



29 June 2018

Mr Colin Waller  
Secretary/Treasurer  
Australian Hotels Association

Dear Mr Waller

**Re: – Australian Hotels Association - financial report for year ending 31 December 2017 (FR2017/312)**

I refer to the financial report of the Australian Hotels Association. The documents were lodged with the Registered Organisations Commission ('ROC') on 13 June 2018.

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

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next report. Please note the report for year ending 31 December 2018 may be subject to an advanced compliance review.

**Designated Officer's Certificate**

Designated Officer's Certificate

Section 268 of the RO Act requires a certificate by the designated officer to certify that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

The documents lodged included two certificates, the first titled "Statement of Principal Accounting Officer" signed on 24 May 2018, and the second titled "Certificate of Secretary" signed on 12 June 2018. The first appears to be a certificate signed after the initial meeting of the committee of management incorrectly described as the meeting "in accordance with section 266". The second appears to be the appropriate certificate certifying the date of the general meeting for the purposes of section 266.

The designated officer's certificate is the document evidencing compliance with sections 265 and 266. Please ensure that future reports are only accompanied by a single designated officer's certificate signed after the final completion of the events certified.

**Timescale requirements**

Reports must be provided to members at least 21 days before General Meeting

The Certificate of Secretary states that the financial report was provided to members on 25 May 2018, and presented to a General Meeting of members on 12 June 2018. The earlier Statement of Principal Accounting Officer states that the financial report was provided to members on 24 May 2018.

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.

I have taken the second certificate to be the document for the purposes of section 268, but, whichever of the dates 25 or 24 May is correct, the reporting unit only provided members the financial report 18 or 19 days before the General Meeting.

Please note that subsection 265(5) is a civil penalty provision.

## **General Purpose Financial Report**

### Disclosure of grants or donations

New Reporting Guideline 14(e)<sup>1</sup> requires that where grants or donations have been paid, the total amount paid is to be disclosed in the following sub-categories as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were \$1,000 or less; and
- (iv) donations that exceeded \$1,000

The combined totals disclosed for donations at Note 3(b) reconcile with the total of all donations set out in the statement of loans, grants and donations lodged on 29 March 2018, but the total for subcategory (iv) appears to include two donations for exactly \$1,000. The new reporting guideline now makes clear that donations for exactly \$1,000 should be in sub-category (iii).

### Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. The new Reporting Guidelines are now available on the ROC website and any further information or updates on the guidelines will be provided through the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. Along with the new Reporting Guidelines, a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully



Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

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<sup>1</sup> 5<sup>th</sup> edition, replacing former RG 16(e) in the 4<sup>th</sup> edition



# AUSTRALIAN HOTELS ASSOCIATION

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## CERTIFICATE OF SECRETARY

I, Colin Waller, duly authorised officer of Australian Hotels Association hereby certify that:

1. The documents lodged herewith are true copies of the Financial Statements, Auditor's Report and certificates presented to:
2. General Meeting of members of the association held on 12 June 2018; and
3. The Committee of Management meeting held on 24 May 2018 in respect of the financial year ended 31 December 2017.
4. That the full report was distributed to the members of the association on 25 May 2018.

**COLIN WALLER**

Secretary/Treasurer

12 June 2018

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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Statement of Principal Accounting Officer  
Statement by the Committee of Management  
Operating report  
Statement of comprehensive income  
Balance sheet  
Statement of cash flows  
Notes to the financial statements  
Independent audit report  
Income and expenditure statement

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY  
STATEMENT OF PRINCIPAL ACCOUNTING OFFICER**

I Colin Waller being the Honorary Secretary/Treasurer of the Australian Hotels Association - National Body certify:

- that the documents lodged herewith are copies of the full report for the Australian Hotels Association - National Body for the period ended 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 24 May 2018; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 24 May 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



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**COLIN WALLER**  
Honorary Secretary / Treasurer

24 May 2018

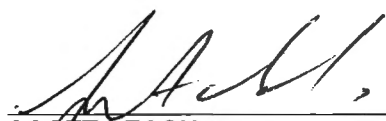
**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**STATEMENT BY THE COMMITTEE OF MANAGEMENT**

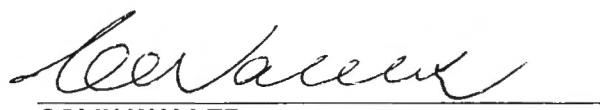
On the date below, the Committee of Management of Australian Hotels Association passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2017:

The Committee of Management declares in relation to the GPFR 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 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 Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

  
\_\_\_\_\_  
**SCOTT LEACH**  
National President

  
\_\_\_\_\_  
**COLIN WALLER**  
National Secretary/Treasurer

24 May 2018

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2017**

This operating report covers the results of those activities that were provided for the financial year ended 31 December 2017.

**PRINCIPAL ACTIVITIES**

The principal activities of the Association, as conducted through the council and the executive board during the past year fell into the following categories:

- Provision of industrial support to members including advice on legal and legislative matters, contractual obligations and representation of state members. Administration of Federal awards, the variation of awards following major test cases.
- Media and communications to members and to the broader community via media releases in support of campaigns, targeted publications including national magazines.
- Provision of information for members providing up to date material relevant to hotels.
- Organisation of events to members such as Awards for Excellence, National Convention, charity fundraising etc. in order to recognise their achievements and contribution to the community.

**FINANCIAL ACTIVITIES**

Three government projects were completed during the year.

**SIGNIFICANT CHANGES**

- The Association resources are currently being used to form a Tourism Accommodation Australia division as a separate operation to lobby for accommodation members only.
- There were no other significant changes during the year.

**MANNER OF RESIGNATION**

Members may resign from the Association in accordance with rule 32, which reads as follows:

- 1) A member of the Association may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which he is a member.
- 2) A notice of resignation from membership of the Association takes effect:
  - a) Where the member ceases to be eligible to become a member of the Association:
    - i) On the day on which notice is received by the Association ;or
    - ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; Whichever is later; or
  - b) In any other case:
    - i) At the end of two (2) weeks after the notice is received by the Association; or
    - ii) On the day specified in the notice;
    - iii) whichever is later
- 3) Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association in a court of competent jurisdiction, as a debt due to the Association.
- 4) A notice delivered to the person mentioned in subrule (1) shall be taken to have been received by the Association when it was delivered.
- 5) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with subrule (1).
- 6) A resignation from membership of the Association is valid even if it is not affected in accordance with the rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY  
OPERATING REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2017**

**TRUSTEE OR DIRECTOR OF TRUSTEE COMPANY OF SUPERANNUATION ENTITY OR EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME**

Mr Mark Robertson (who is an executive member) is also director of Hostplus Superannuation Industry Fund representing the National Body. The alternate director is Neil Randall.

**NUMBER OF MEMBERS**

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Association was 5,114.

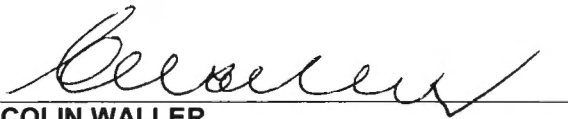
**NUMBER OF EMPLOYEES**

The number of persons who were, at the end of the reporting period, employees of the Association comprised of 2 full time and 2 part time staff.

**MEMBERS OF COMMITTEE OF MANAGEMENT**

The persons who held office as members of the Committee of Management of the Association during the reporting period are:

Peter Burnett	– President/Senior Vice President (full year)
Colin Waller	– Secretary / Treasurer (full year)
Scott Leach	– President/Senior Vice President (full year)
Trish Nyar	– President Accommodation Division (31/10/16 – 26/2/17)
Greg Moore	– President Accommodation Division (22/11/17 – 31/12/17)
Paul Jubb	– Vice President (full year)



**COLIN WALLER**  
National Secretary/Treasurer

24 May 2018



**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	NOTE	2017 \$	2016 \$
<b>Revenues</b>			
Membership subscription	2	-	-
Affiliation fees	2	2,400	2,400
Capitation fees	2	955,904	955,904
Interest income	2	10,203	8,437
Other income	2	1,172,538	1,028,329
<b>Total income</b>		<u>2,141,045</u>	<u>1,995,070</u>
<b>Expenses</b>			
Accommodation divisional survey and operational costs		(384,569)	(442,808)
Employee benefits expense	3(a)	(525,032)	(505,486)
Depreciation expense		(34,751)	(34,586)
Consultancy expense		(45)	(19,731)
Legal expenses	3(c)	(37,832)	(20,341)
Marketing and convention expense		(185,469)	(171,287)
Executive and Council conferences and meetings		(41,521)	(24,142)
Travel expenses		(82,789)	(79,283)
Bank charges and finance costs		(3,220)	(3,130)
Administration expenses	3(b)	(635,481)	(893,491)
<b>Total expenses</b>		<u>1,930,709</u>	<u>2,194,285</u>
Current year surplus/(deficit) before income tax expense		210,336	(199,215)
Income tax expense	1(a)	-	-
Net current year surplus		<u>210,336</u>	<u>(199,215)</u>
<b>Other comprehensive income</b>			
Revaluation of buildings		-	-
Total comprehensive income attributable to the members		<u>210,336</u>	<u>(199,215)</u>

The accompanying notes form part of the financial statements

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	903,576	851,376
Trade and other receivables	6	424,437	116,811
Other current assets	7	31,413	18,851
<b>TOTAL CURRENT ASSETS</b>		<u>1,359,426</u>	<u>987,038</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	8	779	779
Property, plant and equipment	9	1,286,495	1,318,544
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,287,274</u>	<u>1,319,323</u>
<b>TOTAL ASSETS</b>		<u>2,646,700</u>	<u>2,306,361</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10 A	855,985	721,524
Employee provisions	10 B	12,304	16,760
<b>TOTAL CURRENT LIABILITIES</b>		<u>868,288</u>	<u>738,284</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		-	-
<b>TOTAL LIABILITIES</b>		<u>868,288</u>	<u>738,284</u>
<b>NET ASSETS</b>		<u>1,778,412</u>	<u>1,568,077</u>
<b>EQUITY</b>			
Reserves		885,378	885,378
Retained earnings		893,034	682,699
<b>TOTAL EQUITY</b>		<u>1,778,412</u>	<u>1,568,077</u>

The accompanying notes form part of these financial statements

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Asset revaluation reserve</b>	<b>Retained surplus</b>	<b>Total</b>
<b>Balance at 1 January 2016</b>	<b>885,378</b>	<b>881,914</b>	<b>1,767,292</b>
Net surplus attributable to members of the entity	-	(199,215)	(199,215)
Revaluation of Buildings	-	-	-
<b>Balance at 31 December 2016</b>	<b>885,378</b>	<b>682,699</b>	<b>1,568,077</b>
Revaluation of buildings	-	-	-
Net (deficit) attributable to members of the entity	-	192,336	192,336
<b>Balance at 31 December 2017</b>	<b>885,378</b>	<b>875,035</b>	<b>1,760,413</b>

The accompanying notes form part of these financial statements

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	NOTE	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from capitation fees	<b>12a</b>	1,051,494	1,051,494
Receipts from promotional and sundry activities		1,168,476	1,745,995
Interest received		10,203	8,437
Dividends received		71	74
Receipts from Government grants		-	-
Payments to employees and for promotional and Other expenses		(2,178,044)	(2,623,763)
<b>Net cash provided by operating activities</b>	<b>12</b>	<u>52,200</u>	<u>182,237</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		-	-
<b>Net cash (used in) investing activities</b>	<b>12</b>	<u>-</u>	<u>-</u>
Net increase in cash held		52,200	182,237
Cash and cash equivalents at beginning of financial year		851,376	669,139
Cash and cash equivalents at end of financial year	<b>5</b>	<u>903,576</u>	<u>851,376</u>

The accompanying notes form part of these financial statements

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements are general purpose financial statements that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), requirements of *the Associations Incorporations Act 1991 (ACT)* and the *Fair Work (Registered Organisations) Act 2009*. The association is a non-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The amounts presented in the financial statements have been rounded to the nearest dollar. The financial statements were authorised for issue on 24 May 2018 by the members of the committee.

**(a) Income tax**

The Association is exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

**(b) Property, plant and equipment**

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

**Freehold property**

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Increases in the carrying amount arising on the revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss. As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the net amount is restated to the revalued amount of the asset. The valuation has taken into account the requirements of AASB 116 which defines 'fair value' and the concepts of 'market value'. The date of the valuation was 31 December 2013 and the property was inspected on 8 December 2013.

**Plant and equipment**

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over the asset's useful life commencing from the time the asset is available for use. The depreciation rates used for each class of depreciable asset are:

<b>Class of fixed asset</b>	<b>Depreciation rate</b>
Buildings	2.5% - 10%
Office equipment	10% - 27%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(c) Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or ownership of the term of the lease. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**(d) Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit and loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest rate method.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss. The association does not designate any interest in subsidiaries, associates or joint ventures entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

**(i) *Financial assets at fair value through profit or loss***

Financial assets are classified at fair value through profit or loss when they are held for trading purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (i.e. gains and losses) recognised included in profit and loss.

**(ii) *Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measure at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(d) Financial instruments (cont)**

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss. Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within twelve months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Impairment**

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults. For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at the point of writing off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognised the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(e) Impairment of assets**

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the class of asset.

**(f) Employee benefits**

Provision is made of the association'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand; deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**(h) Accounts receivable and other debtors**

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

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

**(i) Revenue and other income**

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Revenue (capitation fees and levies) from the state branches is recognised on a straight line basis over the financial year.

Sponsorships revenue is recognised upon the execution of the contracts with the corporate sponsors and in accordance with the terms and conditions of the sponsorship contracts.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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



**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(j) Goods and services tax (GST)**

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

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

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

**(k) Comparative figures**

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

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

**(l) Accounts payable and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(m) Provisions**

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

**(n) Critical accounting estimates and judgments**

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

*(i) Impairment - general*

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts or relevant assets are reassessed, using value-in-use calculations, which incorporate various key assumptions.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(o) Adoption of New Australian Accounting Standard requirements**

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

**New standards and interpretations issued but not yet effective**

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

AASB 2015-7	<i>Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities</i>	This amendment relieves not-for-profit public sector entities from certain disclosures about the fair value measurements of property, plant and equipment. The relief exempts them from disclosures of quantitative information about significant unobservable inputs used in fair value measurements, sensitivity of certain fair value measurements to changes in unobservable inputs, etc.	1 January 2018	Disclosures Only
AASB 9	<i>Financial Instruments</i>	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a “fair value through other comprehensive income” category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018	Minimal Impact
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	Consequential amendments arising from the issuance of AASB 9	1 January 2018	Minimal Impact

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 \$	2016 \$
<b>NOTE 2: REVENUE</b>		
<b>Operating activities</b>		
Membership subscription	-	-
Affiliation fees	2,400	2,400
Capitation fees – general levy from states	449,904	449,904
Capitation fees – TAA levy from states	506,000	506,000
Dividends received	71	74
Donations received	-	-
Government grants	-	-
Interest received	10,203	8,437
Promotional	953,446	764,050
Special project state recovery	-	-
Rental income	83,090	145,806
Sundry income	135,931	118,399
<b>Total revenue</b>	<u>2,141,045</u>	<u>1,995,070</u>
<b>2(a) Breakdown of capitation fees – general levy from states</b>		
New South Wales	145,094	145,094
Victoria	112,476	112,476
Queensland	91,105	91,105
South Australia	32,618	32,618
Western Australia	49,489	49,489
Tasmania	10,122	10,122
Australian Capital Territory	4,500	4,500
Northern Territory	4,500	4,500
	<u>449,904</u>	<u>449,904</u>
<b>2(b) Breakdown of capitation fees – TAA levy from states</b>		
New South Wales	163,185	163,185
Victoria	126,500	126,500
Queensland	102,465	102,465
South Australia	36,685	36,685
Western Australia	55,660	55,660
Tasmania	11,385	11,385
Australian Capital Territory	5,060	5,060
Northern Territory	5,060	5,060
	<u>506,000</u>	<u>506,000</u>
<b>NOTE 3: EXPENSES</b>		
<b>3(a) Employee expense</b>		
<b>Holders of office:</b>		
Wages and salaries	293,100	269,435
Superannuation	27,500	30,011
Leave and other entitlements	8,551	13,355
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>329,151</u>	<u>312,801</u>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
<b>NOTE 3: EXPENSES (CON'T)</b>		
3(a) Employee expense (Con't)		
<b>Employees other than office holders:</b>		
Wages and salaries	171,823	173,145
Superannuation	20,305	16,131
Leave and other entitlements	3,753	3,405
Separation and redundancies	-	-
Other employee expenses	-	-
	195,881	192,681
<b>Total employee expenses</b>	525,032	505,482
3(b) Administration expenses includes:		
Industrial relations expense	36,160	38,336
Accounting expenses	76,020	76,160
Body corporate and outgoings	37,744	43,961
Completion of seminars in relation to LEA project	-	-
Expenses incurred in relation to special project	56,674	66,398
Operating expenses	65,649	-
Grants paid	-	-
Insurance expenses	21,371	18,811
Publications expense	53,267	314,453
Operating lease expenses	25,000	59,214
Subscriptions expenses	119,592	187,977
Donations:		
Total paid that were \$1,000 or less	12,107	4,018
Total paid that exceeded \$1,000	131,897	293,909
Other expenses	-	73,344
	635,481	893,491
3(c) Legal expenses include:		
Litigation	-	-
Other legal matters	37,832	20,341
	37,832	20,341
<b>NOTE 4: AUDITORS' REMUNERATION</b>		
Remuneration of the auditor of the association for:		
- auditing the financial statements	14,350	15,000

No other services were provided by the auditors.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	2017 \$	2016 \$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	-	-
Cash at bank	203,576	451,376
Short term investments – term deposits	700,000	400,000
	903,576	851,376
 <b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
Net GST refundable	-	35,804
Trade receivables	424,437	81,727
Less: Provision for doubtful debts	-	-
Receivable with another reporting unit	-	-
	424,437	116,811
 <b>NOTE 7: OTHER CURRENT ASSETS</b>		
Prepayments	31,413	18,851
	31,413	18,851
 <b>NOTE 8: FINANCIAL ASSETS</b>		
<b>NON-CURRENT</b>		
<b>Available-for-sale financial assets</b>		
a. Available-for-sale financial assets comprise:		
Listed investments, at fair value		
- shares in Insurance Australia Group Limited	779	779
Total available-for-sale financial assets	779	779
 <b>NOTE 9: PROPERTY, PLANT &amp; EQUIPMENT</b>		
Building – 24 Brisbane Avenue, Barton at fair value	1,450,000	1,450,000
Less: accumulated depreciation	(166,989)	(133,591)
	1,283,011	1,316,409
Office equipment – at cost	39,731	37,029
Less: accumulated depreciation	(36,247)	(34,894)
	3,484	2,135
<b>Total property, plant and equipment</b>	<b>1,286,495</b>	<b>1,318,544</b>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 9: PROPERTY, PLANT & EQUIPMENT (CONT)**

**Movements in carrying amounts**

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

	Building \$	Office equipment \$	Total \$
<b>Balance at 31 December 2015</b>	1,349,807	3,323	1,353,130
Additions/Revaluation	-	-	-
Depreciation expense	(33,398)	(1,188)	(34,586)
<b>Balance at 31 December 2016</b>	1,316,409	2,135	1,318,544
Additions		2,702	2,702
Revaluations		-	-
Depreciation expense	(33,398)	(1,353)	(34,751)
<b>Carrying amount at 31 December 2017</b>	1,283,011	3,484	1,286,495

The land and building, being located at Unit 1, 24 Brisbane Avenue, Barton was inspected by Marcus Hon AAPI of CBRE Valuations Pty Limited on 8 December 2013. The valuation of the property as at 31 December 2013 has been determined on a 'market value' basis. This is equivalent to fair value and in accordance with AASB 116, see note 16.

<b>NOTE 10 A: TRADE AND OTHER PAYABLES</b>	<b>NOTE</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
<b>Current</b>			
Accounts payable- general		61,539	81,898
Accounts payable – related to legal costs (other matters)	<b>3(c)</b>	2,378	7,716
Accounts payable – related to legal costs (litigation)	<b>3(c)</b>	-	-
Accrued expenditure		159,043	133,834
Other payables		111,992	78,000
Income received in advance		521,032	420,076
	<b>1(l)</b>	<u>855,985</u>	<u>721,524</u>

**NOTE 10 B: PROVISIONS**

**Current**

Provision for annual leave- holders of office		8,551	13,355
Provision for annual leave- employees other than office holders		3,753	3,405
Provision for long service leave- holders of office		-	-
Provision for long service leave- employees other than office holders		-	-
Provision for separation and redundancies- holders of office		-	-
Provision for separation and redundancies- employee other than holders of office		-	-
Other employee provisions- holders of office		-	-
Payable with another reporting unit		-	-
Other employee provisions- employees other than holders of office		-	-
Separation and redundancy provisions related to holders of office		-	-
Separation and redundancy provisions related to employees (other than holders of office)		-	-
	<b>1(m)</b>	<u>12,304</u>	<u>16,760</u>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	2017	2016
	(\$)	(\$)
<b>NOTE 11: CAPITAL AND LEASING COMMITMENTS</b>		
<b>Operating lease commitments</b>		
Non-cancellable operating lease contracted for but not recognised in the financial statements		
<b>Receivables – minimum lease receipts</b>		
Not later than 12 months	144,639	-
Later than 12 months but not later than 5 years	493,204	-
	637,843	-

The property lease commitment is a non-cancellable operating lease with a five year term, with rent received monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease receipts shall be increased by the Consumer Price Index.

Non-cancellable operating leases contracted for but not capitalised in the financial statements

**Payables – minimum lease payments**

Not later than 12 months	-	-
Later than 1 year but not later than 5 years	-	-
	-	-

**NOTE 12: CASH FLOW INFORMATION**

**Reconciliation of cash flow from operations with surplus after income tax**

(Deficit)/Surplus after income tax	210,336	(199,215)
Non-cash flows in profit:		
Depreciation expense	34,751	34,586
Changes in assets and liabilities:		
(Increase)/decrease in fixtures	(2,702)	-
Decrease/(increase) in trade receivables	(307,626)	402,645
(Increase)/decrease in prepayments	(12,562)	(13,106)
Increase/(decrease) in trade and other payables	33,506	30,893
Increase/(decrease) in income received in advance	100,955	(75,533)
(Decrease)/increase in provisions	(4,458)	1,967
<b>Net cash from operating activities</b>	<b>52,200</b>	<b>182,237</b>

**Credit stand-by and financing facilities**

The Association has no credit stand-by or financing facilities in place.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 12A: RECONCILIATION OF RECEIPTS AND EXPENSES FROM REPORTING UNITS - STATES**

**OUTFLOWS**

Amounts paid to the NSW Branch for accounting and TAA CEO service	158,520	155,900
Amounts paid to the ACT Branch for general administration	-	6,800
Amounts paid to the WA Branch for policy support	40,000	40,000
Total	<u>198,520</u>	<u>202,700</u>

**INFLOWS**

Breakdown of capitation fees – general levy from states

New South Wales	145,094	145,094
Victoria	112,476	112,476
Queensland	91,106	91,106
South Australia	32,618	32,618
Western Australia	49,489	49,489
Tasmania	10,123	10,123
Australian Capital Territory	4,499	4,499
Northern Territory	4,499	4,499
	<u>449,904</u>	<u>449,904</u>

Breakdown of capitation fees – TAA levy from states

New South Wales	163,185	163,185
Victoria	126,500	126,500
Queensland	102,465	102,465
South Australia	36,685	36,685
Western Australia	55,660	55,660
Tasmania	11,385	11,385
Australian Capital Territory	5,060	5,060
Northern Territory	5,060	5,060
	<u>506,000</u>	<u>506,000</u>



**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	2017	2016
<b>NOTE 13: RELATED PARTY TRANSACTIONS</b>		
<b>(a) Directors' remuneration</b>	<b>(\$)</b>	<b>(\$)</b>
Remuneration received or receivable by all directors of the association		
- from the entity or any related party in connection with the management of the association	35,000	35,000

The names of directors who have held office during the financial year are:

- Paul Jubb
- Colin Waller
- Peter Burnett
- Scott Leach
- Trish Nyar
- Greg Moore

**(b) Key management personnel**

Short term employment benefits		
Salary	243,100	234,439
Annual leave accrued	8,551	13,355
Performance bonus	50,000	-
Total short-term employee benefits	301,651	247,794
Post-employment benefits:		
Superannuation	27,500	30,011
Total post-employment benefits	27,500	30,011
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	329,151	277,805

**(c) Other related parties**

The Association is the representative body for hotels and other associated hospitality entities in Australia.

Amounts paid to the NSW Branch for accounting and TAA CEO service	158,520	155,900
Amount paid to Michael Capezio (MCM Project)/ ACT Branch	30,345	6,800
Amounts paid to the WA Branch for policy support	40,000	40,000
Total	228,865	202,700

All State branches receive remuneration for actual expenses incurred and these amounts are disclosed in the relevant expense category of the statement of comprehensive income. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

**NOTE 14: INFORMATION TO BE PROVIDED TO THE MEMBERS OR COMMISSIONER OF REGISTERED ORGANISATIONS COMMISSION**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of sub-sections (1), (2) Commissioner of Registered Organisations Commission, 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 the application made under subsection (1).

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 15: FURTHER DISCLOSURES REQUIRED UNDER S.255 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (THE RO ACT)**

**Financial support provided to enable the Association to continue as a going concern in accordance to s.254(10):**

Australian Hotels Association – National Body's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit(s).

**Financial support provided to another reporting unit to ensure they have the ability to continue as a going concern in accordance with s.254(11):**

Australian Hotels Association – National Body has not agreed to provide financial support to ensure another reporting unit(s) has the ability to continue as a going concern.

**Acquisition of an asset or liability during the financial year in accordance with s.254(12):**

Australian Hotels Association – National Body has not acquired an asset or 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 reporting unit form part) was the amalgamated organisation; 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).

**Financial support received from another reporting unit in accordance with s.254(14)(e):**

The Australian Hotels Association – National Body has not received any financial support from another reporting unit of the organisation during the financial year.

**Expenses incurred as consideration for employers making payroll deductions of membership subscriptions in accordance with s.254(16)(a):**

The Australian Hotels Association – National Body did not incur any expenses as consideration for employers making payroll deductions of membership subscriptions.

**Capitation fees paid in accordance with s.254(16)(b):**

The Australian Hotels Association – National Body is not required to pay and did not pay capitation fees to another reporting unit of the organisation.

**Fees and periodic subscriptions paid in accordance with s.254(16)(c):**

The Australian Hotels Association – National Body has not paid fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters during the financial year.

**Compulsory levies imposed in accordance with s.254(16)(d):**

No compulsory levies were imposed on the Australian Hotels Association – National Body during the financial year.

**Fees or allowances paid to persons to attend a conferences or other meeting as a representative of the reporting unit in accordance with s.254(16)(h):**

Australian Hotels Association – National Body provided \$14,453 of allowances and subsistence during the financial year to attend meetings.

**Penalties imposed under the RO Act in accordance with s.254(16)(k):**

No penalties were imposed on Australian Hotels Association – National Body under the RO Act with respect to conduct of the Association.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 15: FURTHER DISCLOSURES REQUIRED UNDER S.255 OF THE *FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009* (THE RO ACT)**

**Payables to employers as consideration for the employers making payroll deductions of membership subscriptions in accordance with s.254(20)(a):**

There were no instances of payables of this nature as at year end. As such, s.254(22)(b) is non-applicable.

**Name and balance of each fund or account in respect to compulsory levies or voluntary contributions in accordance with s.254(22)(c):**

Australian Hotels Association – National Body did not operate any funds or accounts in respect of compulsory levies raised by the Association or voluntary contributions collected from members of the reporting unit during the financial year.

**Details of any transfer or withdrawals to a fund, account or controlled entity in accordance with s.254(22)(d):**

Australian Hotels Association – National Body has made no transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the reporting unit during the financial year.

**Details of any transfer or withdrawals to a fund, account or controlled entity in accordance with s.254(24):**

No other reporting unit and/or controlled entity of the organisation was the source of a cash inflow or the application of a cash outflow during the financial year.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 16: FINANCIAL RISK MANAGEMENT**

The association's financial instruments consist mainly of deposits with bank, short term investments, and investments in listed shares, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2017 (\$)	2016 (\$)
<b>Financial assets</b>			
Cash and cash equivalents	5	903,576	851,376
Trade and other receivables		424,437	116,811
Available-for-sale financial assets			
- Shares in listed companies	8	779	779
		<u>1,328,792</u>	<u>968,966</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	10	855,985	738,284

**Financial risk management policies**

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

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

**Specific financial risk exposures and management**

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

**Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the association. Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit-worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintains a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. There is no collateral held by the association securing trade and other receivables. Accounts receivable and other debtors that are neither past due nor impaired are considered to be high credit quality. The association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 16: FINANCIAL RISK MANAGEMENT (CONT)**

**Liquidity risk**

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- only investing surplus cash with major financial institutions

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

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

**Financial liability and financial asset maturity analysis**

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	334,952	301,448	-	-	-	-	334,952	301,448
<b>Total expected outflows</b>	<b>334,952</b>	<b>301,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>334,952</b>	<b>301,448</b>
<b>Financial assets – cash flows realisable</b>								
Cash and cash equivalents	903,576	851,376	-	-	-	-	903,576	851,376
Trade and other receivables	424,437	116,811	-	-	-	-	424,437	116,811
Available-for-sale investments	779	779	-	-	-	-	779	779
Total anticipated inflows	1,328,792	968,966	-	-	-	-	1,328,792	968,966
<b>Net (outflow)/inflow on financial instruments</b>	<b>993,840</b>	<b>667,518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>993,840</b>	<b>667,518</b>

**Net fair values**

*Fair value estimation*

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

**NOTE 16: FINANCIAL RISK MANAGEMENT (CONT)**

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Footnote	2017		2016	
		Net carrying value \$	Net fair value \$	Net carrying value \$	Net fair value \$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	903,576	903,576	851,376	851,376
Trade and other receivables	(i)	424,437	424,437	116,811	116,811
Available-for-sale financial assets – in listed share investments	(ii)	779	779	779	779
<b>Total financial assets</b>		<b>1,328,792</b>	<b>1,328,792</b>	<b>968,966</b>	<b>968,966</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	855,985	855,985	738,284	738,284
<b>Total financial liabilities</b>		<b>855,985</b>	<b>855,985</b>	<b>738,284</b>	<b>738,284</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.
- (ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at reporting date are used.

**Fair Value Measurements**

The following table provides an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below:

Level 1: Quote prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurements date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Non-financial assets	Fair value measurements at the end of the reporting period			For levels 2 & 3 fair value measurement	
	2017	2016	Category	Valuation Technique <sup>1</sup>	Inputs used
Property, plant & equipment	1,286,495	1,318,544	Level 2	Market approach	Market data & Sales Comparisons.

- 1) No change in valuation technique occurred during the period

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 16: FINANCIAL RISK MANAGEMENT (CONT)**

*Sensitivity analysis*

The following table illustrates sensitivities to the association's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	<b>Financial assets</b>	
	<b>Profit</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 31 December 2017</b>		
+/- 1% in interest rates	4,000	4,000
+/- 10% in listed investments	78	78
<b>Year ended 31 December 2016</b>		
+/- 1% in interest rates	5,000	5,000
+/- 10% in listed investments	78	78

No sensitivity analysis has been performed on foreign exchange risk as the association has no significant exposure to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

**NOTE 17: CONTINGENT LIABILITIES**

There are no contingent liabilities as at year end.

**NOTE 18: ASSOCIATION DETAILS**

The registered office and principal place of business of the association is:  
 Australian Hotels Association  
 27 Murray Crescent  
 GRIFFITH ACT 2603

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 December 2017**

	2017 \$	2016 \$
<b>Revenue</b>		
Affiliation fees	2,400	2,400
Capitation fees	955,904	955,904
Dividends received	71	74
Advertising income	-	-
Interest received	10,203	8,437
Income received from special project	-	-
Income received from government grants	-	-
Income received from national marketing and convention	1,089,377	882,449
Rental received from 24 Brisbane Avenue, Barton	83,090	145,806
<b>Total revenue</b>	<u>2,141,045</u>	<u>1,995,070</u>
<b>Expenditure</b>		
Brisbane Avenue Make Good Fee	47,287	-
Annual Leave/LSL expense	(4,456)	1,967
Accommodation divisional survey and operational costs	384,569	442,808
Audit and accounting fees	90,370	91,160
Bank charges	3,220	3,130
Body corporate and outgoings	37,744	43,961
CEO LAFH Allowance	30,227	36,398
Consultancy expenses	45	19,731
Depreciation expense	34,751	34,586
Doubtful debts	-	-
Expenses incurred for the special project	56,674	66,398
Expenses incurred for the marketing convention	185,469	171,287
Executive and Council conference and meetings	41,521	24,142
Fringe benefits tax	3,000	3,000
Sponsorship Support	3,409	-
Insurance expense	21,371	18,812
Industrial relations expense	36,160	38,336
Leasing of office premises	25,000	59,124
Legal expenses	37,832	20,341
Light and power	37	1,300
Media, training and monitoring	450	1,245
Office administrative expenses	3,011	13,416
Postage and freight	423	874
President's remuneration	25,000	25,000
Political events	37,064	66,227
Printing and stationery	3,116	7,948
Publications expense	1,500	31,454
Representations	172,589	312,112
Salaries, benefits and on-costs	425,100	366,450
Secretary/Treasurer's remuneration	10,000	10,000
Staff Recruiting	-	-
Subscriptions expense	119,592	187,977
Telephone expense	15,845	15,818
Travel expenses	82,789	79,283
<b>Total expenditure</b>	<u>1,930,709</u>	<u>2,194,285</u>
<b>Surplus/(Deficit) for the year</b>	<u>210,336</u>	<u>(199,215)</u>



**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**INCOME AND EXPENDITURE STATEMENT**  
**SUPPORTING SCHEDULES**  
**FOR THE YEAR ENDED 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>National marketing and convention</b>		
<b>Revenue</b>		
Corporate sponsorship	953,446	764,050
Delegate registration	-	-
National awards for excellence sponsorship income	135,931	118,399
<b>Total revenue</b>	<b>1,089,377</b>	<b>882,449</b>
<b>Expenditure</b>		
Audio-visual and slide production	-	-
Consultancy expense	-	-
Entertainment, theming and production	24,966	35,355
Equipment hire	-	-
Food, beverages, golf and theme parks	80,849	79,608
National awards for excellence	10,736	13,309
Printing and stationery	1,641	2,227
Spring carnival	44,799	25,266
Travel, accommodation and consultants	22,478	16,522
VIP events	-	-
VIP gifts	-	-
<b>Total expenditure</b>	<b>185,469</b>	<b>171,287</b>
<b>Surplus for the year</b>	<b>903,908</b>	<b>711,162</b>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2017**

**INCOME AND EXPENDITURE STATEMENT  
 SUPPORTING SCHEDULES  
 FOR THE YEAR ENDED 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>LEA projects</b>		
<b>Revenue</b>		
Grants income received	-	-
<b>Total revenue</b>	-	-
<b>Expenditure</b>		
Completion of seminars	-	-
<b>Total expenditure</b>	-	-
<b>Deficit for the year</b>	-	-

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**INCOME AND EXPENDITURE STATEMENT  
SUPPORTING SCHEDULES  
FOR THE YEAR ENDED 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>HEEIP project</b>		
<b>Revenue</b>		
Grants received	-	-
<b>Total revenue</b>	-	-
<b>Expenditure</b>		
Consultancy fees	-	19,731
<b>Total expenditure</b>	-	19,731
<b>Surplus for the year</b>	-	(19,731)

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2017**

**INCOME AND EXPENDITURE STATEMENT  
 SUPPORTING SCHEDULES  
 FOR THE YEAR ENDED 31 December 2017**

	2017 \$	2016 \$
<b>WORK FORCE project</b>		
<b>Revenue</b>		
Grant income	-	-
<b>Total revenue</b>	-	-
<b>Expenditure</b>		
Consultancy fees	-	-
<b>Total expenditure</b>	-	-
<b>Surplus / (deficit) for the year</b>	-	-



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 approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.



**RSM Australia Pty Ltd**



**Rodney Miller**  
**Director**

Canberra  
24 May 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/144



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### AUDITOR'S DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of the Australian Hotels Association – National Body (AHA) which have been subjected to the auditing procedures applied in our audit of the AHA for the year 31 December 2017. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person, (other than to the AHA), in respect of such data, including any errors or omissions therein however caused.

**RSM AUSTRALIA PTY LTD**

**RODNEY MILLER**  
Director

Canberra, Australian Capital Territory  
Dated: 24 May 2018

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