



24 August 2020

David Basheer  
National Secretary/Treasurer  
Australian Hotels Association

Dear Sir

**Re: – Financial reporting – Australian Hotels Association - for year ending 31 December 2019 (FR2019/308)**

I refer to the financial report of the Australian Hotels Association in respect of the year ending 31 December 2019. The documents were lodged with the Registered Organisations Commission ('ROC') on 25 June 2020.

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 sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 31 December 2020 may be subject to an advanced compliance review.

You do not have to take any further action in respect of the financial report lodged. However I make the following comments to assist when preparing the next report.

**Reports must be provided to members within 5 months of end of financial year where report is presented to committee of management meeting**

According to the covering email received at lodgement and the amended designated officer's certificate provided on 20 August, the financial report was presented, for the purposes of section 266, to a meeting of the committee of management on 24 June. Subsection 265(5)(b) requires that where the full report is presented to a committee of management meeting (i.e. as distinct from a general meeting), the report must be provided to members within 5 months of the end of the financial year (i.e. in this case by 31 May). According to the original designated officer's certificate accompanying the financial report at lodgement, the full report was provided to members on 3 June.

Please note that if in future financial years the reporting unit anticipates that it will not be able to provide the full report to the members by 31 May, a written request for an extension of time, signed by the relevant officer, and including any reason for the delay, should be made prior to the expiry of the 5 months.

**New Accounting Standards – AASB 16, AASB 15 and AASB 1058**

Australian Accounting Standards AASB 16 Leases, AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities are applicable to not-for-profit entities for annual periods beginning on or after 1 January 2019. General purpose financial reports must include all relevant and required financial disclosures in accordance with Australian Accounting Standards.

I acknowledge the statement at Note 1(p) that the impact of adoption of these standards did not result in material changes. For future reference in relation to AASBs 15 and 1058, I take this opportunity to draw attention to the following.

AASB 15 - Disaggregation of revenue from contracts with customers<sup>1</sup>

Australian Accounting Standard AASB 15 Revenue from Contracts with Customers paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

AASB 1058 - Separate disclosure of income of not-for-profit entities<sup>1</sup>

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

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

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.<sup>1</sup> The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

Yours faithfully



Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

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<sup>1</sup> See new model financial statements published on 25 June 2020 for the year ending 31 December 2020 containing illustrative information.

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**

**ABN 78 756 030 961**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

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**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**

**ABN 78 756 030 961**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

I David Basheer 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 June 2020; and

. that the full report was presented to a meeting of the Committee of Management of the Reporting unit on 24 June 2020 in accordance with s.266 of the Fair Work (Registered Organisation) Act 2009



DAVID BASHEER

National Secretary/Treasurer

Dated this 24<sup>th</sup> day of June 2020

AUSTRALIAN HOTELS ASSOCIATION NATIONAL BODY  
AUSTRALIAN HOTELS ASSOCIATION NATIONAL BODY  
ABN 78 756 938 850 961

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER  
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

- that the documents lodged herewith are copies of the full report to the Australian Hotels Association - National Body for the period ended 30 September 2019 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 30 September 2020; and
- that the full report was presented in a meeting of the members of the reporting unit on 3 June 2020 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

  
.....  
DAVID BASHEER  
National Secretary/Treasurer


Dated this 3rd day of June 2020.  
Dated this 3rd day of June 2020.

AUSTRALIAN HOTELS ASSOCIATION NATIONAL BODY  
AUSTRALIAN HOTELS ASSOCIATION NATIONAL BODY  
ABN 78 936 961

NOTICE TO MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with the requirements of the ~~For the Year (Peak) Regulations 2009~~, the attention of members is drawn to the provisions of sub-section (2) of section 272, which reads as follows:

1. A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and specify the period to 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).

  
.....  
DAVID BASHEER  
National Secretary/Treasurer

Dated this 3rd day of June 2020.

**AUSTRALIAN HOTELS ASSOCIATION NATIONAL BODY**  
**ABN 78 756 079 663 961**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the Corporations Act 2006 for the reporting unit for the year ended 31 December 2019.

	2019	2019	2018	2018
	.	.	.	.
	\$	\$	\$	\$
Categories of Expenditures:				
Remuneration and other employment-related costs and expenses of employees	803,063	803,063	616,446	616,444
Advertising	-	-	-	-
Operating costs	591,675	591,675	379,439	379,439
Donations to other parties	299,001	299,001	223,705	223,705
Legal costs	29,880	29,880	45,625	45,625
<b>Total</b>	<b>1,523,619</b>	<b>1,523,619</b>	<b>1,265,215</b>	<b>1,265,213</b>

.....  
**DAVID BASHEER**  
 National Secretary/Treasurer

Dated this 2nd day of May 2020.



**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**OPERATING REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

The Committee of Management presents its report on the reporting unit for the financial year ended 31 December 2019.

**Principal Activities**

The principal activities of the reporting unit, 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.

**Review of Principal Activities**

The Committee of Management has reviewed its principal activities and is satisfied that activities have been successfully conducted throughout the year.

**Results of Operations**

The results of the reporting unit's activities were consistent with the reporting unit's aims and activities.

The operating surplus for the year ended 31 December 2019 is \$15,770 (2018: surplus of \$401,800). The Management committee has considered the going concern principle and is satisfied that the going concern concept is appropriate.

**Significant Changes in the Nature of Principal Activities and Financial Affairs**

There were no significant changes in the nature of the principal activities and financial affairs undertaken by the reporting unit during the year ended 31 December 2019.

**Right of Members to Resign**

Members have the right to resign their membership in accordance with rule 32, which reads as follows:

- 1) A member of the reporting unit may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which it is a member.
- 2) A notice of resignation from membership of the reporting unit takes effect:
  - (a) Where the member ceases to be eligible to become a member of the reporting unit:
    - (i) on the day on which the notice is received by the reporting unit; 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

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**OPERATING REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Right of Members to Resign (Continued)**

Members have the right to resign their membership in accordance with rule 32, which reads as

- 2) A notice of resignation from membership of the reporting unit takes effect: (Continued)
  - (b) In any other case:
    - (i) at the end of two (2) weeks after the notice is received by the reporting unit; 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 reporting unit, in relation to a period before the member's resignation from the reporting unit took effect, may be sued for and recovered in the name of the reporting unit in a court of competent jurisdiction, as a debt due to the reporting unit.
- 4) A notice delivered to the person mentioned in sub rule (1) shall be taken to have been received by the reporting unit when it was delivered.
- 5) A notice of resignation that has been received by the reporting unit is not invalid because it was not addressed and delivered in accordance with sub rule (1).
- 6) A resignation from membership of the reporting unit 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 reporting unit that the resignation has been accepted.

**Officers or members who are Superannuation Fund Trustee(s) or Director of a Company that is a Superannuation Fund Trustee**

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 Randail.

**Number of Members**

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the reporting unit was 5,153.

**Number of Employees**

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

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**OPERATING REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

Names of Committee of Management members and period positions held during the financial year  
During the year ended 31 December 2019 and the date of this report, the following persons held  
membership of the Committee of Management of the reporting unit:

Name	Position	Period Position Held
Scott Leach	President	Full year
David Basheer	Secretary/Treasurer	Full year
John Dabner	President Accommodation Division	Full year
Paul Jubb	Senior Vice President	Full year
David Canny	Vice President	Full year
Neil Randall	Branch President WA	Full year
Paul Palmer	Branch President NT	Full year
Michael Capezio	Branch President ACT	Full year
Tom McGuire	Branch President QLD	Full year

Members of National Board who have held office during the financial year:

Andrew Clark	Matt Mullins
Andrew Cairns	Matthew Nikakis
Andrew Bullock	Matthew Binns
Antony Page	Michael Capezio
Ashok Parekh	Neil Randall
Ben Sington	Paul Stocks
Brad Fitzgibbons	Paul Jubb
Craig Jervis	Paul Palmer
David Canny	Peter Harris
David Curry	Philip Webster
David Basheer	Richard Deery
Des Kennedy	Rolly De With
Joanne Blair	Scott Leach
John Dabner	Scott Armstrong
John Douglas	Sean Reid
Kim Maloney OAM	Todd Handy
Lynette Humphreys	Tom McGuire
Mark Robertson OAM	Tony Condon
Martin Peirson Jones	



.....  
**DAVID BASHEER**  
National Secretary/Treasurer

Dated this 3rd day of June 2020.

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
<b>Revenue</b>			
Membership subscription	2(a)	-	-
Affiliation fees	2(a)	2,400	2,400
Capitation fees	2(a)	955,904	955,904
Interest income	2(a)	17,782	16,984
Other income	2(b)	1,446,650	1,519,177
Grants and donations	2(c)	-	-
Revenue from recovery of wages activity	2(b)	-	-
<b>Total income</b>		<u>2,422,736</u>	<u>2,494,465</u>
<b>Expenses:</b>			
Accommodation divisional survey and operational costs		(402,593)	(412,963)
Affiliation fees		-	-
Employee benefits expenses	3(a)	(603,063)	(616,444)
Depreciation expenses		(36,231)	(35,001)
Consultancy expenses		(30,000)	(133)
Legal expenses	3(d)	(29,880)	(45,625)
Marketing and convention expenses		(246,314)	(219,697)
Executive and Council conferences and meetings		(16,715)	(27,869)
Travel expenses		(148,355)	(130,474)
Bank charges and finance costs		(3,139)	(1,315)
Administration expenses	3(b)	(591,675)	(379,439)
Donations	3(c)	(299,001)	(223,705)
<b>Total expenses</b>		<u>(2,406,966)</u>	<u>(2,092,665)</u>
Surplus for the year		15,770	401,800
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income attributable to the members</b>		<u><b>15,770</b></u>	<u><b>401,800</b></u>

The accompanying notes form part of the financial statements.

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	643,520	1,051,597
Financial assets	8	700,000	-
Trade and other receivables	6	261,082	405,867
Other current assets	7	16,103	60,586
<b>TOTAL CURRENT ASSETS</b>		<u>1,620,705</u>	<u>1,518,050</u>
NON-CURRENT ASSETS			
Financial assets	8	779	779
Property, plant and equipment	9	1,217,155	1,251,494
Right of use asset	12	88,935	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,306,869</u>	<u>1,252,273</u>
<b>TOTAL ASSETS</b>		<u><b>2,927,574</b></u>	<u><b>2,770,323</b></u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	609,837	569,035
Lease liabilities	12	24,996	-
Provisions	11	32,642	21,077
<b>TOTAL CURRENT LIABILITIES</b>		<u>667,475</u>	<u>590,112</u>
NON-CURRENT LIABILITIES			
Lease liabilities	12	64,118	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>64,118</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u><b>731,593</b></u>	<u><b>590,112</b></u>
<b>NET ASSETS</b>		<u><b>2,195,981</b></u>	<u><b>2,180,211</b></u>
<b>EQUITY</b>			
Asset revaluation reserve		885,378	885,378
Retained surplus		1,310,603	1,294,833
<b>TOTAL EQUITY</b>		<u><b>2,195,981</b></u>	<u><b>2,180,211</b></u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Asset revaluation reserve	Retained surplus	Total
<b>Balance at 1 January 2018</b>	885,378	893,033	1,778,411
Net surplus attributable to members of the entity	-	401,800	401,800
Revaluation of Buildings	-	-	-
<b>Balance at 31 December 2018</b>	<b>885,378</b>	<b>1,294,833</b>	<b>2,180,211</b>
Net surplus attributable to members of the entity	-	15,770	15,770
Revaluation of Buildings	-	-	-
<b>Balance at 31 December 2019</b>	<b>885,378</b>	<b>1,310,603</b>	<b>2,195,981</b>

The accompanying notes form part of these financial statements.

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from capitation fees		1,051,494	1,051,494
Receipts from promotional and sundry activities		1,750,871	2,974,900
Interest received		17,782	16,984
Dividends received		67	126
Receipts from Government grants		-	-
Payments to employees, promotional expenses and other expenses		(2,526,208)	(3,895,483)
Interest paid		(370)	-
<b>Net cash provided by operating activities</b>	13	<u>293,636</u>	<u>148,021</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for financial assets		(700,000)	-
<b>Net cash used in investing activities</b>		<u>(700,000)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(1,713)	-
<b>Net cash used in financing activities</b>		<u>(1,713)</u>	<u>-</u>
<b>Net decrease in cash held</b>		(408,077)	148,021
Cash and cash equivalents at the beginning of the year		<u>1,051,597</u>	<u>903,576</u>
<b>Cash and cash equivalents at the end of the year</b>	5	<u>643,520</u>	<u>1,051,597</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are for Australian Hotels Association - National Body (the "reporting unit").

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards and Australian Board ("AASB") and the *Fair Work (Registered Organisations) Act 2009*. The reporting unit is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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 financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 3 June 2020 by the Members of the Committee.

The following is a summary of the material accounting policies adopted by the reporting unit in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

**Accounting Policies**

**(a) Income Tax**

the reporting unit 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 30 June 2019 and the property was inspected on 4 July 2019.



**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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 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%
Office equipment	17% - 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.

**(c) Leases**

At inception of a contract, the reporting unit assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the reporting unit the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the reporting unit recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the reporting unit's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the reporting unit is reasonably certain to exercise and incorporate the reporting unit's expectations of lease extension options.

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Leases (Continued)**

At inception of a contract, the reporting unit assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the reporting unit the right to control the use of an identified asset over a period of time in return for consideration.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$10,000 or less) are recognised as incurred as an expense in the Statement of Comprehensive Income. Low value assets comprise computers and items of IT equipment.

**(d) Fair Value of Assets and Liabilities**

The reporting unit measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

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

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

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the reporting unit at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and

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

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**(e) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the reporting unit becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the reporting unit commits itself to either purchase or sell the asset (i.e. trade date accounting is

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Financial Instruments (Continued)**

**Initial recognition and measurement (Continued)**

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost as applicable. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as 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 method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through 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 an income or expense item in profit or loss.

*Fair value* is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

*Financial assets at amortised cost*

Financial assets recognised by the reporting unit are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the reporting unit irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVTOCI) in accordance with the relevant criteria in AASB 9 or fair value through profit or loss.

*Financial liabilities*

All financial liabilities recognised by the reporting unit are subsequently measured at amortised cost.

**Impairment**

At each reporting date, the reporting unit 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 that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Financial Instruments (Continued)**

**Impairment (Continued)**

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 management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the reporting unit recognises 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 when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the reporting unit no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired.

The difference between the carrying amount 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 the profit or loss.

**(f) Impairment of Assets**

At each reporting date, the reporting unit reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the reporting unit 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.

**(g) Employee benefits**

Provision is made of the reporting unit'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.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) 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.

**(i) Trade and other receivables**

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

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

**(j) Revenue and other income**

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

Revenue (capitation fees and levies) from the state associations 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).

**(k) Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of the GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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.

**(l) Comparative figures**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) Comparative figures (Continued)**

Where the reporting unit 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.

**(m) Trade and Other Payables**

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

**(n) Provisions**

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

**(o) Critical Accounting Estimates and Judgments**

The reporting unit 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.

**Impairment - general**

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

**(p) New Accounting Standards Adopted During the Financial Year**

The reporting unit has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 16 *Leases*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) New Accounting Standards Adopted During the Financial Year (Continued)**

*AASB 16 Leases*

The reporting unit has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

In accordance with the transition requirements of AASB 16, the reporting unit has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard.

The reporting unit has elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under the predecessor standard:

- to not recognise a right-of-use asset and a lease liability for leases for which the underlying asset is of low value; and
- to not recognise a right-of-use asset and a lease liability for leases for which the lease term ends within 12 months of the date of initial application.

*AASB 15 Revenue from Contracts with Customers*

The reporting unit has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the reporting unit expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in the reporting unit's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the reporting unit's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) New Accounting Standards Adopted During the Financial Year (Continued)**

*AASB 1058 Income of Not-for-Profit Entities*

The reporting unit has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

*Impact of adoption*

AASB 16, AASB 15, and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. The impact of adoption did not result in material changes.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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	Note	2019 \$	2018 \$
<b>NOTE 2: REVENUE AND OTHER INCOME</b>			
<b>(a) Operating activities</b>			
Membership subscriptions		-	-
Affiliation fees		2,400	2,400
Capitation fees:			
Capitation fees - general levy from states	(i)	449,904	449,904
Capitation fees - TAA levy from states	(i)	506,000	506,000
Total Capitation fees		955,904	955,904
 (i) Breakdown of capitation fees from states			
		<b>General levy from states</b>	
		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</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
		<b>449,904</b>	<b>449,904</b>
		<b>TAA levy from states</b>	
		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
		163,185	163,185
		126,500	126,500
		102,465	102,465
		36,685	36,685
		55,660	55,660
		11,385	11,385
		5,060	5,060
		5,060	5,060
		<b>506,000</b>	<b>506,000</b>
 There are no other revenue from another reporting unit other than those disclosed above.			
<b>(b) Other income</b>			
Dividends received		67	126
Termination of AEC Contract		-	24,930
<u>Other revenue from another reporting unit:</u>			
AHA ACT association Management fee		-	13,174
Promotional		1,141,236	1,176,159
Revenue from recovery of wages activity		-	-
Levies from members		-	-
Special project state recovery		-	-
Rental income		162,883	157,798
Interest received		17,782	16,984
Sundry income		142,464	146,990
Total other income		1,464,432	1,536,161
 <b>(c) Grants or donations</b>			
Grants		-	-
Donations		-	-
		-	-
		-	-
<b>Total revenue</b>		<b>2,422,736</b>	<b>2,494,465</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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	Note	2019 \$	2018 \$
<b>NOTE 3: EXPENSES</b>			
<b>3(a) Employee Expenses</b>			
<b>    Holders of office:</b>			
Wages and salaries		269,157	295,600
Superannuation		25,000	25,000
Leave and other entitlements		10,334	20,154
Separation and redundancies		-	-
Other employee expenses		-	-
		<b>304,491</b>	<b>340,754</b>
<b>    Employees other than office holders:</b>			
Wages and salaries		260,033	243,407
Superannuation		37,308	31,360
Leave and other entitlements		1,231	923
Separation and redundancies		-	-
Other employee expenses		-	-
		<b>298,572</b>	<b>275,690</b>
		<b>603,063</b>	<b>616,444</b>
<b>3(b) Administration expenses</b>			
Industrial relations expense		5,602	5,643
Accounting expenses		85,326	78,816
Body corporate and outgoings		67,856	41,974
Expenses incurred in relation to special project		3,885	5,850
Operating expenses		74,640	79,001
Insurance expenses		40,431	23,446
Power Purchase Agreement project		168,944	-
Operating lease expenses		-	25,000
Short term lease payment	12	22,917	-
Subscriptions expenses		122,074	119,709
		<b>591,675</b>	<b>379,439</b>
<b>3(c) Grants &amp; Donations:</b>			
Grants that were \$1,000 or less		-	-
Grants that exceeded \$1,000 or less		-	-
Donations that were \$1,000 or less		7,671	25,155
Donations that exceeded \$1,000		291,330	198,550
		<b>299,001</b>	<b>223,705</b>
<b>3(d) Legal expenses include:</b>			
Litigation		-	-
Other legal matters		29,880	45,625
		<b>29,880</b>	<b>45,625</b>

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	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4: AUDITORS' REMUNERATION</b>		
Remuneration of the auditor of the reporting unit for:		
Auditing the financial statements	19,500	18,000
	<u>19,500</u>	<u>18,000</u>
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	643,520	351,597
Short term investments - term deposits	-	700,000
	<u>643,520</u>	<u>1,051,597</u>
<b>Reconciliation of Cash</b>		
Cash at the end of the financial year as shown in the financial Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents	<u>643,520</u>	<u>1,051,597</u>
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
Trade receivables:	261,082	405,867
Less: allowance for expected credit losses	-	-
Receivable from another reporting unit	-	-
	<u>261,082</u>	<u>405,867</u>
<b>NOTE 7: OTHER CURRENT ASSETS</b>		
Prepayments	<u>16,103</u>	<u>60,586</u>
<b>NOTE 8: FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
<b>Financial assets at amortised cost</b>		
a. Financial assets at amortised cost:		
- Term deposits	700,000	-
Total financial assets at amortised cost	<u>700,000</u>	<u>-</u>
<b>NON-CURRENT</b>		
<b>Financial assets at fair value through other comprehensive income</b>		
a. Financial assets at fair value through other comprehensive income:		
Listed investments, at fair value		
- Shares in Insurance Australia Group Limited	779	779
Total financial assets at fair value through other comprehensive income	<u>779</u>	<u>779</u>

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<b>NOTE 9: PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Building - 24 Brisbane Avenue, Barton at fair value	1,450,000	1,450,000
Less: accumulated depreciation	(233,785)	(200,387)
	<u><b>1,216,215</b></u>	<u><b>1,249,613</b></u>
Office equipment - at cost	39,731	39,731
Less: accumulated depreciation	(38,791)	(37,850)
	<u><b>940</b></u>	<u><b>1,881</b></u>
Total property, plant and equipment	<u><u><b>1,217,155</b></u></u>	<u><u><b>1,251,494</b></u></u>

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

<b>Movements in carrying amounts</b>	<b>Building</b>	<b>Office equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 31 December 2017	1,283,011	3,484	1,286,495
Addition	-	-	-
Revaluation	-	-	-
Depreciation expense	(33,398)	(1,603)	(35,001)
Balance at 31 December 2018	<u>1,249,613</u>	<u>1,881</u>	<u>1,251,494</u>
Additions	-	-	-
Revaluations	-	-	-
Depreciation expense	(33,398)	(941)	(34,339)
Carrying amount at 31 December 2019	<u><u>1,216,215</u></u>	<u><u>940</u></u>	<u><u>1,217,155</u></u>

The land and building, being located at Unit 1, 24 Brisbane Avenue, Barton was inspected by CBRE Valuations Pty Limited on 8 December 2013 and on 4 July 2019. The valuation of property has been determined on a 'market value' basis. The property is recognised at fair value based on the valuation performed in 2013 as management have determined that valuation performed as at 30 June 2019 is in line with the carrying value of the property. This is equivalent to fair value and in accordance with AASB 116, see note 16.

	<b>2019</b>	<b>2018</b>
<b>NOTE 10: TRADE AND OTHER PAYABLES</b>	<b>\$</b>	<b>\$</b>
Accounts payable - general	22,436	86,085
Payable to other reporting units	-	-
Accounts payable - related to legal costs (other matters)	-	-
Accounts payable - related to legal costs (litigation)	-	-
Accrued expenditure	69,893	70,177
Net GST payable	34,913	(26,833)
Other payables	40,318	47,968
Income received in advance	442,277	391,638
	<u><u><b>609,837</b></u></u>	<u><u><b>569,035</b></u></u>

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<b>NOTE 11: PROVISIONS</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Provision for annual leave - holders of office	30,488	20,154
Provision for annual leave - employees other than office holders	2,154	923
	<u><b>32,642</b></u>	<u><b>21,077</b></u>

There are no other provisions required to be recognised by the reporting unit other than those disclosed above.

**NOTE 12: LEASES**

*(i) Amount recognised in the statement of financial position*

Right of use asset - office	90,827	-
Accumulated depreciation - Right of use asset	(1,892)	-
	<u><b>88,935</b></u>	<u>-</u>
Lease liabilities - current	24,996	-
Lease liabilities - non-current	64,118	-
	<u><b>89,114</b></u>	<u>-</u>

Additions to the right-of-use assets during the 2019 financial year were \$90,827.

*(ii) Amount recognised in the statement of comprehensive income*

Depreciation charge - right of use asset	1,892	-
Interest expense (included in bank charges and finance costs)	370	-
Expense relating to short-term leases	3(b) 22,917	-
	<u><b>25,179</b></u>	<u>-</u>

The reporting unit has a 4 year lease with the Brewers Association in respect to the office occupied in Canberra, which expires in 2023.

<b>NOTE 13: CAPITAL AND LEASING COMMITMENTS</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Operating lease commitments - as lessor</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	168,250	148,910
Later than 12 months but not later than 5 years	202,069	344,294
	<u><b>370,319</b></u>	<u><b>493,204</b></u>

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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<b>NOTE 14: CASH FLOW INFORMATION</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>(A) Reconciliation of cash flow from operations with surplus</b>		
Surplus	15,770	401,800
Non-cash flows in profit:		
Depreciation expense	36,231	35,001
Changes in assets and liabilities:		
(Increase)/decrease in fixtures	-	-
Decrease/(increase) in trade receivables	144,785	18,570
(Increase)/decrease in prepayments	44,483	(29,174)
Increase/(decrease) in trade and other payables	(9,837)	(87,554)
Increase/(decrease) in income received in advance	50,639	(129,394)
(Decrease)/increase in provisions	11,565	(61,228)
<b>Net cash from operating activities</b>	<b>293,636</b>	<b>148,021</b>
<b>(B) Cash flow information</b>		
Cash outflows		
Amounts paid to the NSW association for accounting, TAA CEO service, media support, secretarial service and others	239,562	162,270
Amounts paid to the ACT association for general administration	17,650	-
Amounts paid to the WA association for marketing, policy support and reimbursements	80,897	40,000
Amounts paid to the TAS association for reimbursements	4,974	-
Amounts paid to the VIC association for reimbursements	1,664	-
Total cash outflows	<b>344,747</b>	<b>202,270</b>
Cash inflows		
<u>Breakdown of capitation fees from states</u>		
	<b>General levy from states</b>	<b>TAA levy from states</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
New South Wales	159,603	159,603
Victoria	123,724	123,724
Queensland	100,217	100,217
South Australia	35,880	35,880
Western Australia	54,438	54,438
Tasmania	11,135	11,135
Australian Capital Territory	4,949	4,949
Northern Territory	4,949	4,949
	<b>494,895</b>	<b>494,895</b>
	<b>612,260</b>	<b>556,600</b>

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>NOTE 14: CASH FLOW INFORMATION (Continued)</b>		
<u>Breakdown of affiliation fees from states</u>		
New South Wales	330	330
Victoria	330	330
Queensland	330	330
South Australia	330	330
Western Australia	330	330
Tasmania	330	330
Australian Capital Territory	330	330
Northern Territory	330	330
	<b>2,640</b>	<b>2,640</b>
Amounts received from the NSW association for other reimbursements	15,752	-
Amounts received from the ACT association for rent	13,750	-

**NOTE 15: RELATED PARTY TRANSACTIONS**

**(a) Directors' remuneration**

Remuneration received or receivable by all directors of the reporting unit -from the entity or any related party in connection with the management of the reporting unit	35,000	35,000
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Names of those members of Committee of Management and other members of National Board who have held office during the financial year can be found in page 6.

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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<b>NOTE 15: RELATED PARTY TRANSACTIONS (Continued)</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>(b) Key Management Personnel</b>		
Short term employment benefits		
Salary	269,157	245,600
Annual leave accrued	10,334	20,154
Performance bonus	-	50,000
Total short-term employee benefits	<u>279,491</u>	<u>315,754</u>
Post-employment benefits:		
Superannuation	<u>25,000</u>	<u>25,000</u>
Total post-employment benefits	<u>25,000</u>	<u>25,000</u>
Other long-term benefits:		
Long-service leave	<u>-</u>	<u>-</u>
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	<u>-</u>	<u>-</u>
Total	<u>304,491</u>	<u>340,754</u>
<b>(c) Other Related Parties</b>		
the reporting unit is the representative body for hotels and other associated hospitality entities in Australia.		
Amounts paid to the NSW association for accounting and TAA CEO service, media support, secretarial service	178,076	162,270
Amounts paid to the WA association for media and policy support	45,000	40,000
Amounts paid to AHA TAS - Industry protection fund	-	400,000
Amounts paid to AHA SA - Industry protection fund	-	750,000
Amounts received from AHA ACT - rent	12,500	-
Total	<u>235,576</u>	<u>1,352,270</u>
Amounts received from AHA NSW - Industry protection fund	<u>-</u>	<u>1,100,000</u>

All State associations receive remuneration for actual expenses incurred and these amounts are disclosed in the relevant expense category of the statement of comprehensive income. Amounts received for the industry protection fund are recorded as a liability on the balance sheet. Transactions between related parties are on normal commercial term and conditions no more favourable than those available to other persons unless otherwise stated.



**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 16: FURTHER DISCLOSURES**

**Financial support provided to enable the reporting unit to continue as a going**

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**

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**

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; or
- b) a restructure of the reporting units of the organisation; or
- c) a determination by the General Manager; or
- d) a revocation by the General Manager.

**Financial support received from another reporting unit**

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**

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

**Capitation fees paid**

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

**Payment to former related party of the reporting unit**

The Australian Hotels Association — National Body is not required to pay and did not pay any former related party of the reporting unit.

**Fees and periodic subscriptions**

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**

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

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 16: FURTHER DISCLOSURES (Continued)**

**Fees or allowances paid to persons to attend a conferences or other meeting as a representative of the reporting unit**

Australian Hotels Association — National Body provided \$16,715 of allowances and subsistence during the financial year to attend meetings.

**Penalties imposed under the RO Act**

Penalties totalling \$157,500 were imposed on the Organisation by the Federal Court of Australia in relation to conduct by the Queensland Branch in respect of various failures to lodge prescribed information forms under s.189 of the RO Act and various failures to report changes in office holders under s.233 of the RO Act (See ROC v AHA [2019] FCA 1516).

**Payables to employers as consideration for the employers making payroll deductions of membership subscriptions**

There were no instances of payables of this nature as at year end.

**Name and balance of each fund or account in respect to compulsory levies or voluntary**

Australian Hotels Association — National Body did not operate any funds or accounts in respect of compulsory levies raised by the reporting unit 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**

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**

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.

**NOTE 17: FINANCIAL RISK MANAGEMENT**

the reporting unit'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 13 as detailed in the accounting policies to these financial statements, are as follows:

		<b>2019</b>	<b>2018</b>
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	5	643,520	1,051,597
Financial assets at amortised cost			
- Trade and other receivables	6	261,082	405,867
- Term Deposits	8	700,000	-
Financial assets at fair value through other comprehensive income			
- Shares in listed companies	8	779	779
		<u>1,605,381</u>	<u>1,458,243</u>

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 17: FINANCIAL RISK MANAGEMENT (Continued)**

**Financial liabilities**

Financial liabilities at amortised cost

- Trade and other payables	10	609,837	569,035
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**Financial risk management policies**

the reporting unit's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the reporting unit. The Treasurer monitors the reporting unit'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 reporting unit 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 reporting unit is exposed to, how these risks arise, or the reporting unit'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 reporting unit. 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 reporting unit has no significant concentrations of credit risk with any single counterparty or group of counterparties.

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 17: FINANCIAL RISK MANAGEMENT (Continued)**

**Liquidity risk**

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

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

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The reporting unit 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**

	<b>Within 1 Year \$</b>	<b>1 to 5 Years \$</b>	<b>Over 5 Years \$</b>	<b>Total \$</b>
<b>2019</b>				
<b>Financial liabilities due for payment</b>				
Trade and other payables	132,647	-	-	132,647
Total contractual and expected outflows	<u>132,647</u>	<u>-</u>	<u>-</u>	<u>132,647</u>
<b>2019</b>				
<b>Financial assets - cash flows realisable</b>				
Cash and cash equivalents	643,520	-	-	643,520
Trade and other receivables	261,082	-	-	261,082
Financial assets at amortised cost	700,000	-	-	700,000
Financial assets at fair value through other comprehensive income	779	-	-	779
Total anticipated inflows	<u>1,605,381</u>	<u>-</u>	<u>-</u>	<u>1,605,381</u>
Net inflows on financial instruments	<u>1,472,734</u>	<u>-</u>	<u>-</u>	<u>1,472,734</u>

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 17: FINANCIAL RISK MANAGEMENT (Continued)**

	Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
<b>2018</b>				
<b>Financial liabilities due for payment</b>				
Trade and other payables	204,230	-	-	204,230
Total contractual and expected outflows	<u>204,230</u>	<u>-</u>	<u>-</u>	<u>204,230</u>
<b>2018</b>				
<b>Financial assets - cash flows realisable</b>				
Cash and cash equivalents	1,051,597	-	-	1,051,597
Trade and other receivables	405,867	-	-	405,867
Financial assets at fair value through other comprehensive income	779	-	-	779
Total anticipated inflows	<u>1,458,243</u>	<u>-</u>	<u>-</u>	<u>1,458,243</u>
Net inflows on financial instruments	<u>1,254,013</u>	<u>-</u>	<u>-</u>	<u>1,254,013</u>

**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.

	2019		2018	
	Net Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
<b>Financial assets</b>				
Cash and cash equivalents	643,520	643,520	1,051,597	1,051,597
Trade and other receivables	261,082	261,082	405,867	405,867
Financial assets at amortised cost	700,000	700,000	-	-
Financial assets at fair value through other comprehensive income	779	779	779	779
	<u>1,605,381</u>	<u>1,605,381</u>	<u>1,458,243</u>	<u>1,458,243</u>
<b>Financial liabilities</b>				
Trade and other payables	609,837	609,837	569,035	569,035

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 17: FINANCIAL RISK MANAGEMENT (Continued)**

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 13.

**Fair Value Measurements**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

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.

**Valuation Techniques**

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

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

The following table shows an analysis of financial instruments held at reporting date, recorded at fair value by level of the fair value hierarchy:

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 17: FINANCIAL RISK MANAGEMENT (Continued)**

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2019</b>				
Non-financial Assets				
- Property, plant & equipment	-	1,217,155	-	1,217,155
Total assets	-	1,217,155	-	1,217,155
<b>2018</b>				
Non-financial Assets				
- Property, plant & equipment	-	1,251,494	-	1,251,494
Total assets	-	1,251,494	-	1,251,494

Sensitivity analysis

The following table illustrates sensitivities to the reporting unit'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.

	Financial assets	
	Profit \$	Equity \$
<b>Year ended 31 December 2019</b>		
+/- 1% in interest rates	13,435	13,435
+/- 10% in listed investments	78	78
<b>Year ended 31 December 2018</b>		
+/- 1% in interest rates	10,516	10,516
+/- 10% in listed investments	78	78

No sensitivity analysis has been performed on foreign exchange risk as the reporting unit 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

**NOTE 18: CONTINGENT LIABILITIES**

The reporting unit has no contingent liabilities and assets at the end of the financial year (2018: \$nil).

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**  
**ABN 78 756 030 961**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE**

The outbreak of the pandemic Coronavirus (COVID-19) in early 2020 is expected to have an impact on the business. The disruption to the economy and subsequent government stimulus packages offered to the business cannot be determined at this time. We are unable to ascertain the potential impact of this event where we need to disclose or recognised in the financial statements.

Except for the Coronavirus (COVID-19) and subsequent government actions, the impacts of which on the business cannot be determined at this time, there has been no matter or circumstance, which has arisen since 31 December 2019 which has significantly affected or which may significantly affect:

- a) the operations, in financial years subsequent to 31 December 2019
- b) the results of those operations, or
- c) state of affairs, in financial years subsequent to 31 December 2019.

**NOTE 20: REPORTING UNIT DETAILS**

The registered office and principal place of business of the reporting unit is:

Australian Hotels Association  
27 Murray Crescent  
GRIFFITH ACT 2603



AUSTRALIAN HIRE ASSOCIATION NATIONAL BODY  
ABN 78 756 079 961

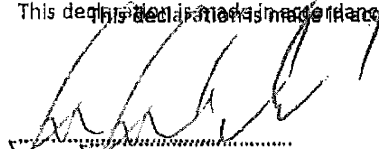
COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019

On the date below, the Committee of Management of the Australian Hire Association has passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 December 2019.

The Committee of Management declares in relation to the GPFR in its opinion:

1. the financial statements are consistent with the Australian Standards;
2. the financial statements are consistent with the requirements imposed by the Reporting Guidelines of Part 3 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
3. the financial statements 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;
4. there are no material undisclosed transactions or events that are reporting unit liabilities as at the end of the reporting period; and
5. during the financial year to which the GPFR relates and in each of that year's:
  - (a) meetings of the Committee of Management were conducted in accordance with the rules of the organisation including during the financial year concerned; and
  - (b) the financial affairs of the reporting unit were managed in accordance with the rules of the organisation including during the financial year concerned; and
  - (c) the financial records of the reporting unit have been kept in accordance with the RO Act; and
  - (d) where the records of the reporting unit are not the financial records of the reporting unit, the records have been kept, as far as is practicable, in accordance with each of the other reporting units of the organisation; and
  - (e) where information sought through requests made under the Freedom of Information Act 1982 has been provided to the members of the Commission; and
  - (f) where any order for disclosure of financial records has been made by the Fair Work Commission under section 23 of the RO Act, the records have been in compliance.

This declaration has been made in accordance with the duties of the Committee of Management.

  
.....  
SCOTT LEACH  
National President

  
.....  
DAVID BASHEER  
National Secretary/Treasurer

Dated this 30th day of May 2020.

**Independent Auditor's Report  
To the Members of Australian Hotels Association – National Body  
ABN 78 756 030 961**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Australian Hotels Association – National Body (“the Association”), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, committee of management statement and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with:

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

We declare that management’s use of the going concern basis in the preparation of the financial statements of the Association is appropriate.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor’s report is in the operating report accompanying the financial report.

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

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

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

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

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the Committee of Management determines is necessary to enable the preparation and fair presentation of a financial report that 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 Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

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

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

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association 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.

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

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



C I Chandran  
Partner



Pitcher Partners  
Sydney

3 June 2020

Registration number (as registered by the Commissioner under the RO Act): AC2017/72