

**Note 5B: Trade and other receivables**

**Receivables**

Trade debtors	47,204	18,101
<b>Total receivables</b>	<b>47,204</b>	<b>18,101</b>

Less allowance for expected credit losses	(2,958)	-
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<b>Total allowance for expected credit losses</b>	<b>(2,958)</b>	<b>-</b>
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<b>Receivables (net)</b>	<b>44,246</b>	<b>18,101</b>
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**Other receivables:**

GST receivable	2,482	2,731
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Other	23	-
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<b>Total other receivables</b>	<b>2,505</b>	<b>2,731</b>
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<b>Total trade and other receivables (net)</b>	<b>46,751</b>	<b>20,832</b>
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The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 January 2022	-	-
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Provision for expected credit losses	2,958	-
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<b>At 31 December 2022</b>	<b>2,958</b>	<b>-</b>
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AHA ACT has recognised the following assets and liabilities related to contracts with customers:

**Receivables**

Receivables – current	44,246	18,101
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**Other contract liabilities**

Contract liabilities – current	99,311	26,077
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The significant change between opening and closing balances of receivables primarily relates to the timing of issuing invoices for sponsorship.

The significant change between opening and closing balances of contract liabilities primarily relates to the timing of issuing invoices and receipt of money for sponsorships and subscriptions.

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Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$26,077.

AHA ACT expects the balance of contract liabilities at 31 December to be recognised as revenue within 12 months of year end.

2022	2021
\$	\$

### Note 5C: Other current assets

Prepayments	1,846	-
<b>Total other current assets</b>	<b>1,846</b>	<b>-</b>

### Note 6 Non-current Assets

#### Note 6A: Property, Plant and Equipment

2022

	Plant and Equipment	Total
	\$	\$
Property, Plant and Equipment:		
carrying amount	-	-
accumulated depreciation	-	-
<b>Total Property, Plant and Equipment</b>	<b>-</b>	<b>-</b>

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

<b>Net book value 1 January 2022</b>	-	-
Additions	-	-
Depreciation expense	-	-
Disposals	-	-
<b>Net book value 31 December 2022</b>	<b>-</b>	<b>-</b>
<b>Net book value as of 31 December 2022 represented by:</b>	<b>-</b>	<b>-</b>
Gross book value	-	-
Accumulated depreciation and impairment	-	-
<b>Net book value 31 December 2022</b>	<b>-</b>	<b>-</b>

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2021

	Plant and Equipment \$	Total \$
Property, Plant and Equipment:		
carrying value	7,934	7,934
accumulated depreciation	(7,934)	(7,934)
<b>Total Property, Plant and Equipment</b>	<b>-</b>	<b>-</b>

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

<b>Net book value 1 January 2021</b>	49	49
Depreciation expense	(49)	(49)
<b>Net book value 31 December 2021</b>	<b>-</b>	<b>-</b>
<b>Net book value as of 31 December 2021 represented by:</b>		
Gross book value	7,934	7,934
Accumulated depreciation	(7,934)	(7,934)
<b>Net book value 31 December 2021</b>	<b>-</b>	<b>-</b>

2022	2021
\$	\$

**Note 7 Current Liabilities****Note 7A: Trade payables**

Trade creditors	1,092	3,335
<b>Subtotal trade creditors</b>	<b>1,092</b>	<b>3,335</b>

**Payables to other reporting units**

AHA National office	433	-
Queensland Hotels Association	3,025	-
<b>Subtotal payables to other reporting units</b>	<b>3,458</b>	<b>-</b>
<b>Total trade payables</b>	<b>4,550</b>	<b>3,335</b>

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Wages and salaries accrual	5,525	-
Superannuation	3,198	3,142
Accounting and audit fees accrual	16,020	12,067
PAYG payable/(receivable)	(6,441)	4,222
Other	3,525	4,074
<b>Total other payables</b>	<b>21,827</b>	<b>23,505</b>



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	2022	2021
	\$	\$
Total other payables are expected to be settled in:		
No more than 12 months	21,827	23,505
More than 12 months	-	-
<b>Total other payables</b>	<b>21,827</b>	<b>23,505</b>

**Note 8 Provisions****Note 8A: Employee provisions****Employees other than office holders:**

Annual leave	26,876	19,834
Long service leave	-	12,655
<b>Total employee provisions</b>	<b>26,876</b>	<b>32,489</b>
Current	26,876	32,489
Non-current	-	-
<b>Total employee provisions</b>	<b>26,876</b>	<b>32,489</b>

**Note 9 Cash Flow****Note 9A: Cash flow reconciliation****Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:****Cash and cash equivalents as per:**

Statement of cash flows	352,485	230,430
Statement of financial position	352,485	230,430
<b>Difference</b>	<b>-</b>	<b>-</b>

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

Surplus/(deficit) for the year	82,682	(43,310)
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**Adjustments for non-cash items**

Depreciation/amortisation	-	49
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**Changes in assets/liabilities**

(Increase)/decrease in net receivables	(25,919)	4,540
(Increase)/decrease in prepayments	(1,846)	804
Increase/(decrease) in trade and other payables	(483)	(18,252)
Increase/(decrease) in contract liabilities	73,234	(12,392)
Increase/(decrease) in employee provisions	(5,613)	18,090
<b>Net cash from (used by) operating activities</b>	<b>122,055</b>	<b>(50,471)</b>

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2022	2021
\$	\$

### Note 9B: Cash flow information

#### Cash inflows

AHA National office reimbursement	26,051	27,500
<b>Total cash inflows</b>	<b>26,051</b>	<b>27,500</b>

#### Cash outflows

AHA National office rent	14,184	13,750
AHA National office capitation fees	11,245	10,845
Queensland Hotels Association industrial services	7,562	4,400
<b>Total cash outflows</b>	<b>32,991</b>	<b>28,995</b>

### Note 10 Contingent Liabilities, Assets and Commitments

#### Note 10A: Commitments and contingencies

In the 2021 year, there was a contingent asset in relation to an insurance reimbursement of legal costs of approximately \$81,000. An amount of \$81,761 was reimbursed during the 2022 year. At 31 December 2022, there are no contingent assets or contingent liabilities.

#### Note 11 Related Party Disclosures

##### Note 11A: Related party transactions for the reporting period

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

2022	2021
\$	\$

#### Revenue received from related parties includes the following:

AHA National office reimbursement of costs	23,683	25,000
--	--------	--------

#### Expenses paid to related parties includes the following:

AHA National office rent	12,894	12,500
AHA National office capitation fees	10,223	9,859
Queensland Hotels Association industrial services	6,875	4,000

There were no amounts owed from related parties at the end of the financial year (2021: nil). Amounts payable to related parties are disclosed in Note 7A.

#### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, AHA ACT has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2021: \$nil). This

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assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

2022	2021
\$	\$

### Note 11B: Key management personnel remuneration for the reporting period

#### Short-term employee benefits

Salary (including annual leave taken)	137,313	134,358
Annual leave accrued	7,042	5,434
Other employee benefits	9,500	6,700
<b>Total short-term employee benefits</b>	<b>153,855</b>	<b>146,492</b>

#### Post-employment benefits

Superannuation	13,500	13,079
<b>Total post-employment benefits</b>	<b>13,500</b>	<b>13,079</b>

#### Other long term benefits

Long service leave accrued	(12,655)	12,655
<b>Total other long term benefits</b>	<b>(12,655)</b>	<b>12,655</b>

### Note 12 Remuneration of Auditors

#### Value of the services provided

Financial statement audit services	11,364	9,000
Other services	-	-
<b>Total remuneration of auditors</b>	<b>11,364</b>	<b>9,000</b>

### Note 13 Financial Instruments

AHA ACT has financial instruments that are cash or cash equivalents, trade receivables and trade and other payables that are carried at amortised cost.

### Note 13A: Categories of Financial Instruments

#### Financial assets

##### At amortised cost:

Cash at bank	352,485	230,430
Trade debtors	44,246	18,101
<b>Total</b>	<b>396,731</b>	<b>248,531</b>
<b>Carrying amount of financial assets</b>	<b>396,731</b>	<b>248,531</b>

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	2022	2021
	\$	\$
<b>Financial liabilities</b>		
At amortised cost:		
Trade creditors	4,550	3,355
Other payables	21,827	23,505
<b>Total</b>	<u>26,377</u>	<u>26,860</u>
<b>Carrying amount of financial liabilities</b>	<u>26,377</u>	<u>26,860</u>

AHA ACT assessed that the carrying amounts of financial assets and financial liabilities above approximate their fair value largely due to the short term maturities of these instruments.

**Note 13B: Net income and expense from financial assets**

**Financial assets at amortised cost**

Interest revenue	1,494	1,228
Impairment expense	(8,681)	(1,685)
<b>Net income/(expense) from financial assets</b>	<u>(7,187)</u>	<u>(457)</u>

**Note 13C: Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. AHA ACT is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits held with banks. Set out below is the information about the ageing of receivables and contract assets and the expected credit losses:

	Trade receivables and contract assets					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
<b>31 December 2022</b>						
Gross carrying amount	-	32,890	300	-	14,014	47,204
Expected credit loss	-	-	-	-	(2,958)	(2,958)
<b>31 December 2021</b>						
Gross carrying amount	11,000	-	-	-	7,101	18,101
Expected credit loss	-	-	-	-	-	-

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For trade receivables and contract assets, customer credit risk is managed in accordance with AHA ACT's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date based on available information specific to individual debtors and knowledge of collections subsequent to year end. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. AHA ACT does not hold collateral as security. AHA ACT evaluates the concentration of risk with respect to trade receivables and contract assets as low.

Credit risk from balances with banks and financial institutions is managed by ensuring that funds are held with reputable financial institutions.

AHA ACT's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2022 and 2021 is the carrying amounts as illustrated above.

### **Note 13D: Liquidity risk**

Liquidity risk is the risk that AHA ACT will encounter difficulties in meeting obligations associated with its financial liabilities. Liquidity risk is managed by ensuring that sufficient cash is held to meet these liabilities. All financial liabilities are expected to be settled within 12 months.

### **Note 13D: Interest rate risk**

Given the value and nature of financial instruments held by AHA ACT, it is assessed that AHA ACT has a low exposure to interest rate risk.

### **Note 14 Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or the General Manager:

1. A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

## Australian Hotels Association (ACT)

ABN: 37 315 422 917

### Officer declaration statement

I, Michael Capezio, being the President of the Australian Hotels Association (ACT), declare that the following activities did not occur during the reporting period ending 31 December 2022.

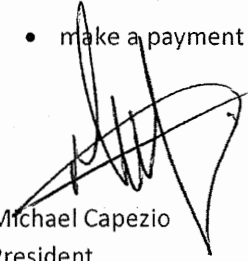
AHA ACT did not:

- 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
- recognise any revenue from volunteer services
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay affiliation fees to another entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay separation and redundancy 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 to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation

**Australian Hotels Association (ACT)**

**ABN: 37 315 422 917**

- have a payable in respect of legal costs relating to other legal matters
- have a annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a long service leave provision in respect of employees (other than 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
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Michael Capezio  
President

Dated: 13 June 2024



22 February 2024

Michael Capezio  
President  
Australian Hotels Association - Australian Capital Territory Branch

Sent via email: [actaha@actaha.org.au](mailto:actaha@actaha.org.au)

CC: [mark.peatey@psqd.com.au](mailto:mark.peatey@psqd.com.au)

Dear Michael Capezio

**Australian Hotels Association - Australian Capital Territory Branch  
Financial Report for the year ended 31 December 2022 – FR2022/229**

I acknowledge receipt of the financial report for the year ended 31 December 2022 for the Australian Hotels Association - Australian Capital Territory Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 19 January 2024.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The committee of management statement, operating report, general purpose financial report (GPFR) and auditor's statement will require amendments. The amended report will need to be approved by the committee of management, provided to members and lodged with the Commission with a new designated officer's certificate.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 5<sup>th</sup> edition of the reporting guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

To assist with the preparation of financial reports, organisations should consult the template model financial statements which is available from the Commission website.

## **1. Committee of management statement**

### Date of resolution

Item 27 of the reporting guidelines requires that the committee of management statement be made in accordance with such resolution as is passed by the committee of management. Such statement must also specify the date of the resolution. I note that the date of the resolution was not provided. Please amend the committee of management statement to include this date.



## 2. Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the Commission website, in particular, the fact sheet 'Financial reporting process' which explains the timeline requirements, and the fact sheet 'summary of financial reporting timelines' which sets out the timelines in diagrammatical format. The Commission website also contains a ['Compliance Calculator'](#) to help organisations comply with the RO Act timelines.

I note that the following timescale requirements were not met:

### Committee of management statement must be audited

The committee of management statement lodged with the financial report was dated 7 December 2023, which is after the statements were audited. Section 257(1) of the RO Act requires the full report, which includes the committee of management statement, to be audited.

After the GPFR has been prepared, but before it has been audited, the reporting unit's committee of management is required to meet and pass a resolution that contains certain declarations as specified in reporting guideline 26. The reporting unit is required to ensure that the committee of management meets prior to the audit of the GPFR.

If the dates specified on the committee of management statement and the auditor's statement are correct, the reporting unit is required to resubmit the financial statements, the notes to the statements and the committee of management statement to audit. The audit report is required to include the committee of management statement in its scope.

### Reports must be provided to members at least 21 days before general meeting

Under section 265(5)(a) of the RO Act, where the report is presented to a general meeting of members, the report must be provided to members at least 21 days before that meeting. The designated officer's certificate states that the financial report was provided to members on 8 November 2023 and presented to a general meeting of members on 8 November 2023.

If these dates are correct, the reporting unit only provided members with the financial report on the same day as the general meeting.

### Reports must be presented to general meeting within 6 months after end of financial year

Under section 266(1) of the RO Act, the report must be presented to a general meeting of members within 6 months after the end of the financial year. The designated officer's certificate states that the financial report was presented to a general meeting of members on 8 November 2023.

### Documents must be lodged with the Commission within 14 days after general meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the Commission within 14 days after the general meeting of members referred to in section 266.

The designated officer's certificate indicates that this meeting occurred on 8 November 2023. If this is correct the documents should have been lodged with the Commission by 22 November 2023.

The full report was not lodged until 19 January 2024.

If this date is correct, the reporting unit should have applied to the General Manager of the Fair Work Commission for an extension of time to allow a longer period to lodge the required documents.

Please note that in future financial years if the reporting unit cannot lodge within the 14 day period prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 14 day period.

### 3. Operating report

#### Trustee of superannuation entity

Subsection 254(2)(d) of the RO Act requires details of any officer or member of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme.

If no officers or a member of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the subsection 254(2)(d) is:

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

Please amend the operating report accordingly.

### 4. General Purpose Financial Report (GPFR)

#### Application of Tier 1 reporting requirements

Paragraph 8 of the reporting guidelines states:

It is a requirement that all reporting units apply the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards*.

Note 2 to the financial statements states that 'the financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements...']].

The reporting unit is required to prepare the financial statements for the year ended 31 December 2022 in accordance with the Tier 1 reporting requirements.

#### For-profit or not-for profit entity

Australian Accounting Standard AASB 1054 *Australian Additional Disclosures* paragraph 8(b) requires the entity to disclose whether, for the purpose of preparing the financial statements, it is a for-profit or not-for-profit entity.

This information has not been provided.

#### General purpose financial report to be prepared

Section 253 of the RO Act requires that '...a reporting unit must cause a general purpose financial report to be prepared...'.

Please amend the reporting unit's financial report to ensure it has been prepared in accordance with section 253 of the RO Act. You may need to discuss this with your auditor.

#### New and Future Australian Accounting Standards

Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraphs 28 and 30 require that the entity disclose:

- Australian Accounting Standards adopted during the period; and
- Australian Accounting Standards issued but not yet effective with an assessment of the future impact of the standard on the entity.

This information has not been provided.

### Related party transactions

AASB 124 *Related Party Disclosures* paragraph 18 states that when an entity has had related party transactions during the reporting period it must disclose the nature of the related party relationship, as well as information about those transactions and outstanding balances including commitments.

Note 23 to the GPFR contains information in relation to related party transactions however it does not provide all the disclosures required by AASB 124 paragraph 18.

Please amend accordingly.

### Financial instruments disclosures

Australian Accounting Standard AASB 7 *Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

Some disclosures have been made at Note 17. However, it is expected that all the disclosures required by AASB 7 be provided.

Please amend accordingly.

### Separate disclosure of revenue from contracts with customers

Revenue recognised from contracts with customers must be **separately** disclosed from other sources of revenue (see paragraph 113(a)). It can be separately disclosed in either the statement of comprehensive income or in the notes. It does not appear that revenue from contracts with customers has been separately identified in the reporting units financial report.

Please include a heading 'revenue from contracts with customers' either within the statement of comprehensive income or in the notes to ensure compliance with the disclosure requirements under AASB 15.

### Disaggregation of revenue from contracts with customers

The revenue from contracts should be disaggregated into categories depicting the nature, amount, timing and uncertainty of revenue and cash flows (see paragraph 114). It does not appear that this disaggregation of revenue from contracts is included in the reporting units financial report. Examples of categories that might be appropriate may include (AASB 15 paragraph B89):

- Types of goods and services;
- Markets or types of customers;
- Types of contracts;
- Contract duration; and
- Timing of transfer of goods

Please determine which categories are most appropriate for the reporting unit and amend your financial report accordingly.

### AASB 1058 - Separate disclosure of income of not-for-profit entities

Australian Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* paragraph 26 requires an entity to disclose income recognised during the period, disaggregated into categories that reflect how the nature and amount of income are affected by economic factors based on the following categories:

- a. grants, bequests and donations of cash, other financial assets and goods;
- b. recognised volunteer services; and
- c. for government departments and other public sector entities, appropriation amounts recognised as income, by class of appropriation.

It appears that no such disclosure has been made.

Please amend the GPFR accordingly.

#### Disclosure of employee expenses to office holders and other employees

The reporting guidelines require reporting units to disclose in the statement of comprehensive income or in the notes to the financial statements employee expenses to holders of office (item 14(f)) and employee expenses to other employees (item 14(g)). Item 14(f) and 14(g) of the reporting guidelines also requires these expenses to be separately disclosed as follows:

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

Note 9 to the GPFR has disclosed other employee expenses for office holders, but does not separately disclose wages and salaries, superannuation, leave and other entitlements and separation and redundancies provided for office holders.

Note 9 to the GPFR has disclosed wages and salaries and superannuation separately for employees, but does not separately disclose leave and other entitlements, separation and redundancies and other employee expenses provided for other employees.

The reporting guidelines require that all employee and office holder expenses be detailed separately (refer to items 14(f) and 14(g)).

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

Please amend accordingly.

#### Disclosure of employee provisions to other employees

The reporting guidelines require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of other employees (item 16(d)). Item 16(d) of the reporting guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

Note 15 to the GPFR has disclosed a combined annual leave and long service leave for other employees, but does not separately disclose these provisions as required by reporting guideline item 16(d).

Item 21 in the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

Please amend accordingly.

#### Cash flow reconciliation

Note 24 to the GPFR provides a reconciliation of cash flows as required by Australian Accounting Standard AASB 107 *Statement of Cash Flows*.

The reconciliation discloses total 'Cash flows from operations' as \$123 compared to the 'Statement of cash flows' 'Net cash flows from/(used) in) operating activities' \$122,055.

Please amend the reconciliation or provide an explanation for the difference.

#### Nil disclosures disclosed more than once

The **officer's declaration statement (ODS)** provides reporting units with an option to disclose nil activities not reported elsewhere within the financial report.

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an ODS. Nil activities should be disclosed only **once**.

I note that the reporting unit's ODS includes the following items for which there was already a disclosure in the body of the notes.

- Item 13(a) – receive periodic or membership subscriptions (disclosed in Note 5 \$122,371)
- Item 14(b) – pay capitation fees or any other expense to another reporting unit (disclosed in Note 23 \$10,233)
- Item 14(e)(iii) – pay a donation that was \$1,000 or less (also disclosed as nil in Note 8)
- Item 14(e)(iv) – pay a donation that exceeded \$1,000 (Note 8 \$4,545)
- Item 14(i) – incur expenses due to holding a meeting as required under the rules of the organisation (disclosed in Note 7 \$21,583)

Please amend accordingly.

## **5. Statement of loans, grants and donations**

Under subsection 237(1) of the RO Act, if an individual loan, grant or donation made by a branch exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with the Commission within 90 days of the end of the financial year.

Note 8 to the GPFR discloses donations of \$4,545 that exceeded \$1,000 during the financial year. A statement is therefore required to be lodged which complies with section 237.

A template loans, grants and donations form is available on the Commission website.

## **6. Auditor's report**

### Application of Tier 1 reporting requirements

As referred to in section 4 of this letter Paragraph 8 of the reporting guidelines states:

It is a requirement that all reporting units apply the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards*.

The opinion section of the audit report states that financial report complies with:

“...Australian Accounting Standards – Reduced Disclosure Requirements...”

The financial statements will need to be re-audited on the basis of the Tier 1 reporting requirements.

### Auditor's qualifications

Item 29(b) of the reporting guidelines states that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the Fair Work Commission registration number (AA2019/13).

The auditor's statement will require amendment to include this information.

## **Reporting Requirements**

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

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

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**

# Australian Hotels Association (ACT)

ABN: 37315422917

## Financial Statements

For the year ended 31 December 2022

# Australian Hotels Association (ACT)

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# Australian Hotels Association (ACT)

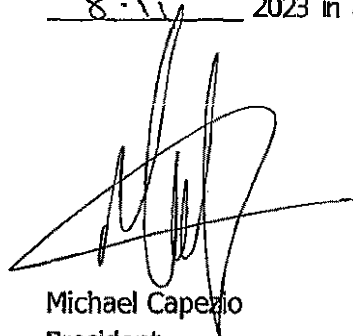
ABN 37 315 422 917

Certificate by members of committee

**Annual statements give true and fair view of financial performance and position of incorporated association**

I, Michael Capezio, being the President of the Australian Hotels Association – ACT Branch certify:

- That the documents lodged herewith are copies of the full report for the Australian Hotels Association – ACT Branch for the period ended 31 December 2022 referred to in s.268 of the Fair Work (registered Organisations) Act 2009; and
- That the full report was provided to members of the reporting unit on 8 - 11 2023; and
- That the full report was presented to a general meeting of members of the reporting unit on 8 - 11 2023 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Michael Capezio  
President

Dated: 7.12.2023

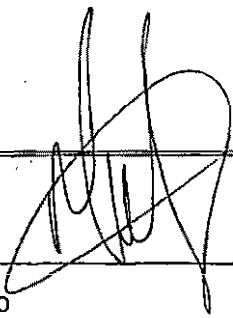
# Australian Hotels Association (ACT)

ABN 37 315 422 917

Report Required Under Subsection 255(2A) for the year ended 31 December 2022.

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2022.

Categories of expenditure	2022	2021
	\$	\$
Remuneration and other employment-related costs and expenses – employees	152,667	160,092
Advertising	-	79
Operating costs	237,970	153,426
Donations to political parties	4,545	4,545
Legal costs	-	81,131

Signature of designated officer: 

Name of designated officer: Michael Capezio

Title of designated officer: President

Dated: 7-12-2023

# Australian Hotels Association (ACT)

## Operating report

31 December 2022

The management present their report on Australian Hotels Association (ACT) for the financial year ended 31 December 2022.

## Information on directors

The Committee of Management presents its operating report on the Reporting Unit for the financial year ended 31 December 2022.

### 1. General information

#### Information on Committee of Management members

The names of each person who has been a member during the year and to the date of this report are:

Michael Capezio	President	Full Year
Joshua Gray	Secretary and Treasurer	1/1/2021-7/6/2021
Peter Barclay	Vice President	Full Year
Todd Handy	Accommodation President	1/1/2021-7/6/2021, 7/12/2021-present
David Quinn	Board Member	1/1/2021-7/6/2021
Brian Smith	Board Member	Full Year
Rien Donkin	Board Member	1/1/2021-7/6/2021, 7/12/2021-present
Shannon Craig	Board Member	7/6/2021-4/12/2021
Andrew Turnbull	Board Member	7/6/2021-present
Jane Collins	Board Member	7/12/2021-present

The address for all persons named is Level 1, 27 Murray Crescent, Griffith ACT 2603.

#### Principal activities

The principal activity of Australian Hotels Association (ACT) during the financial year was to represent and further the interests of the licensed hospitality industry of the Australian Capital Territory.

No significant changes in the nature of the Registered Organisation's activity occurred during the financial year.

# Australian Hotels Association (ACT)

## Operating report

31 December 2022

## 2. Operating results and review of operations for the year

### Operating results

The profit of the Registered Organisation after providing for income tax amounted to \$ 182,089 (2021: \$ 43,310 loss). Non-financial operating results:

- The AHA ACT is one of Australia's leading industry advocacy associations, which represents and advocates for the interests of the licensed hospitality and accommodation sector in Canberra. AHA ACT members include licenced pubs, cafes, bars, restaurants, accommodation hotels and nightclubs in Canberra.
- At both a National and Territory level, the AHA provides leadership and advocates for the industry in a variety of ways, including providing advice to assist members in areas such as regulations, minimising their impact on the environment, the responsible service of alcohol, employment matters, advocacy on key industry issues and how to integrate new products and technologies into hospitality businesses. The AHA ACT works and consults with a wide spectrum of stakeholders and Government representatives in the ACT.
- Corporate partners have been assigned as sponsors to all Award categories, maximising sponsorship revenue. The number of Award categories is lower than previous years.
- In the political arena during 2022, the AHA ACT remains actively involved in advocating industry policy positions.
- COVID-19 has resulted in an ongoing impact on corporate partnership revenue, where a sponsor reduced its corporate partnership by a significant amount.

### Review of operations

As a federally registered employer association, the AHA provides a wide range of industrial relations services to assist members to comply with employment issues, regulatory and legislative matters.

The AHA serves as a lobby group on behalf of industry.

The AHA has developed strong relationships with key local and federal parliamentary figures, and with senior public servants in relevant government departments and agencies.

## 3. Other items

### Right of members to resign

All members of the Registered Organisation have the right to resign from the Registered Organisation in accordance with Rule 17(e) of the Union Rules, (and section 174 of the Fair Work (Registered Organisations) Act 2009); namely, by providing written notice addressing:

- That they cease to be an employer in the (accommodation and licensed hospitality industry) industry or ceased to be engaged therein.
- That on giving the Registered Organisation's Board or Executive notice of their intention to do so and payment of all dues to the date of their resignation.
- The same rules also provide for the vacation of and/or resignation from elected office by elected members.

# Australian Hotels Association (ACT)

## Operating report

31. December 2022

### Number of members

The number of persons that were at the end of the financial year recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 was 83.

A register of members of the ACT Branch has been kept and maintained during the immediate preceding calendar year as required by section 230 (1)(a) and (2).

### Number of employees

2 full-time equivalent employees were employed by the ACT Branch during the financial year. One of the full time employees were terminated during 2022 financial year, and one of the full time employee commenced work during 2022.

### Significant changes in state of affairs

There have been no significant changes in the state of financial affairs of the Registered Organisation during the year.

### Events after the reporting date

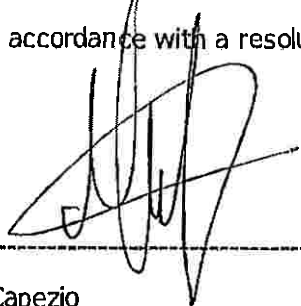
The AHA ACT was made aware that its insurer had reversed its original decision to decline coverage for a claim made under the Registered Organisation's Not-for-Profit/Association Liability insurance policy. This decision is likely to significantly positively affect the operations of the Registered Organisation, the results of the operations and the state of affairs of the Registered Organisation in future financial years.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Registered Organisation, the results of those operations or the state of affairs of the Registered Organisation in future financial years.

### Environmental issues

The Registered Organisation's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

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



Michael Capezio  
President

Dated: 7.12.2023

# Australian Hotels Association (ACT)

## Statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Sales revenue	5	363,959	310,056
<b>Gross profit</b>		<b>363,959</b>	<b>310,056</b>
Finance income	6	1,494	1,228
Other income	5	89,894	50,113
Marketing expenses		-	(79)
Administrative expenses		(363,037)	(305,427)
Other expenses		(32,153)	(99,153)
Depreciation		-	(49)
<b>Profit (loss) before income taxes</b>		<b>60,157</b>	<b>(43,311)</b>
Income tax expense		-	-
<b>Profit (loss) for the year</b>		<b>60,157</b>	<b>(43,311)</b>
<b>Total comprehensive income for the year</b>		<b>60,157</b>	<b>(43,311)</b>

The accompanying notes form part of these financial statements.

# Australian Hotels Association (ACT)

## Statement of financial position

As at 31 December 2022

Description	Note	2022 \$	2021 \$
Cash and cash equivalents	10	352,485	230,430
Trade and other receivables	11	101,431	18,100
<b>TOTAL CURRENT ASSETS</b>		<b>453,916</b>	<b>248,530</b>
<b>TOTAL ASSETS</b>		<b>453,916</b>	<b>248,530</b>
Trade and other payables	13	18,618	15,144
Current tax liabilities		(8,432)	(3,083)
Employee benefits	15	39,867	32,489
Other liabilities	14	165,802	26,077
<b>TOTAL CURRENT LIABILITIES</b>		<b>215,855</b>	<b>70,627</b>
<b>TOTAL LIABILITIES</b>		<b>215,855</b>	<b>70,627</b>
<b>NET ASSETS</b>		<b>238,061</b>	<b>177,903</b>
Retained earnings	16	238,061	177,903
<b>TOTAL EQUITY</b>		<b>238,061</b>	<b>177,903</b>

The accompanying notes form part of these financial statements.

# Australian Hotels Association (ACT)

## Statement of changes in equity

For the year ended 31 December 2022

2021	Retained Earnings	Total
	\$	\$
Opening balance	(222,258)	(222,258)
Profit/(loss) for the year	(43,311)	(43,311)
Prior year adjustments	(1,044)	(1,044)
Closing balance	177,903	177,903

2022	Retained Earnings	Total
	\$	\$
Opening balance	177,904	177,904
Profit/(loss) for the year	60,157	60,157
Closing balance	238,061	238,061

The accompanying notes form part of these financial statements.



# Australian Hotels Association (ACT)

## Statement of cash flows

For the year ended 31 December 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		510,248	346,456
Payments to suppliers and employees		(389,687)	(398,155)
Interest received		1,494	1,228
<b>Net cash flows from/(used in) operating activities</b>	24	122,055	(50,471)
<b>Cash flows from investing activities:</b>			
<b>Net cash provided by/(used in) investing activities</b>		-	-
<b>Cash flows from financing activities:</b>			
<b>Net cash provided by/(used in) financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		122,055	(50,471)
Cash and cash equivalents at beginning of year		230,430	280,901
<b>Cash and cash equivalents at end of financial year</b>	10	352,485	230,430

The accompanying notes form part of these financial statements.

# Australian Hotels Association (ACT)

Notes to the financial statements  
For the year ended 31 December 2022

## 1. Introduction

The functional and presentation currency of Australian Hotels Association (ACT) is Australian dollars.

The financial report was authorised for issue by the Committee of Management on 8-11-2023

Comparatives are consistent with prior years, unless otherwise stated.

## 2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2009.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

## 3. Summary of significant accounting policies

### a. Revenue and other income

#### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Registered Organisation expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligation is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Registered Organisation have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### Statement of financial position balances relating to revenue recognition

##### Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

# Australian Hotels Association (ACT)

## Notes to the financial statements

For the year ended 31 December 2022

### Statement of financial position balances relating to revenue recognition

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Registered Organisation presents the contract as a contract asset, unless the Registered Organisation's rights to that amount of consideration are unconditional, in which case the Registered Organisation recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Registered Organisation presents the contract as a contract liability.

#### Contract cost assets

The Registered Organisation recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

##### *Costs to obtain a contract*

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

##### *Set-up / mobilisation costs*

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Registered Organisation if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

##### *Costs to fulfil a contract*

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Registered Organisation that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

# Australian Hotels Association (ACT)

Notes to the financial statements  
For the year ended 31 December 2022

## Other income

Other income is recognised on an accruals basis when the Registered Organisation is entitled to it.

## b. Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

## c. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

### Plant and equipment

Plant and equipment are measured using the cost model.

### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a prime cost and reducing balance basis over the assets useful life to the Registered Organisation, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	25% - 100%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

## d. Financial instruments

Financial instruments are recognised initially on the date that the Registered Organisation becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

# Australian Hotels Association (ACT)

## Notes to the financial statements

For the year ended 31 December 2022

### **i. Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification*

On initial recognition, the Registered Organisation classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Registered Organisation changes its business model for managing financial assets.

#### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Registered Organisation's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### *Fair value through other comprehensive income*

##### *Equity instruments*

The Registered Organisation has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Registered Organisation has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

# Australian Hotels Association (ACT)

## Notes to the financial statements

For the year ended 31 December 2022

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments).

### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Registered Organisation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Registered Organisation's historical experience and informed credit assessment and including forward looking information.

The Registered Organisation uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Registered Organisation uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Registered Organisation in full, without recourse to the Registered Organisation to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Registered Organisation in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

### *Trade receivables and contract assets*

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Registered Organisation has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Registered Organisation renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss

# Australian Hotels Association (ACT)

## Notes to the financial statements

For the year ended 31 December 2022

### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

### **ii. Financial liabilities**

The Registered Organisation measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Registered Organisation comprise trade payables, bank and other loans and lease liabilities.

### **e. Impairment of non-financial assets**

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

### **f. Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### **g. Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

### **h. Employee benefits**

Provision is made for the Registered Organisation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

# Australian Hotels Association (ACT)

## Notes to the financial statements

For the year ended 31 December 2022

### 4. Critical accounting estimates and judgements

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### a. Key estimates - revenue recognition

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

#### b. Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 5. Revenue and other income

Revenue from continuing operations	2022	2021
	\$	\$
Subscriptions (membership fee)	122,371	117,214
Sponsorship General	117,098	102,398
AFE Income	100,807	65,444
National Office Reimbursement	23,683	25,000
Total Member subscriptions	363,959	310,056

Other Income	2022	2021
	\$	\$
Merchant Fee Surcharges	133	144
Insurance Recoveries	81,761	-
Jobkeeper	-	9,900
Cash Flow Boost/Grant	8,000	40,000
Refunds	-	69
Total Other income	89,894	50,113
Total Revenue and other income	453,853	360,169

### 6. Finance income and expenses



# Australian Hotels Association (ACT)

Notes to the financial statements  
For the year ended 31 December 2022

	2022	2021
	\$	\$
<b>Finance income</b>		
<b>Interest income</b>		
Assets measured at amortised cost	1,494	1,228
	1,494	1,228

## 7. Result for the year

The result for the year includes the following specific expenses:

	Note	2022	2021
		\$	\$
Employee Expenses (excluding Office Holder)	9	152,666	165,526
Donation		4,545	4,645
Conference and meeting expenses		21,583	5,078
Depreciation Expenses		-	49
<b>Impairment of receivables</b>			
Bad Debts		22,162	1,685

## 8. Donation

Description	2022	2021
	\$	\$
Donation that were \$1,000 or less	-	100
Donation that exceeded \$1,000	4,545	4,545
<b>Total</b>	4,545	4,645

The donations made in the current financial year exceeding \$1,000 will be disclosed to the ROC by 31 March 2023.

## 9. Employee Expenses

Holders of office:	2022	2021
	\$	\$
Other employee expenses	-	6,700
<b>Total</b>	-	6,700
Employees other than office holders:	2022	2021
	\$	\$
Salary and wage expenses	139,166	152,447
Superannuation contributions	13,500	13,079
<b>Total</b>	152,666	165,526

# Australian Hotels Association (ACT)

Notes to the financial statements  
For the year ended 31 December 2022

## 10. Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	352,485	230,430

## 11. Trade and other receivables

Current	2022	2021
	\$	\$
<b>Trade receivables</b>		
Trade Debtors	101,408	18,100
General Manager WCC	23	-
<b>Total Trade receivables</b>	<b>101,431</b>	<b>18,100</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

## 12. Property, plant and equipment

Plant and equipment	2022	2021
	\$	\$
At cost	7,934	7,934
Accumulated depreciation	(7,934)	(7,934)

### a. Movements in carrying amounts of property, plant and equipment

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

	Plant and Equipment	Total
	\$	\$
<b>Year ended 31 December 2022</b>		
Balance at the beginning of year	-	-
Depreciation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Australian Hotels Association (ACT)

Notes to the financial statements  
For the year ended 31 December 2022

	Plant and Equipment \$	Total \$
<b>Year ended 31 December 2021</b>		
Balance at the beginning of year	49	49
Depreciation	(49)	(49)
<b>Total</b>	-	-

### 13. Trade and other payables

	2022 \$	2021 \$
<b>Current</b>		
<b>Trade payables</b>		
Trade Creditors	6,441	3,355
GST	3,584	352
Sundry payables and accrued expenses	2,180	2,843
PAYG Payable	1,985	4,222
Superannuation Payable	3,198	3,142
Other payable	1,230	1,230
<b>Total Trade payables</b>	18,618	15,144

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 14. Other financial liabilities

	2022 \$	2021 \$
<b>Current</b>		
Amount received in advance	165,802	26,077

# Australian Hotels Association (ACT)

Notes to the financial statements  
For the year ended 31 December 2022

## 15. Employee benefits

### a. Employee benefit details

Current	2022	2021
	\$	\$
Provision for annual leave and long service leave	39,867	32,489

The above balance are for employees other than office holders. For the year ended 31 December 2022 there are no employee benefit accruals for office holders.

## 16. Retained Earnings

	2022	2021
	\$	\$
Retained earnings (accumulated losses) at the beginning of the the financial year	177,904	222,258
Net profit	182,089	(43,310)
Prior year adjustment		(1,044)
<b>Provision for annual leave and long service leave</b>	<b>359,993</b>	<b>177,904</b>

## 17. Financial Risk Management

The Registered Organisation is exposed to a variety of financial risks through its use of financial instruments.

The Registered Organisation's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Registered Organisation is exposed to are described below:

### a. Specific risks

- Liquidity risk
- Credit risk

### b. Financial instruments used

The principal categories of financial instrument used by the Registered Organisation are:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

### c. Liquidity risk

Liquidity risk arises from the Registered Organisation's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Registered Organisation will encounter difficulty in meeting its financial obligations as they fall due.

# Australian Hotels Association (ACT)

## Notes to the financial statements

For the year ended 31 December 2022

The Registered Organisation's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Registered Organisation maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Registered Organisation manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Registered Organisation expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since Australian Hotels Association (ACT) has no control over the timing of any potential settlement of the liabilities

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

### **d. Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Registered Organisation.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### *Trade receivables and contract assets*

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Registered Organisation has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Registered Organisation's standard payment and delivery terms and conditions are offered. The Registered Organisation review includes external ratings, if they

# Australian Hotels Association (ACT)

## Notes to the financial statements

For the year ended 31 December 2022

are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Board receives quarterly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Registered Organisation's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Registered Organisation's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Registered Organisation has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

On a geographical basis, the Registered Organisation has significant credit risk exposures in Australia only.

### 18. Tax assets and liabilities

	2022	2021
	\$	\$
ATO account payable/ (refundable)	(8,432)	(3,083)

### 19. Key management personnel remuneration

The remuneration paid to key management personnel of Australian Hotels Association (ACT) during the year is as follows:

	2022	2021
	\$	\$
<b>Short-term employee benefits:</b>		
Salary (including annual leave taken)	134,059	134,358
Annual leave accrued	5,107	5,434
Superannuation contributions	13,500	13,079
	152,666	152,871
Long service leave accrued	14,766	12,655
<b>Other transactions with KMP and their close family members:</b>		
Honorarium and other payments to the President	9,500	-

# Australian Hotels Association (ACT)

Notes to the financial statements  
For the year ended 31 December 2022

## 20. Auditor's remuneration

	2022	2021
	\$	\$
<b>Remuneration of the auditor of the Association, Audit firm, for:</b>		
Auditing or reviewing the financial statements	9,000	9,000

## 21. Fair value measurement

The Association measures the following assets and liabilities at fair value on a recurring basis:

### a. Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumption were used to estimate their fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The performance risk as at 31 December 2022 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting unit based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2022 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

### b. Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the registered organisation:

# Australian Hotels Association (ACT)

**Notes to the financial statements**  
For the year ended 31 December 2022

30 December 2022	Note	Level 1 \$	Level 2 \$	Total \$
<b>Financial assets</b>				
Cash at bank		-	27,945	27,945
Short term deposit		-	202,485	202,485
Trade debtors	11	-	18,101	18,101
<b>Financial liabilities</b>				
Trade creditors	13	6,441	-	6,441

30 December 2021	Note	Level 1 \$	Level 2 \$	Total \$
<b>Financial assets</b>				
Cash at bank		-	27,945	27,945
Short term deposit		-	202,485	202,485
Trade debtors	11	-	18,101	18,101
<b>Financial liabilities</b>				
Trade creditors	13	3,355	-	3,355

## 22. Contingencies

The legal cost incurred in the 2021 financial year, which was estimated to be \$81,000, has been reimbursed by the insurance company during 2022 financial year.

## 23. Related parties

### a. Transactions with related parties

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

The following transactions occurred with related parties:

	Balance outstanding	
AHA National Office	Purchases \$	Sales \$
National office reimbursement	-	23,683
Capitation fees	10,223	-
Rent	12,500	-



# Australian Hotels Association (ACT)

Notes to the financial statements  
For the year ended 31 December 2022

## 24. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Profit/(loss) for the year	60,157	(43,311)
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	-	49
<b>Changes in assets and liabilities:</b>		
(increase) / decrease in receivables	(83,330)	4,540
increase/ (decrease) in income in advance	17,793	(18,252)
increase / (decrease) in trade and other payables	(1,211)	804
increase / (decrease) in accrued liabilities	(663)	(12,392)
increase / (decrease) in employee benefits	7,377	18,090
<b>Cash flows from operations</b>	<b>123</b>	<b>(50,472)</b>

## 25. Events occurring after the reporting date

The financial report was authorised for issue on 8.1.2023 by the Committee of Management.

The AHA ACT was made aware that its insurer had reversed its original decision to decline coverage for a claim made under the Registered Organisation's Not-for-Profit/Association Liability insurance policy. This decision is likely to significantly positively affect the operations of the Registered Organisation, the results of the operations and the state of affairs of the Registered Organisation in future financial years.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Registered Organisation, the results of those operations, or the state of affairs of the Registered Organisation in future financial years.

## 26. Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

1. A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

## Australian Hotels Association (ACT)

# Independent Audit Report to the members of Australian Hotels Association (ACT)

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Australian Hotels Association (ACT) (the Registered Organisation), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies, the Committee of Management, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report of the Registered Organisation presents fairly, in all material aspects, the financial position as at 31 December 2022, and its financial performance and its cash flows for the year ended 31 December 2022 in accordance with:

- (i) complying Australian Accounting Standards - Reduced Disclosure Requirements; and
- (ii) 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).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Registered Organisation 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 Registered Organisation in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to 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 obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

**Canberra**  
Level 4, 59 Wentworth Ave,  
Kingston ACT 2604  
Phone: 02 61112222

**Cooma**  
61 Bombala Street  
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**Sydney**  
Suite 15.02, Level 15,  
25 Bligh St, Sydney NSW 2000



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Registered Organisation is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Registered Organisation'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 Registered Organisation or to cease operations, or have 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Managements.
- Conclude on the appropriateness of the Committee of Managements' 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 Registered Organisation'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 Registered Organisation 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 Registered Organisation to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the the Registered Organisation audit. We remain solely responsible for our audit opinion.

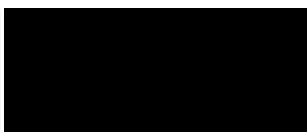
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Committee of Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Committee of Managements, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirement**

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. We did not locate any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. Therefore, our opinion on the financial report is not modified.



Mark Peatey

Director

Level 4 59 Wentworth Avenue, Kingston, ACT 2604

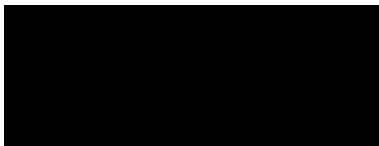
Dated this 23rd day of June 2023

## Auditors Independence Declaration to the Members of Australian Hotels Association (ACT)

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Yours sincerely,



Mark Peatey

Director

23 June 2023

### Canberra

Level 4, 59 Wentworth Ave,  
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Phone: 02 61112222

### Cooma

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Cooma, NSW, 2630  
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# Australian Hotels Association (ACT)

ABN 37 315 422 917

## Officer Declaration Statement

I, Michael Capezio, being the officer of the Australian Hotels Association – ACT Branch declare that the following activities did not occur during the reporting period ending 31 December 2021. The reporting unit did not: (delete items that appear elsewhere in the audited report)

- 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 periodic or membership subscriptions
- receive capitation fees from another reporting unit
- receive any other revenue 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 capitation fees to another reporting unit
- pay affiliation fees to another 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 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 another reporting unit

# Australian Hotels Association (ACT)

ABN 37 315 422 917

## Officer Declaration Statement

- have a payable with another reporting unit
- have a payable to employer as consideration 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 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 units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:  \_\_\_\_\_

Name of the officer: Michael Capezio

Title of officer: President

Dated: 7.12.2023

# Australian Hotels Association (ACT)

ABN 37 315 422 917

## Committee of Management Statement for the year ended 31 December 2022

On / /2023 the Committee of Management of the Australian Hotels Association (ACT) passed the following resolution in relation to the General Purpose Financial Report (GPFR) for the year ended 31 December 2022: The Committee of Management declares that in its opinion:

- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) During the financial year to which the GPFR relates and since the end of that year:
  - i. Meetings of the Committee of Management were held in accordance with the rules of the organisation including the rule 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;
  - v. The information that 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; and
  - vi. Where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

Signature of designated officer: \_\_\_\_\_

Name of designated officer: Michael Capezio

Title of designated officer: President

Dated:

7-12-2023