



18 November 2015

Mr Michael Capezio  
President  
Australian Hotels Association, Australian Capital Territory Branch  
Level 4, 24 Brisbane Avenue  
Barton ACT 2600

By e-mail: [actaha@actaha.org.au](mailto:actaha@actaha.org.au)

Dear Mr Capezio

**Australian Hotels Association, Australian Capital Territory Branch  
Financial Report for the year ended 31 December 2014 - FR2014/432**

I acknowledge receipt of the amended financial report for the year ended 31 December 2014 for the Australian Hotels Association, Australian Capital Territory Branch. The financial report was lodged with the Fair Work Commission (FWC) on 18 November 2015.

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch

18 November 2015

Mr Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch  
Fair Work Commission  
GPO Box 1994  
MELBOURNE VIC 3001

Lodged via Email: [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au), CC: [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

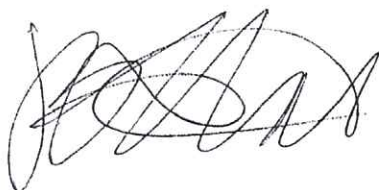
Dear Mr Morgan,

**AHA ACT financial statements for the year ended 31 December 2014**

Please find enclosed the financial statements for the Branch as required for the year ended 31 December 2014 which were endorsed at a General Meeting of AHA ACT members on 29 October 2015.

Please contact me if further information is required.

Yours sincerely



Brad Watts  
General Manager  
AHA ACT Branch

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## Introduction

This document contains a consolidated financial report of a fictitious reporting unit as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 31 December 2014.

The enclosed financial report has been prepared in accordance with the requirements of the Australian Accounting Standards and the RO Act including the section 253 Reporting Guidelines issued on 12 June 2014. The report is intended to illustrate the disclosure requirements of the Accounting Standards and the RO Act as required for the preparation of a general purpose financial report under Tier 1—Australian Accounting Standards.

This financial report is illustrative only and does not attempt to show all possible accounting and disclosure requirements. It is essential to refer to the relevant authoritative source and, where necessary, seek appropriate professional advice.

Although the illustrative financial report attempts to show the most common disclosure requirements for reporting units, it should not be regarded as a comprehensive checklist. A reporting unit will need to ensure that only the disclosures that are applicable to their individual circumstances are included in the audited financial report distributed to members and lodged with Fair Work Commission.

## Australian Accounting Standards

When complying with Australian Accounting Standards, preparers also need to comply with all applicable amending standards and interpretations.

### Australian Accounting Standards applicable as at 31 December 2014

This financial report illustrates Australian Accounting Standards which apply to annual reporting periods beginning on or after 1 July 2013.

It is important to note that the illustrative financial report in this document will require continual updating as new and amended standards and interpretations are issued by the Australian Accounting Standards Board. Therefore, if you are using this publication to assist in the preparation of your financial report, it must be emphasised that this does not include changes arising from new and amending standards and interpretations effective for periods commencing after 1 January 2014.

Therefore, users of this publication are cautioned to ensure that they consider any changes in the requirements of Accounting Standards and Interpretations issued after 1 January 2014.

In addition, the disclosure requirements of the following Australian Accounting Standards are not applicable to the fictitious reporting unit and have therefore not been dealt with in the model financial report:

*AASB 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards*

*AASB 4 Insurance Contracts*

*AASB 6 Exploration for and Evaluation of Mineral Resources*

*AASB 111 Construction Contracts*

*AASB 129 Financial Reporting in Hyperinflationary Economies*

*AASB 134 Interim Financial Reporting*

AASB 141 *Agriculture*  
AASB 1023 *General Insurance Contracts*  
AASB 1038 *Life Insurance Contracts*  
AASB 1039 *Concise Financial Reports*  
AASB 1049 *Whole of Government and General Government Sector Financial Reporting*  
AASB 1050 *Administered Items*  
AASB 1051 *Land Under Roads*  
AASB 1052 *Disaggregated Disclosures*  
AAS 25 *Financial Reporting by Superannuation Plans*  
Interpretation 12 *Service Concession Arrangements*  
Interpretation 13 *Customer Loyalty Programs*  
Interpretation 15 *Agreements for the Construction of Real Estate*  
Interpretation 17 *Distributions of Non-Cash Assets to Owners*  
Interpretation 107 *Introduction of the Euro*  
Interpretation 110 *Government Assistance—No Specific Relation to Operating Activities*  
Interpretation 129 *Service Concession Arrangements: Disclosures*  
Interpretation 131 *Revenue—Barter Transactions Involving Advertising Services*  
Interpretation 132 *Intangible Assets—Web Site Costs*  
Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*  
Interpretation 1042 *Subscriber Acquisition Costs in the Telecommunications Industry*  
Interpretation 1047 *Professional Indemnity Claims Liabilities in Medical Defence Organisations*  
Interpretation 1055 *Accounting for Road Earthworks*

In addition, as the fictitious reporting unit is considered to be a not-for-profit entity, the following Australian Accounting Standards have not been adopted in this edition of the Model financial report:

AASB 10 *Consolidated Financial Statements*  
AASB 11 *Joint Arrangements*  
AASB 12 *Disclosure of Interests in Other Entities*

To the extent that a reporting unit is considered a for-profit entity, the requirements of the above Accounting Standards will be required to be complied with.

### **Allowed alternative treatments**

In some cases, an Australian Accounting Standard permits more than one accounting treatment for a transaction or event. Preparers of financial statements should select the treatment that is most relevant to their business and the relevant circumstances as their accounting policy.

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, requires an entity to select and apply its accounting policies consistently for similar transactions, events and/or conditions, unless an Australian Accounting Standard specifically requires or permits categorisation of items for which different policies may be appropriate. Where an Australian Accounting Standard requires or permits such categorisation, an appropriate accounting policy is selected and applied consistently to each category. Therefore, once a choice of one of the alternative treatments has been made, it becomes an accounting policy and must be applied consistently. Changes in accounting policy should only be made if required by a standard or interpretation, or if the change results in the financial statements providing more reliable and relevant information.

## Abbreviations

The following abbreviations are used in the model financial report:

AASB	Australian Accounting Standards Board
FBT	Fringe Benefit Tax
GPFR	General Purpose Financial Report
GST	Goods and Services Tax
RO Act	<i>Fair Work (Registered Organisations) Act 2009</i>
RO Regulations	<i>Fair Work (Registered Organisations) Regulations 2009</i>



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF Australian Hotels  
Association – ACT Branch  
ABN: 37 315 422 917**

Unit 2/2 Napier Close, Deakin ACT 2600  
PO Box 105, Deakin West ACT 2600  
P: 02 6215 7600 F: 02 6281 7708  
E: [admin@mcsaccounting.com.au](mailto:admin@mcsaccounting.com.au)  
W: [www.mcsaudit.com.au](http://www.mcsaudit.com.au)

**Report on the Financial Report**

I have audited the accompanying general purpose financial report of Australian Hotels Association – ACT Branch for the year ended 31 December 2014, comprising the Comprehensive Income Statement, Statement of Financial Position as at 31 December 2014, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements and the Statement by Members of the Committee.

**Committee's Responsibility for the Financial Report**

The Association's Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal controls as the Committee of Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

As part of the audit of the financial statement, we have concluded that management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on my audit. We have conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

### Independence

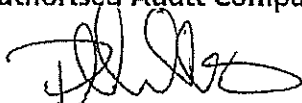
In conducting my audit, we have complied with the independence requirements of the Australian professional accounting bodies.

### Auditors Opinion

In our opinion, the financial report presents fairly, in all material respects the financial position of Australian Hotels Association – ACT Branch as of 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with Australian accounting standards and the *Fair Work (Registered Organisations) Act 2009*.

Name of Firm:  
MCS Audit Pty Ltd

Chartered Accountants  
Authorised Audit Company



Name of director:

\_\_\_\_\_  
Phillip W Miller CA  
Registered Company Auditor  
Public Practice Certificate Holder

Address:

Unit 1 / 37 Geils Court, Deakin ACT 2600

Dated:

6 October 2015



**Australian Hotels Association – ACT Branch**  
**ABN: 37 315 422 917**  
s.268 Fair Work (Registered Organisations) Act 2009

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

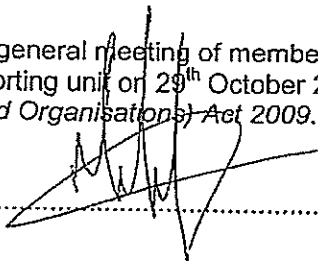
Certificate for the period ended 31 December 2014

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

I Mark Sproat being the Secretary 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 2014 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 6<sup>th</sup> October 2015; and
- that the full report was presented to a general meeting of members and a meeting of the committee of management of the reporting unit on 29<sup>th</sup> October 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: .....

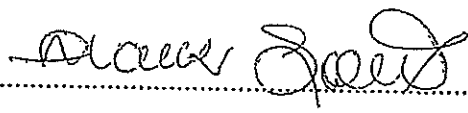


Name of prescribed designated officer:..... Michael Capezio

Title of prescribed designated officer:..... President

Dated:..... 6/10/15

Signature of prescribed designated officer: .....



Name of prescribed designated officer:..... Mark Sproat

Title of prescribed designated officer:..... Secretary

Dated:..... 6/10/15

**Australian Hotels Association – ACT Branch**  
**ABN: 37 315 422 917**  
**OPERATING REPORT**

*for the period ended 31 December 2014*

The committee presents its report on the reporting unit for the financial year ended 31 December 2014.

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

**Principal Activities**

During the year the principal continuing activities of the Association was to represent and further the interests of the licensed hospitality industry of the Australian Capital Territory.

**Results of the Principal Activities**

Firstly, 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.

Secondly, the AHA's services as a lobby group on behalf of the industry provide the only voice for the collective interests of business owners in the hospitality industry.

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

**Significant changes in the nature of the principal activities**

In the opinion of the committee members there were no significant changes in the nature of these principal activities that occurred during the financial year under review.

**Financial Operating Result**

The operating surplus of the Association amounted to 23,523 (2013: surplus of \$528). This figure represents a true and fair view of the results achieved during the reporting period.

**Non-Financial Operating Result**

1. 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 hotel sector in Canberra. AHA ACT members include licensed pubs, cafes, bars, restaurants, accommodation hotels and nightclubs in Canberra.
2. 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, minimizing their impact on the environment, the responsible service of alcohol, responsible service of gaming, 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 including Government agencies, police, political leaders from all sides of politics and other key industry groups.

3. In the political arena during 2014, the AHA ACT was actively involved in advocating industry's policy positions which included providing a more competitive regulatory and operating environment by reducing red tape and regulation for licensed hospitality, enabling businesses to grow and prosper. We lobbied against introducing more public holidays in the ACT as well as boosting tourism spending to attract more tourists to the ACT.
4. On alcohol and liquor licensing, AHA ACT lobbied the ACT Government for further consideration on the impacts of pre-loading and alcohol-related problem behavior across the city and entertainment precincts, which has received support from senior police officers. AHA ACT made representations to ACT Policing as well as key political leaders.
5. AHA ACT proactively contributed to the two year *Review of the Liquor Act*, highlighting the challenges and rising costs facing the sector – calling for off-license venues to be paying higher fees to combat pre-fuelling and reward licensees for compliance with liquor fee reductions. AHA ACT has also highlighted its policy positions through the Liquor Advisory Board.
6. During 2014, AHA ACT welcomed the opening of several new and renovated hotels including Hotel Kurrajong and Avenue Hotel Canberra. These hotels became AHA ACT members and the industry continued to welcome the Canberra hotel 'room boom' – an excellent example of the ongoing regeneration and investment in the ACT's growing accommodation industry.
7. The AHA ACT held the annual AHA ACT Hospitality Awards in July 2014, attended by more than 400 industry leaders, politicians and industry representatives. The ACT enjoyed a record three home-town winners at the AHA National Awards for Excellence on the Gold Coast, including Hotel Realm, which won best Meetings and Events venue for the third year in a row.
8. Local hospitality businesses suffered from the election slowdown which took its heaviest toll on Canberra's accommodation sector – with some hotels and licensed venues reporting a revenue fall of up to 50 per cent (with an average drop of 30 per cent), according to an AHA ACT survey. Occupancy levels in many hotels fell by an average of 30 per cent across the board and revenue per available room (RevPAR) also fell significantly.

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

In the opinion of the committee members there were no significant changes in the financial affairs that occurred during the financial year under review.

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

All members of the Union have the right to resign from the Union 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 addressed:

- they cease to be an employer in the (hotel and hospitality) industry or cease to be engaged therein;
- on giving the Association's Board or Executive notice of their intention so to do 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.

**Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

No members were involved in trusteeships or directorships on behalf of the Association as directors of any superannuation fund where the criterion for the officer or member to be the trustee is that the person is an officer or member of a registered organisation.

No members were a director of a company or a member of a board on behalf of the Association.

**Number of members**

The number of persons that were at the end of financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 83.

A register of members of the Branch has been kept and maintained during the immediately preceding calendar year (2014) as required by ss230 (1) (a) and (2).

**Number of employees**

One-and-a-half full-time equivalent employees were employed by the ACT Branch between the 2014 financial reporting period.

**Names of Committee of Management members and period positions held during the financial year**

Mr Michael CAPEZIO  
President  
Representative to the National Board

Mr Manuel NOTARAS  
Vice-President

Mr Mark SPROAT  
Secretary Treasurer  
President – Accommodation Division  
Representative to the National Accommodation Division

Mr Peter BARCLAY  
Divisional Representative to the Board – Molonglo Division

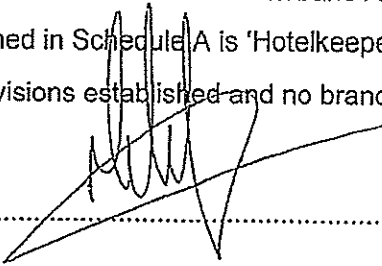
Mr Josh GRAY  
Divisional Representative to the Board – Molonglo Division

All officer bearers served the full-term of the financial reporting period.

The address for all persons named in Schedule A is 24 Brisbane Avenue BARTON ACT 2600.

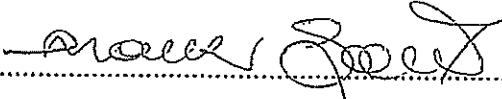
The occupation for all persons named in Schedule A is 'Hotelkeeper'.

There were no new branches or divisions established and no branches or divisions ceased to operate in 2014.

Signature of designated officer:.....  


Name and title of designated officer: Michael Capezio (President)

Dated: 6/10/15.....

Signature of designated officer:.....  


Name and title of designated officer: Mark Sproat (Secretary)

Dated: 6/10/15.....

**COMMITTEE OF MANAGEMENT STATEMENT**

*for the period ended 31 December 2014*

On the 4<sup>th</sup> June 2015 the committee of management of the Australian Hotels Association – ACT Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2014:

The committee of management declares that in its opinion:

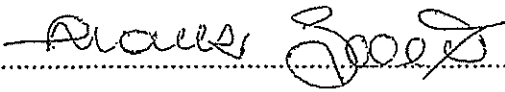
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position 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) the organisation consists of nine reporting units and financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other nine reporting units of the organisation; and
  - (v) the information sought in any request by a member of the reporting unit or by the General Manager duly made under section 272 of the RO Act has been furnished to the member or General Manager; and
  - (vi) there has been no order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, and therefore no need for compliance.
- (f) the reporting unit has not derived revenue from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:.....

Name and title of designated officer: Michael Capezio (President)

Dated:..... 6/10/15

Signature of designated officer:.....

Name and title of designated officer: Mark Sproat (Secretary)

Dated:..... 6/10/15

**Australian Hotels Association – ACT Branch**

**ABN: 37 315 422 917**

**STATEMENT OF COMPREHENSIVE INCOME**

*for the period ended 31 December 2014*

	Notes	2014 \$	2013 \$
<b>Revenue</b>			
Membership subscription*		92,420	93,951
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	3,491	3,296
Sponsorship revenue	3D	132,091	110,077
Other revenue	3E	78,380	51,796
<b>Total revenue</b>		<b>306,382</b>	<b>259,120</b>
<b>Other Income</b>			
Grants and/or donations	3F	-	-
National Office Management Fee	3G	11,365	46,604
<b>Total other income</b>		<b>11,365</b>	<b>46,604</b>
<b>Total income</b>		<b>317,747</b>	<b>305,724</b>
<b>Expenses</b>			
Employee expenses	4A	191,430	195,615
Capitation fees	4B	8,305	7,826
Affiliation fees	4C	300	300
Administration expenses	4D	88,907	93,488
Grants or donations	4E	-	-
Depreciation and amortisation	4F	286	286
Finance costs	4G	996	1,317
Legal costs	4H	-	1,164
Audit fees	14	4,000	5,200
Other expenses	4I	-	-
<b>Total expenses</b>		<b>294,224</b>	<b>305,196</b>
<b>Profit (loss) for the year</b>		<b>23,523</b>	<b>528</b>
<b>Total comprehensive income for the year</b>		<b>23,523</b>	<b>528</b>

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

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.



**Australian Hotels Association – ACT Branch**  
**ABN: 37 315 422 917**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 31 December 2014*

	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	202,624	144,591
Trade and other receivables	5B	73,727	49,345
Other current assets	5C	1,329	1,198
<b>Total current assets</b>		<b>277,680</b>	<b>195,134</b>
<b>Non-Current Assets</b>			
Plant and equipment	6A	259	545
<b>Total non-financial assets</b>		<b>259</b>	<b>545</b>
<b>Total assets</b>		<b>277,939</b>	<b>195,679</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	44,000	-
Other payables	7B	127,597	123,039
Employee provisions	8A	17,004	8,114
<b>Total current liabilities</b>		<b>188,601</b>	<b>133,153</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	5,996	3,528
<b>Total non-current liabilities</b>		<b>5,996</b>	<b>3,528</b>
<b>Total liabilities</b>		<b>194,597</b>	<b>134,681</b>
<b>Net assets</b>		<b>83,342</b>	<b>60,998</b>
<b>EQUITY</b>			
Retained earnings (accumulated deficit)		83,342	60,998
<b>Total equity</b>		<b>83,342</b>	<b>60,998</b>

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

**Australian Hotels Association – ACT Branch**  
**ABN: 37 315 422 917**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 31 December 2014*

	Notes	Retained earnings \$	Total equity \$
<b>Balance as at 01/01/2013</b>		60,470	60,470
Adjustment for errors		-	-
Adjustment for changes in accounting policies		-	-
Profit for the year		528	528
Transfer from retained earnings		-	-
<b>Closing balance as at 31/12/2013</b>		<b>60,998</b>	<b>60,998</b>
Adjustment for errors		(1,179)	(1,179)
Adjustment for changes in accounting policies		-	-
Profit for the year		23,523	23,523
Transfer from retained earnings		-	-
<b>Closing balance as at 31/12/2014</b>		<b>83,342</b>	<b>83,342</b>

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

**Australian Hotels Association – ACT Branch**  
**ABN: 37 315 422 917**

**CASH FLOW STATEMENT**

for the period ended 31 December 2014

	Notes	2014 \$	2013 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	9B	55,365	46,604
Interest		3,491	3,296
Other		30,1588	30,6864
<b>Cash used</b>			
Employees		(151,301)	(159,838)
Suppliers and Others		(142,505)	(165,384)
Payment to other reporting units/controlled entity(s)	9B	(8,605)	(8,126)
<b>Net cash from (used by) operating activities</b>	9A	<b>58,033</b>	<b>23,416</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Net cash from (used by) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>		<b>58,033</b>	<b>23,416</b>
Cash & cash equivalents at the beginning of the reporting period		144,591	121,175
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>202,624</b>	<b>144,591</b>

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

## Index to the Notes of the Financial Statements

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Note 13	Fair value measurements
Note 14	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

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

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

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

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

### **1.2 Comparative amounts**

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

### **1.3 Significant accounting judgements and estimates**

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

### **1.4 New Australian Accounting Standards**

#### ***Adoption of New Australian Accounting Standard Requirements***

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

The accounting policies adopted are consistent with those of the previous financial year.

#### ***Future Australian Accounting Standards Requirements***

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

### **1.5 Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be

reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## **1.6 Capitation fees and levies**

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

## **1.7 Employee benefits**

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

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

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

## **1.8 Borrowing costs**

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

## **1.9 Cash**

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

overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

## 1.10 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 1.11 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### *Fair value through profit or loss*

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### ***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

### ***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

### ***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

### ***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.



For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

### **Derecognition of financial assets**

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

## 1.12 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

### ***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### ***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

### ***Derecognition of financial liabilities***

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**1.13 plant and equipment**  
***Asset recognition threshold***

Purchases of plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

***Depreciation***

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

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

	<b>2014</b>	<b>2013</b>
Plant and equipment	<b>4 years</b>	<b>4 years</b>

***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 and loss.

**1.14 Impairment for non-financial assets**

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

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

**1.15 Non-current assets held for sale**

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

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

## 1.16 Taxation

Australian Hotels Association – ACT Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has 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; 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 cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

## 1.17 Fair value measurement

The Australian Hotels Association – ACT Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Australian Hotels Association – ACT Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the *[reporting unit]* has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

### 1.18 Going concern

Australian Hotels Association – ACT Branch is not reliant on any of the agreed financial support to continue on a going concern basis.

Australian Hotels Association – ACT Branch has not agreed to provide anyone with financial support to ensure they can continue on a going concern basis.

### 1.19 Acquire an asset or a liability

The entity has not required an asset or a liability during the financial year as a result of:

- a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the entity form part) was the amalgamated organization; or
- b) a restructure of the branches of the organisation; or
- c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1); or
- e) as part of a business combination.

### 1.20 Financial affairs

The entity's financial affairs are not administrated by any other entity during the financial year.

## Note 2 Events after the reporting period

There were no events that occurred after 31 December 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Hotels Association – ACT Branch.

	2014	2013
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees</b>		
AHA National Office	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Levies*</b>		
Levies	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Interest</b>		
Deposits	3,491	3,296
<b>Total interest</b>	<u>3,491</u>	<u>3,296</u>
<b>Note 3D: Sponsorship</b>		
General	132,091	110,077
<b>Total sponsorship revenue</b>	<u>132,091</u>	<u>110,077</u>
<b>Note 3E: Other revenue</b>		
Advertising	2,631	526
AFE income	44,353	47,027
Golf day income	3,782	3,794
Reimbursement – ACT executives	2,230	-
Workers compensation claim	25,384	-
Lawn Bowls Day	-	224
Tourism Lunch	-	223
Sundry	-	2
<b>Total grants or donations</b>	<u>78,380</u>	<u>51,796</u>
<b>Note 3F: Grants or donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>

	2014	2013
	\$	\$
<b>Note 3G: National office Management Fees</b>		
Consultation fees	11,365	46,604
<b>Total national office management fees</b>	<u>11,365</u>	<u>46,604</u>

This income relates to consultation fees received by AHA ACT Branch for services and strategic advice provided to the National AHA Head Office on normal commercial terms.

#### **Note 4 Expenses**

##### **Note 4A: Employee expenses\***

###### **Holders of office:**

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses - Honorarium	15,000	18,032
<b>Subtotal employee expenses holders of office</b>	<u>15,000</u>	<u>18,032</u>

###### **Employees other than office holders:**

Wages and salaries	151,301	159,838
Superannuation	13,723	12,865
Leave and other entitlements	11,359	4,880
Separation and redundancies	-	-
Other employee expenses	47	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>176,430</u>	<u>177,583</u>
<b>Total employee expenses</b>	<u>191,430</u>	<u>195,615</u>

##### **Note 4B: Capitation fees\***

<i>AHA National Office</i>	8,305	7,826
<b>Total capitation fees</b>	<u>8,305</u>	<u>7,826</u>

##### **Note 4C: Affiliation fees\***

<i>AHA National Office</i>	300	300
<b>Total affiliation fees/subscriptions</b>	<u>300</u>	<u>300</u>

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2014	2013
	\$	\$

**Note 4D: Administration expenses**

Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	11,338	15,424
Conference and meeting expenses*	2,836	2,362
Office expenses	14,879	16,531
Information communications technology	227	340
Event		
Other	48,970	51,786
<b>Subtotal administration expense</b>	<b>78,250</b>	<b>86,443</b>
Operating lease rentals:		
Minimum lease payments	10,657	7,045
<b>Total administration expenses</b>	<b>88,907</b>	<b>93,488</b>

**Note 4E: Grants or donations\***

Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

**Note 4F: Depreciation**

Depreciation		
Property, plant and equipment	286	286
<b>Total depreciation</b>	<b>286</b>	<b>286</b>

**Note 4G: Finance costs**

Bank Charges	996	1,317
<b>Total finance costs</b>	<b>996</b>	<b>1,317</b>

**Note 4H: Legal costs\***

Litigation	-	1,164
Other legal matters	-	-
<b>Total legal costs</b>	<b>-</b>	<b>1,164</b>



	2014	2013
	\$	\$
<b>Note 4I: Other expenses</b>		
Penalties - via RO Act or RO Regulations*	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>

## Note 5 Current assets

### Note 5A: Cash and cash equivalents

Cash at bank	86,225	59,675
Short term deposits	116,399	84,916
<b>Total cash and cash equivalents</b>	<u>202,624</u>	<u>144,591</u>

### Note 5B: Trade and other receivables

<b>Receivables from other reporting unit[s]*</b>		
<i>AHA National Office</i>	1,466	5,154
<b>Total receivables from other reporting unit[s]</b>	<u>1,466</u>	<u>5,154</u>

<b>Less provision for doubtful debts*</b>		
<i>AHA National Office</i>	-	-
<b>Total provision for doubtful debts</b>	<u>-</u>	<u>-</u>
<b>Receivable from other reporting unit[s] (net)</b>	<u>1,466</u>	<u>5,154</u>

### Other receivables:

GST receivable from the Australian Taxation Office	2,204	2,855
Other trade receivables	70,057	41,336
<b>Total other receivables</b>	<u>72,261</u>	<u>44,191</u>
<b>Total trade and other receivables (net)</b>	<u>73,727</u>	<u>49,345</u>

### Note 5C: Other current assets

Prepayments	1,329	1,198
<b>Total other current assets</b>	<u>1,329</u>	<u>1,198</u>

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2014	2013
	\$	\$

**Note 6 Non-current assets**

**Note 6A: Plant and equipment**

Plant and equipment:

at cost	5,260	5,260
accumulated depreciation	(5,001)	(4,715)
<b>Total plant and equipment</b>	<b>259</b>	<b>545</b>

***Reconciliation of the opening and closing balances of plant and equipment***

<b>As at 1 January</b>		
Gross book value	5,260	5,260
Accumulated depreciation and impairment	(4,715)	(4,429)
<b>Net book value 1 January</b>	<b>545</b>	<b>831</b>
Additions:		
By purchase	-	-
Depreciation expense	(286)	(286)
Disposals	-	-
<b>Net book value 31 December</b>	<b>259</b>	<b>545</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	5,260	5,260
Accumulated depreciation and impairment	(5,001)	(4,715)
<b>Net book value 31 December</b>	<b>259</b>	<b>545</b>

2014	2013
\$	\$

**Note 7 Current liabilities**

**Note 7 A: Trade payables**

Payables to other reporting unit[s]*		
AHA National Office	44,000	-
<b>Subtotal payables to other reporting unit[s]</b>	<b>44,000</b>	<b>-</b>
<b>Total trade payables</b>	<b>44,000</b>	<b>-</b>

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Superannuation	7,758	1,803
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
Prepayments received/unearned revenue	99,764	96,694
GST payable	16,549	15,347
Other	3,526	9,195
<b>Total other payables</b>	<b>127,597</b>	<b>123,039</b>

Total other payables are expected to be settled in:

No more than 12 months	127,597	123,039
More than 12 months	-	-
<b>Total other payables</b>	<b>127,597</b>	<b>123,039</b>

**Note 8 Provisions**

**Note 8A: Employee provisions\***

**Office Holders:**

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<b>-</b>	<b>-</b>

	2014	2013
	\$	\$
<b>Employees other than office holders:</b>		
Annual leave	17,004	8,114
Long service leave	5,996	3,528
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<u>23,000</u>	<u>11,642</u>
<b>Total employee provisions</b>	<u>23,000</u>	<u>11,642</u>
Current	17,004	8,114
Non Current	5,996	3,528
<b>Total employee provisions</b>	<u>23,000</u>	<u>11,642</u>

## Note 9 Cash flow

### Note 9A: Cash flow reconciliation

#### Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

##### Cash and cash equivalents as per:

Cash flow statement	202,624	144,591
Balance sheet	202,624	144,591
<b>Difference</b>	<u>-</u>	<u>-</u>

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

Profit/(deficit) for the year	23,523	528
Prior Year Adjustments	1,179	-

#### Adjustments for non-cash items

Depreciation/amortisation	286	286
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#### Changes in assets/liabilities

(Increase)/decrease in net receivables	(24,382)	29,589
(Increase)/decrease in prepayments	(131)	1,289
Increase/(decrease) in supplier payables	44,000	-
Increase/(decrease) in other payables	4,558	(13,157)
Increase/(decrease) in employee provisions	9,000	4,881
<b>Net cash from (used by) operating activities</b>	<u>58,033</u>	<u>23,416</u>

	2014	2013
	\$	\$
<b>Note 9B: Cash flow information*</b>		
Cash inflows		
AHA National Office	55,365	46,604
<b>Total cash inflows</b>	<u>55,365</u>	<u>46,604</u>
Cash outflows		
AHA National Office	(8,605)	(8,126)
<b>Total cash outflows</b>	<u>(8,605)</u>	<u>(8,126)</u>

## Note 10 Related party disclosures

### Note 10A: Honorariums paid to key management personnel

Honorarium to the president	7,500	7,500
Honorarium to the vice president	-	2,000
Honorarium to the secretary/treasurer	-	2,500
Honorarium to the accommodation division president	7,500	6,032
<b>Total Honorariums paid</b>	<u>15,000</u>	<u>18,032</u>

Honorariums were agreed to as part of a Resolution passed by AHA ACT Branch in November 2012. No other payments were paid to key management personnel.

### Note 10B: Related party transaction - AHA National Office

#### Revenue received from AHA National Office includes the following:

<i>National office management fee</i>	55,365	46,604
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#### Expenses paid to AHA National Office includes the following:

<i>Capitation fees</i>	8,305	7,826
<i>Affiliation fees</i>	300	300

National Office Management Fee income relates to consultation fees received by AHA ACT Branch for services and strategic advice provided to National Head Office on normal commercial terms.

In regards to capitation fees, the AHA ACT Branch included the \$300 Annual Affiliation fee for 2014 in the total Capitation fees for AHA National Office.

Apart from the above Related Party Transactions, there is no other related party transaction occurred for the year ended 31 December 2014.

## Note 11 Remuneration of auditors

### Value of the services provided

Financial statement audit services	4,000	5,200
Other services	-	-
<b>Total remuneration of auditors</b>	<u>4,000</u>	<u>5,200</u>

*[No other services were provided by the auditors of the financial statements.]*

	2014	2013
	\$	\$

## Note 12 Financial instruments

### Note 12A: Categories of financial instruments

#### *Financial assets*

##### Cash and cash equivalents

Cash at bank	86,225	59,675
<b>Total</b>	<b>86,225</b>	<b>59,675</b>

##### Short term investments:

Bank deposits	116,399	84,916
<b>Total</b>	<b>116,399</b>	<b>84,916</b>

##### Receivables:

Trade debtors	71,523	46,490
<b>Total</b>	<b>71,523</b>	<b>46,490</b>

<b>Carrying amount of financial assets</b>	<b>274,147</b>	<b>194,051</b>
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#### *Financial liabilities*

##### Accounts payables:

AHA national office	44,000	-
<b>Total</b>	<b>44,000</b>	<b>-</b>

<b>Carrying amount of financial liabilities</b>	<b>44,000</b>	<b>-</b>
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### Note 12B: Net income and expense from financial assets

#### Short term investments

Interest revenue	3,491	3,296
<b>Net gain/(loss) short term investments</b>	<b>3,491</b>	<b>3,296</b>
<b>Net gain/(loss) from financial assets</b>	<b>3,491</b>	<b>3,296</b>

### Note 12C: Net income and expense from financial liabilities

The net income/expense from financial liabilities at and not at fair value from profit and loss is \$0 (2013:\$0).

### Note 12D: Financial Risk Management

#### Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the AHA ACT Branch in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

## Specific Financial Risk Exposures and Management

### a. Credit Risk

The AHA ACT Branch does not have any material credit risk exposure as its major source of revenue is the receipt of member subscriptions and sponsorship income.

### Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets (net of any provisions) are presented in the Statement of Financial Position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy.

### Ageing of financial assets that were past due but not impaired for 2014

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
AHA National Office	-	-	-	1,466	1,466
Others	1,840	68,217	-	-	70,057
Total	1,840	68,216	-	1,466	71,523

### b. Liquidity Risk

Liquidity risk arises from the possibility that the AHA ACT Branch might encounter difficulty in settling its debt or otherwise meeting its obligations in relation to financial liabilities. The AHA ACT Branch manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operation, investing and financing activities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realization profile of financial assets.

### Contractual maturities for financial liabilities 2014

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
AHA National Office	-	44,000	-	-	-	44,000
Total	-	44,000	-	-	-	44,000

### c. Market Risks

- Interest rate risk  
Reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed assets. Such risks is managed through diversification of investments across asset classes.
- Price risk  
The AHA ACT Branch does not have any material price risk .

## Note 13 Fair value measurement

### Note 13A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities 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 table contains the carrying amounts and related fair values for the Australian Hotels Association – ACT Branch financial assets and liabilities:

<b>Consolidated</b>	<b>Fair value 2014 \$</b>	<b>Fair value 2013 \$</b>
<b>Financial Assets</b>		
Cash at bank	86,225	56,674
Short term deposits	116,399	84,916
Trade debtors	71,523	46,490
<b>Total</b>	<b>274,147</b>	<b>194,051</b>
<b>Financial Liabilities</b>		
Payables to AHA National Office	44,000	-
<b>Total</b>	<b>44,000</b>	<b>-</b>

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The hierarchy consists on the following levels:

#### Fair value hierarchy—31 December 2014

	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>	<b>Total \$</b>
<b>Assets measured at fair value</b>				
Available for sale financial assets	-	-	-	-
Held to maturity financial assets	-	116,399	-	116,399

#### Fair value hierarchy—31 December 2013

	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>	<b>Total \$</b>
<b>Assets measured at fair value</b>				
Available for sale financial assets	-	-	-	-
Held to maturity financial assets	-	84,916	-	84,916

- Quoted prices in active markets identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2);
- Inputs for asset or liability that are not based on observable market data (unobservable inputs) (Level 3).



#### **Note 14 Key Management Personnel Compensation**

Short-term employee benefits	122,964	120,000
Post-employment employee benefits	11,530	10,875
Other Long-term employee benefits	-	-
Termination benefits	-	-
Share based payments	-	-
<b>Total compensation paid</b>	<b>134,494</b>	<b>130,875</b>

#### **Note 15 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 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).