



15 April 2021

Mr Michael Capezio  
President  
Australian Hotels Association - Australian Capital Territory Branch

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

Dear Mr Capezio

**Australian Hotels Association - Australian Capital Territory Branch  
Financial Report for the year ended 31 December 2020 - FR2020/287**

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Australian Hotels Association - Australian Capital Territory Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 1 April 2021.

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

Whilst the 2020 report has been filed the following should be addressed in the preparation of the next financial report.

**1. General Purpose Financial Report (GPFR)**

For-profit or not-for profit entity

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

This information has not been provided.

Disclosure of capitation fees or other expense to another reporting unit

Reporting guideline 14(b) requires that where capitation fees (however described) or other expenditure to another reporting unit is paid, the description(s) of the kind of expense, the amount(s) to and the name(s) of each such other reporting unit are to be disclosed in either the statement of comprehensive income or the notes.

Note 6 to the GPFR discloses 'Capitation fees and other expenses to reporting units' but does not provide the information required by reporting guideline 14(b).

In future, please ensure that the information required by reporting guideline 14(b) is provided.

## Notes to the Cash Flow Statement

Reporting guideline 18 states:

Where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, the following details of such cash flow should be separately disclosed either in the cash flow statement or in the notes to the financial statements:

- i. the name of the other reporting unit and/or controlled entity concerned;  
and
- ii. the amount paid to/received from each.

This is in addition to the requirement to disclose [capitation fees to/from another reporting unit or any other revenue from another reporting unit (reporting guideline 13(b) and 14(b)].

In future, please provide the appropriate disclosures relating to cash flows to and from another reporting unit.

### AASB 15 - Separate disclosure of revenue from contracts with customers

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately unless already disclosed separately in the statement of comprehensive income.

It appears that no such disclosure has been made.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully



**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**

# **Australian Hotels Association (ACT)**

## **Financial Statements**

**For the Year Ended 31 December 2020**

## Australian Hotels Association (ACT)

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Australian Hotels Association – ACT Branch

ABN: 37 315 422 917

**Certificate by Prescribed Designated Officer**

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

- That the documents lodged herewith are copies of the full report for the Australian Hotels Association – ACT Branch for the period ended 31 December 2020 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 10 March 2021; and
- That the full report was presented to a general meeting of members of the reporting unit on 31 March 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

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



Name of prescribed designated officer: Michael Capezio

Title of prescribed designated officer: President

Dated: 01/04/2021

Australian Hotels Association – ACT Branch

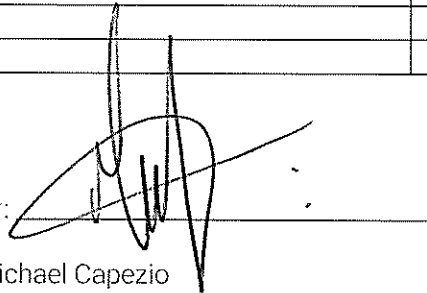
ABN: 37 315 422 917

Report Required Under Subsection 255(2A) for the year ended 31 December 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2020.

Categories of expenditure	2020	2019
Remuneration and other employment-related costs and expenses – employees	150,613	142,244
Advertising	152	92
Operating costs	128,213	177,766
Donations to political parties	5,000	-
Legal costs	-	4,688

Signature of designated officer:



Name of designated officer: Michael Capezio

Title of designated officer: President

Dated: 9 March 2021

## Australian Hotels Association (ACT)

# Operating Report

31 December 2020

The Committee of Management presents its operating report on the Reporting Unit for the financial year ended 31 December 2020.

### 1. General information

#### Information on Committee of Management members

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

Michael Capezio	President
Joshua Gray	Secretary and Treasurer
Peter Barclay	Vice President
Todd Handy	Accommodation President
David Quinn	Board Member
Brian Smith	Board Member
Rien Donkin	Board Member

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

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

#### Principal activities

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

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

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

#### Operating results

The profit of the Registered Organisation after providing for income tax amounted to \$ 66,256 (2019: \$ 8,006).

Non-financial operating results:

- The AHA ACT is one of Australia's leading industry advocacy associations, which represents and advocates for the interests of the licensed hospitality and accommodation sector in Canberra. AHA ACT members include licenced pubs, cafes, bars, restaurants, accommodation hotels and nightclubs in Canberra.
- At both a National and Territory level, the AHA provides leadership and advocates for the industry in a variety of ways, including providing advice to assist members in areas such as regulations, minimising their impact on the environment, the responsible service of alcohol, employment matters, advocacy on key industry issues and how to integrate new products and technologies into hospitality businesses. The AHA ACT works and consults with a wide spectrum of stakeholders and Government representatives in the ACT.
- In the political arena during 2020, the AHA ACT was actively involved in advocating industry policy positions.
- The AHA ACT was unable to hold the annual AHA ACT Hospitality Awards in 2020, due to the impacts of COVID-19 thus eliminating all revenue associated with the event.

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

# **Operating Report**

**31 December 2020**

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

### **Operating results**

- COVID-19 further impacted AHA ACT as any membership revenue that had not been collected by March 2020 became significantly harder to do so, resulting in bad debts being recorded. Prior to COVID-19 payment of memberships had been delayed due to the effects of the smoke, bushfires and hailstorm on many of Canberra's hospitality and accommodation businesses that occurred during January 2020.
- COVID-19 has resulted in an ongoing impact on corporate partnership revenue, it made some of the 2019 provisions difficult to deliver, which may have an ongoing financial impact in the 2021 financial year.

### **Review of operations**

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

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

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

## **3. Other items**

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

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

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

### **Number of members**

The number of persons that were at the end of the financial year recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 was 85.

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

### **Number of employees**

1.4 full-time equivalent employees were employed by the ACT Branch during the financial year.



**Australian Hotels Association (ACT)**

**Operating Report**

**31 December 2020**

**3. Other items**

**Significant changes in state of affairs**

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

**Events after the reporting date**

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

**Environmental issues**

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

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

President: .....  
Michael Capezik

Dated 09 March 2021

Australian Hotels Association – ACT Branch

ABN: 37 315 422 917

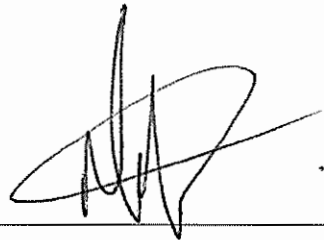
Committee of Management Statement for the year ended 31 December 2020

On 9 / 3 / 2021 the Committee of Management of the Australian Hotels Association (ACT) passed the following resolution in relation to the General Purpose Financial Report (GPFR) for the year ended 31 December 2020:

The Committee of Management declares that in its opinion:

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

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



Name of designated officer: Michael Capezio

Title of designated officer: President

Dated: 9 March 2021

## Australian Hotels Association (ACT)

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Sales revenue	4	250,878	330,672
Gross profit		250,878	330,672
Finance income	5	1,502	2,125
Other income	4	97,855	-
Marketing expenses		(152)	(92)
Administrative expenses	6	(227,816)	(310,511)
Other expenses	6	(55,240)	(12,855)
Depreciation	6	(623)	(1,333)
Finance expenses	5	(148)	-
<b>Profit before income tax</b>		<b>66,256</b>	<b>8,006</b>
Income tax expense		-	-
<b>Profit from continuing operations</b>		<b>66,256</b>	<b>8,006</b>
<b>Profit for the year</b>		<b>66,256</b>	<b>8,006</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Total comprehensive income for the year</b>		<b>66,256</b>	<b>8,006</b>

The accompanying notes form part of these financial statements.

## Australian Hotels Association (ACT)

### Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	9	280,901	225,271
Trade and other receivables	10	22,639	125,074
Other assets	12	-	1,833
TOTAL CURRENT ASSETS		<u>303,540</u>	<u>352,178</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	49	672
TOTAL NON-CURRENT ASSETS		<u>49</u>	<u>672</u>
TOTAL ASSETS		<u><u>303,589</u></u>	<u><u>352,850</u></u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	13	43,009	30,356
Current tax liabilities	18	(20,406)	-
Employee benefits	15	14,399	7,115
Other financial liabilities	14	44,329	159,377
TOTAL CURRENT LIABILITIES		<u>81,331</u>	<u>196,848</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>81,331</u>	<u>196,848</u>
NET ASSETS		<u><u>222,258</u></u>	<u><u>156,002</u></u>
<b>EQUITY</b>			
Retained earnings	16	222,258	156,002
TOTAL EQUITY		<u><u>222,258</u></u>	<u><u>156,002</u></u>

The accompanying notes form part of these financial statements.

## Australian Hotels Association (ACT)

### Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	General Funds	Retained Earnings	Total
Note	\$	\$	\$
<b>Balance at 1 January 2020</b>	-	156,002	156,002
Net profit	-	66,256	66,256
<b>Balance at 31 December 2020</b>	-	<b>222,258</b>	<b>222,258</b>

2019

	General Funds	Retained Earnings	Total
Note	\$	\$	\$
<b>Balance at 1 January 2019</b>	-	147,996	147,996
Net profit	-	8,006	8,006
<b>Balance at 31 December 2019</b>	-	<b>156,002</b>	<b>156,002</b>

The accompanying notes form part of these financial statements.

## Australian Hotels Association (ACT)

### Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	336,118	355,801
Payments to suppliers and employees	(281,842)	(306,853)
Interest received	1,502	2,125
Interest paid	(148)	-
Net cash provided by/(used in) operating activities	24 <u>55,630</u>	<u>51,073</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	-	(1,241)
Net cash provided by/(used in) investing activities	<u>-</u>	<u>(1,241)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	55,630	49,832
Cash and cash equivalents at beginning of year	225,271	175,439
Cash and cash equivalents at end of financial year	9 <u><u>280,901</u></u>	<u><u>225,271</u></u>

The accompanying notes form part of these financial statements.

## Australian Hotels Association (ACT)

# Notes to the Financial Statements

## For the Year Ended 31 December 2020

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

The financial report was authorised for issue by the Committee of Management on 09 March 2021.

Comparatives are consistent with prior years, except for adjustments to conform to changes made in presentation for the current year, including the following:

- The comparatives have been adjusted to correctly reflect a creditor that wasn't recognised at 31 December 2019 as it was entered after the cut off date, this adjustment was immaterial and had a minor impact on the 2019 financial report.

### 1 Basis of Preparation

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

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

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

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

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

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

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

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

##### Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 2 Summary of Significant Accounting Policies

##### (a) Revenue and other income

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

contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

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

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

###### **Contract cost assets**

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

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

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

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

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

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

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

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

###### **Other income**

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



## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 2 Summary of Significant Accounting Policies

##### (b) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

##### (c) Property, plant and equipment

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

###### Plant and equipment

Plant and equipment are measured using the cost model.

###### Depreciation

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

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	25% - 100%

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

##### (d) Financial instruments

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

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

###### Financial assets

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

###### *Classification*

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2020**

#### **2 Summary of Significant Accounting Policies**

##### **(d) Financial instruments**

###### **Financial assets**

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

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

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

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

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

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

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

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

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

###### **Equity instruments**

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

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

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (d) Financial instruments

##### Financial assets

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

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

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

##### *Impairment of financial assets*

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

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

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

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

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

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

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

##### *Trade receivables and contract assets*

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

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

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (d) Financial instruments

##### Financial assets

written off against the associated allowance.

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

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

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

##### Financial liabilities

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

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

#### (e) Impairment of non-financial assets

At the end of each reporting period the Registered Organisation determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

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

#### (f) Cash and cash equivalents

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 2 Summary of Significant Accounting Policies

##### (g) Leases

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

##### (h) Employee benefits

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

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

##### (i) Adoption of new and revised accounting standards

The Registered Organisation has adopted all standards which became effective for the first time at 31 December 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Registered Organisation.

#### 3 Critical Accounting Estimates and Judgements

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

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

The significant estimates and judgements made have been described below.

##### Key estimates - impairment of property, plant and equipment

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

##### Key estimates - revenue recognition

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

##### Key estimates - receivables

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

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

**4 Revenue and Other Income**

**Revenue from continuing operations**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Revenue from other sources		
- Membership subscriptions	<b>120,067</b>	92,676
- Sponsorship income	<b>105,811</b>	158,240
- AFE income	-	66,165
- National office reimbursement	<b>25,000</b>	13,591
- Capitation fees	-	-
- Donations and grants	-	-
Other income		
- JobKeeper	<b>52,650</b>	-
- Cash Flow boost	<b>45,192</b>	-
- Merchant fee surcharges	<b>13</b>	-
	<b>348,733</b>	<b>330,672</b>

**5 Finance Income and Expenses**

**Finance income**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Interest income		
- Assets measured at amortised cost	<b>1,502</b>	2,125
	<b>1,502</b>	2,125

**Finance expenses**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Interest expense	<b>148</b>	-
	<b>148</b>	-

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 6 Result for the Year

The result for the year includes the following specific expenses:

		2020	2019
	Note	\$	\$
Employee expenses	8	150,613	152,244
Legal expenses		-	4,688
Capitation fees and other expenses to reporting units		9,882	9,859
Affiliation fees		-	-
Donations	7	5,000	3,227
Conference and meeting expenses		6,023	13,704
Depreciation expenses		623	1,333
Impairment of receivables:			
- Bad debts		13,176	-

### 7 Donations

	2020	2019
	\$	\$
Donations that were \$1,000 or less	-	1,727
Donations that exceeded \$1,000	5,000	1,500
	<u>5,000</u>	<u>3,227</u>

The donations made in the current financial year will be disclosed to the ROC by 31 March 2021.

### 8 Employee Expenses

	2020	2019
	\$	\$
Holders of office:		
- Wages and salaries	-	-
- Superannuation	-	-
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee expenses	23,250	10,000
	<u>23,250</u>	<u>10,000</u>
Employees other than office holders:		
- Wages and salaries	123,987	120,607
- Superannuation	12,435	11,884
- Leave and other entitlements	14,191	9,753
- Separation and redundancies	-	-
- Other employee expenses	-	-
	<u>150,613</u>	<u>142,244</u>
	<u>173,863</u>	<u>152,244</u>

## Australian Hotels Association (ACT)

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 9 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	280,901	225,271
	<u>280,901</u>	<u>225,271</u>

#### 10 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	16,789	125,074
Government subsidies receivable	5,850	-
	<u>22,639</u>	<u>125,074</u>

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

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

#### 11 Property, plant and equipment

Plant and equipment		
At cost	7,934	7,934
Accumulated depreciation	(7,885)	(7,262)
	<u>49</u>	<u>672</u>
	<u>49</u>	<u>672</u>

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

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

	Plant and Equipment	Total
	\$	\$
<b>Year ended 31 December 2020</b>		
Balance at the beginning of year	672	672
Depreciation expense	(623)	(623)
	<u>49</u>	<u>49</u>



**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

**11 Property, plant and equipment**

(a) **Movements in carrying amounts of property, plant and equipment**

	<b>Plant and Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 31 December 2019</b>		
Balance at the beginning of year	764	764
Additions	1,241	1,241
Depreciation expense	(1,333)	(1,333)
	<u>672</u>	<u>672</u>

**12 Other non-financial assets**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Prepayments	-	1,833
	<u>-</u>	<u>1,833</u>

**13 Trade and Other Payables**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade payables	9,456	2,194
GST payable	6,039	14,592
Sundry payables and accrued expenses	15,234	-
PAYG payable	7,775	7,537
Superannuation payable	4,505	6,033
	<u>43,009</u>	<u>30,356</u>

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

**14 Other Financial Liabilities**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Amounts received in advance	44,329	159,377
	<u>44,329</u>	<u>159,377</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 15 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Provision for annual leave	14,399	7,115
Long service leave	-	-
Separations and redundancies	-	-
Other employee benefits	-	-
	<u>14,399</u>	<u>7,115</u>

The above balance are for employees other than office holders. For the year ended 31 December 2020 there are no employee benefit accruals for office holders.

#### 16 Retained Earnings

	2020	2019
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	156,002	147,996
Net profit	66,256	8,006
<b>Retained earnings at end of the financial year</b>	<u><b>222,258</b></u>	<u>156,002</u>

#### 17 Financial Risk Management

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

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

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

##### Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

##### Financial instruments used

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

- Trade receivables
- Cash and cash equivalents

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 17 Financial Risk Management

- Trade and other payables

#### Liquidity risk

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

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

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

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

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

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

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

#### Credit risk

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

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

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

#### *Trade receivables and contract assets*

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

The Registered Organisation has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Registered Organisation's

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 17 Financial Risk Management

##### Credit risk

standard payment and delivery terms and conditions are offered. The Registered Organisation review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

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

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

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

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

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

##### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

##### (i) Interest rate risk

The Registered Organisation is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Registered Organisation to fair value interest rate risk.

The Registered Organisation's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Registered Organisation is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

#### 18 Tax assets and liabilities

	2020	2019
	\$	\$
ATO account payable/(refundable)	(20,406)	-
	<u>(20,406)</u>	<u>-</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 19 Key Management Personnel Remuneration

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

	2020	2019
	\$	\$
Short-term employee benefits:		
- Salary (including annual leave taken)	123,000	112,106
- Annual leave accrued	12,043	9,754
- Superannuation	11,685	10,650
	<u>146,728</u>	<u>132,510</u>
Other transactions with KMP and their close family members:		
- Honorarium and other payments to the President	23,250	10,000
	<u>169,978</u>	<u>142,510</u>

#### 20 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor for:		
- Auditing the financial statements	8,500	7,425
	<u>8,500</u>	<u>7,425</u>

#### 21 Fair Value Measurement

##### (a) Financial assets and liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2019 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting unit based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 21 Fair Value Measurement

##### Fair value hierarchy

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

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

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

		Level 1	Level 2	Level 3	Total
31 December 2020	Note	\$	\$	\$	\$
<b>Financial assets</b>					
Cash at bank		-	79,644	-	79,644
Short term deposits		-	201,257	-	201,257
Trade debtors	10	-	16,789	-	16,789
<b>Financial liabilities</b>					
Trade creditors	13	9,456	-	-	9,456

		Level 1	Level 2	Level 3	Total
31 December 2019	Note	\$	\$	\$	\$
<b>Financial assets</b>					
Cash at bank		-	76,346	-	76,346
Short term deposits		-	148,925	-	148,925
Trade debtors	10	-	125,074	-	125,074
<b>Financial liabilities</b>					
Trade creditors	13	2,194	-	-	2,194

#### 22 Contingencies

In the opinion of the Committee of Management, the Registered Organisation did not have any contingencies at 31 December 2020 (31 December 2019: None).

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 23 Related Parties

##### (a) Transactions with related parties

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

The following transactions occurred with related parties:

	Purchases	Sales
	\$	\$
<b>AHA National Office</b>		
National Office reimbursement	-	25,000
Capitation fees	9,882	-
Affiliation fees	-	-
Rent	12,500	-

#### 24 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

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

	2020	2019
	\$	\$
Net profit	66,256	8,006
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	623	1,333
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	102,433	(8,437)
- (increase)/decrease in prepayments	1,833	(988)
- increase/(decrease) in income in advance	(115,047)	33,568
- increase/(decrease) in trade and other payables	(22,986)	12,322
- increase/(decrease) in accrued liabilities	15,234	-
- increase/(decrease) in employee benefits	7,284	5,269
Cashflows from operations	<u>55,630</u>	<u>51,073</u>

#### 25 Events Occurring After the Reporting Date

The financial report was authorised for issue on 09 March 2021 by the Committee of Management.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

**26 Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or Commissioner:

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





ADVISORY

Australian Hotels Association (ACT)

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

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australian Hotels Association (ACT) (the Registered Organisation), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies, the Committee of Management, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report of the Registered Organisation presents fairly, in all material aspects, the financial position as at 31 December 2020, and its financial performance and its cash flows for the year ended 31 December 2020 in accordance with:

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

We declare that management's use of the going concern basis in the preparation of the financial statements of the Registered Organisation is appropriate.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Organisation in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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

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



ADVISORY

**Australian Hotels Association (ACT)**

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Managements.
- Conclude on the appropriateness of the Committee of Managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



ADVISORY

**Australian Hotels Association (ACT)**

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Registered Organisation to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the the Registered Organisation audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Mark Peatey', with a long, sweeping underline.

Mark Peatey  
Managing Director

Level 3 59 Wentworth Avenue, KINGSTON ACT 2604

09 March 2021

Registration number (as registered by the RO Commissioner under the RO Act): AA2019/13

## Australian Hotels Association – ACT Branch

ABN: 37 315 422 917

### Officer Declaration Statement

I, Michael Capezio, being the officer of the Australian Hotels Association – ACT Branch declare that the following activities did not occur during the reporting period ending 31 December 2020.

The reporting unit did not:

*(delete items that appear elsewhere in the audited report)*

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

- ~~provide cash flows to another reporting unit and/or controlled entity~~
- ~~receive cash flows from another reporting units and/or controlled entity~~
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

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

Name of the officer: Michael Capezio

Title of officer: President

Dated: 9 March 2021

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CHARTERED ACCOUNTANTS