



12 December 2018

Mr Paul Palmer  
President  
Australian Hotels Association-Northern Territory Branch

By e-mail: [admin@ahant.com.au](mailto:admin@ahant.com.au)  
CC: [phill@perks.com.au](mailto:phill@perks.com.au)

Dear Mr Palmer,

**Australian Hotels Association-Northern Territory Branch  
Financial Report for the year ended 30 June 2018 - [FR2018/167]**

I acknowledge receipt of the financial report of the Australian Hotels Association-Northern Territory Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 29 November 2018.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

**General purpose financial report (GPFR)**

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed.

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- "Nil agreement to receive financial support from another reporting unit to continue as a going concern" and "nil agreement to provide financial support to another reporting unit to ensure they continue as a going concern" are disclosed in both Note 1.25 and the officer's declaration statement;
- "Receiving capitation fees from another reporting unit" is disclosed in both Note 3A and the officer's declaration statement;
- "Receiving revenue via compulsory levies" is disclosed in both Note 3B and the officer's declaration statement;

- “Receiving revenue from undertaking recovery of wages activity” is disclosed in both the Committee of Management statement and the officer’s declaration statement;
- “Incurring fees as consideration for employers making payroll deductions of membership subscriptions” and “paying compulsory levies” are disclosed in both Note 4D and the officer’s declaration statement;
- “Paying a grant that was \$1,000 or less”, “paying a grant that exceeded \$1,000”, “paying a donation that was \$1,000 or less” or “paying a donation that exceeded \$1,000” are disclosed in both Note 4E and the officer’s declaration statement;
- “Paying legal costs relating litigation” is disclosed in both Note 4H and the officer’s declaration statement;
- “Paying a penalty imposed under the RO Act or the *Fair Work Act 2009*” is disclosed in both Note 4K and the officer’s declaration statement;
- “Having a payable to employer as consideration for that employer making payroll deductions of membership subscriptions” and “having a payable in respect of legal costs relating to litigation” are disclosed in both Note 7B and the officer’s declaration statement; and
- “Receiving cash flows from another reporting units and/or controlled entity” is disclosed in both Note 9B and the officer’s declaration statement.

Please note that nil activities only need to be disclosed once.

#### Inconsistency in disclosure of financial information

The officer’s declaration statement includes the nil activity disclosure for providing cash flows to another reporting unit and/or controlled entity. Note 9B Cash flow information, however, discloses net cash outflows to the Australian Hotels Association – National Office.

In future years, please ensure that items within the financial report are disclosed consistently.

### **Auditor’s statement**

#### Audit scope to include subsection 255(2A) report

A GPFR prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by RG 22.

The subsection 255(2A) report must be identified by title in the auditor’s statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 Forming an Opinion and Reporting on a Financial Report.

A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor’s report.

Please ensure in future years that the subsection 255(2A) report is audited before provided to members and lodged with the ROC.

#### Audit scope to include officer’s declaration statement

Where nil activity disclosures are contained in an officer’s declaration statement, in accordance with RG 21, the officer’s declaration statement also forms part of a GPFR prepared under section 253 of the RO Act (see subsection 253(2)(c) of the RO Act.)

Please also note that an officer’s declaration statement must, where one is prepared, be identified by title in the auditor’s statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

An officer’s declaration statement was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor’s report.

## **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. 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](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [Kylie.Ngo@roc.gov.au](mailto:Kylie.Ngo@roc.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie Ngo', written over a horizontal line.


**Kylie Ngo**  
**Financial Reporting Assistant**  
**Registered Organisations Commission**

**Designated Officer's Certificate**

*s.268 Fair Work (Registered Organisations) Act 2009*

I, Paul Palmer, being the President of the Australian Hotels Association Northern Territory Branch certify that:

- the documents lodged herewith are copies of the full report for the Australian Hotels Association Northern Territory Branch for the period ended 30 June 2018 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- a copy of the full report was available to members of the reporting unit on 29 October 2018; and
- a copy of the full report was presented to the Annual General Meeting of members of the reporting unit on 20 November 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: .....  .....

Name of prescribed designated officer.....Paul Palmer .....

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

Dated.....28 November 2018 .....

# **Australian Hotels Association Northern Territory Branch**

ABN 48 911 463 427

## **Financial Statements**

For the Year Ended 30 June 2018



**Adelaide**  
180 Greenhill Road  
Parkside SA 5063  
ph 08 8273 9300  
fax 08 8274 1466

**Alice Springs  
Darwin**

info@perks.com.au  
www.perks.com.au

## **Independent Audit Report to the members of Australian Hotels Association Northern Territory Branch**

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

#### **Opinion**

We have audited the financial report of Australian Hotels Association Northern Territory Branch (the Branch), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the 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, and the Committee of management Statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2018, and its financial performance and its cash flows for the year then ended on that date in accordance with:

- (i) the 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).

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

#### **Basis for Opinion**

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 Branch in accordance with the auditor independence requirements of 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 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.

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#### **Chartered Accountants**

Perks & Associates Pty Ltd

ACN 008 053 576  
ABN 50 507 079 554

Liability limited by a scheme approved  
under Professional Standards Legislation.

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#### **Audit**

Perks Audit Pty Ltd

ACN 109 602 100  
ABN 20 173 474 661

Liability limited by a scheme approved  
under Professional Standards Legislation.

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#### **Wealth Management**

Perks Wealth Management Pty Ltd

ACN 086 643 058  
ABN 88 086 643 058

Australian Financial Services Licence No. 236 551

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#### **Finance**

Perks Finance Pty Ltd

ACN 101 919 537  
ABN 76 533 199 660

Australian Credit Licence No. 378241

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# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

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 Committee of Management for the Financial Report

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

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

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

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 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Branch'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, 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 Branch to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

We communicate with the 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 approved auditor, a member of Chartered accountants Australia & New Zealand, and hold a current public practice certificate.

*Perks Audit*

PERKS AUDIT PTY LTD

84 Smith Street

Darwin

Northern Territory 0800

*P Hill*

PETER J HILL

Director

Registered Company Auditor

Registration number: AA2017/25

Dated this 29th day of October 2018



# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

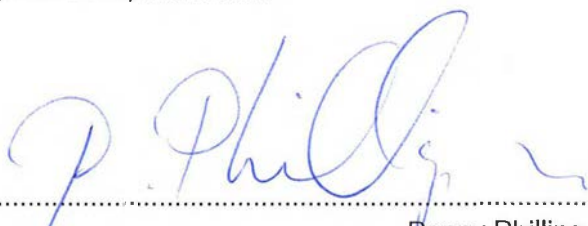
For the Year Ended 30 June 2018

*s.268 Fair Work (Registered Organisations) Act 2009*

## Certificate by Prescribed Designated Officer

I, Penny Phillips being the designated officer responsible of the Australian Hotels Association NT Branch Certify:

- that the documents lodged herewith are copies of the full report for the Australian Hotels Association NT Branch 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 29th October 2018; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on 29th October 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Treasurer: .....  
  
Penny Phillips

Dated this 29th day of October 2018

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Expenditure Report Required Under Subsection 255(2A)

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	567,855	472,730
Advertising	-	140
Operating costs	461,651	471,248
Donations to political parties	-	-
Legal costs	12,588	2,800

Treasurer:  .....

Penny Phillips

Dated this 29th day of October 2018

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Operating Report

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2018.

## Principal Activities

The principal activities of branch during the financial year were:

- The Australian Hotels Association Northern Territory Branch ("AHA") is an employers' branch representing the rights and interests of licensees particularly in relation to liquor licensing, gaming, small business, tourism, industrial relations and health.
- The AHA considers all political developments both Commonwealth and in the Northern Territory affecting the AHA and takes steps to initiate, promote, amend, modify or reject, as the case may be, all or any of such political measure. The AHA regularly meets with Members of Parliament and key Government representatives to consult key issues.
- Included in the annual report are the various reports compiled by the President and the Treasurer of the AHA, outlining the activities for the year (attached). There were no significant changes in the nature of these activities during the year under review.
- The President and Chief Executive Officer attended several National Executive meetings throughout the year.

## Significant Changes in Financial Affairs

There were significant changes to the profit/loss for the year (2017 loss \$60,470;2018 loss \$207,016).

Additional employment expenses were incurred in dealing with various government reviews and reforms. The government funding also decreased.

The significant changes to the financials were recognised in the budget endorsed for 2017/18.

## Members advice

- under section 174 of the Fair Work (Registered Organisations) Act 2009 ("RO Act"), a member may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which he is a member (see rule 32, Australian Hotels Association Rules);
- the register of members of the AHA was maintained in accordance with the RO Act; and

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Trustee of superannuation entity

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

## Prescribed and other information

As at 30 June 2018 to which this report relates, the number of members of the AHA was 150 including 4 Honorary Life members (118 are voting members);

As at 30 June 2018, the total number of employees employed by the reporting entity was 6;

The office holders during the financial year or up to date of signing:

Paul Palmer	President (outgoing Treasurer, appointed 8 May 2018)
Michael Burns	Senior Vice President (outgoing President on 8 May 2018)
Jason Hanna	Secretary (outgoing Senior Vice President on 8 May 2018)
Frank Dalton	Vice President
John Tourish	Board Member (outgoing Secretary on 8 May 2018)
Doug Sallis	Board Member
Craig Jervis	Board Member
Justin Coleman	Board Member
Amy McArdle	Board Member (appointed 6 April 2018)
Penny Phillips	Treasurer (appointed 16 April 2018)
Leah Sloan	Board Member (appointed 16 April 2018)
Jon Jenkins	Board Member
Ray Loechel	Board Member
Russell Reid	Board Member
Greg Targett	Board Member
Kyle Pearson	Board Member
Geoff Weeks	Board member (appointed 13 August 2018)
Ashleigh Winn	Resigned 16 April 2018 as Board Member
John Lucas	Resigned 2 November 2017 as Board Member
Lindsay Carmichael	Resigned 21 November 2017 as Board Member
Ian Sloan	Resigned 27 August 2017 as Board Member

Treasurer .....  
Penny Phillips

Dated this 29th day of October 2018

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Committee of Management Statement

On 29th October 2018, the Committee of Management of the Australian Hotels Association Northern Territory Branch passed the following resolution in relation to the general purpose financial report ("GPFR") of the reporting unit for the financial year ended 30 June 2018:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Treasurer .....  
  
Penny Phillips

Dated this 29th day of October 2018

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Statement of Profit or Loss

	Note	2018 \$	2017 \$
<b>Revenue</b>			
Grant or Donations	3	301,000	316,027
Membership subscriptions	3	19,707	23,390
Conference and Trade Expo	3	57,059	58,580
Corporate Sponsorship	3	221,185	233,667
Functions	3	186,971	195,936
Interest received	3	2,703	3,655
Other income	3	46,453	55,193
		<u>835,078</u>	<u>886,448</u>
<b>Expenditure</b>			
Accounting fees		4,461	4,713
Employee benefits expense	4	567,855	472,731
Depreciation		934	1,447
Conference/seminar costs		247,742	251,974
Rent		27,850	36,254
Insurance		38,469	6,990
Travel		7,695	13,809
Publications		30,976	11,224
Consulting and professional fees		10,342	34,900
Other expenses		34,845	112,876
		<u>1,042,094</u>	<u>946,918</u>
<b>Loss before tax</b>		<u>(207,016)</u>	<u>(60,470)</u>
Income tax expense	1.23	-	-
<b>Loss for the year</b>		<u>(207,016)</u>	<u>(60,470)</u>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Statement of Comprehensive Income

	2018	2017
	\$	\$
Loss for the year	(207,016)	(60,470)
Other comprehensive income:		
Total comprehensive loss for the year	<u>(207,016)</u>	<u>(60,470)</u>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Statement of Financial Position

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5A	251,557	664,128
Trade and other receivables	5B	276,098	23,013
<b>TOTAL CURRENT ASSETS</b>		<u>527,655</u>	<u>687,141</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	7,413	3,809
<b>TOTAL NON-CURRENT ASSETS</b>		<u>7,413</u>	<u>3,809</u>
<b>TOTAL ASSETS</b>		<u>535,068</u>	<u>690,950</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables	7A	55,599	15,156
Other payables	7A	48,095	308,601
Short-term provisions	8A	40,147	18,950
Other financial liabilities		250,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>393,841</u>	<u>342,707</u>
<b>TOTAL LIABILITIES</b>		<u>393,841</u>	<u>342,707</u>
<b>NET ASSETS</b>		<u>141,227</u>	<u>348,243</u>



# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Statement of Changes in Equity

**2018**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 01 July 2017</b>	<b>348,243</b>	<b>348,243</b>
Loss for the year	(207,016)	(207,016)
	<hr/>	<hr/>
<b>Balance at June 30, 2018</b>	<b>141,227</b>	<b>141,227</b>

**2017**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 01 July 2016</b>	<b>408,713</b>	<b>408,713</b>
Loss for the year	(60,470)	(60,470)
	<hr/>	<hr/>
<b>Balance at June 30, 2017</b>	<b>348,243</b>	<b>348,243</b>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Statement of Cash Flows

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		579,290	930,626
Payments to suppliers		(443,368)	(357,228)
Payment to employees		(546,658)	(472,731)
Interest received		2,703	3,655
Net cash provided by/(used in) operating activities	9	<u>(408,033)</u>	<u>104,322</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		<u>(4,538)</u>	<u>(1,454)</u>
Net cash used by investing activities		<u>(4,538)</u>	<u>(1,454)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net increase/(decrease) in cash and cash equivalents held		(412,571)	102,868
Cash and cash equivalents at beginning of year		<u>664,128</u>	<u>561,260</u>
Cash and cash equivalents at end of financial year	5	<u><u>251,557</u></u>	<u><u>664,128</u></u>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

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# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 1 Summary of significant accounting policies

### 1.1 Basis of preparation of the financial statements

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

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

### 1.2 Comparative amounts

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

### 1.3 Significant accounting judgements and estimates

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

### 1.4 New Australian Accounting Standards

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

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

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

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## 1.5 Investment in associates and joint arrangements

An associate is an entity over which the Australian Hotels Association Northern Territory Branch has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations'. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Australian Hotels Association Northern Territory Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

## 1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The net book value of assets and or liabilities transferred to Australian Hotels Association Northern Territory Branch for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009/a* restructure of the branches of the Australian Hotels Association Northern Territory Branch /a determination by the General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009/a* revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

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The assets and liabilities are recognised as at the date of transfer.

## 1.7 Revenue

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

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

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

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

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

## 1.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Australian Hotels Association Northern Territory Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Australian Hotels Association Northern Territory Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Australian Hotels Association Northern Territory Branch should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Australian Hotels Association Northern Territory Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

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## 1.9 Gains

### *Sale of assets*

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

## 1.10 Capitation fees and levies

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

## 1.11 Employee benefits

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

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

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

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

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

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## 1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## 1.13 Borrowing costs

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

## 1.14 Cash

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

## 1.15 Financial instruments

Financial assets and financial liabilities are recognised when Australian Hotels Association Northern Territory Branch entity becomes a party to the contractual provisions of the instrument.

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



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## 1.16 Financial assets

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

### *Fair value through profit or loss*

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

A financial asset is classified as held for trading if:

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

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

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

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

### *Held-to-maturity investments*

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

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

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

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

## ***Loan and receivables***

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

## ***Effective interest method***

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

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

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

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial

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recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

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

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

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

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

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

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

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## *Derecognition of financial assets*

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

## **1.17 Financial Liabilities**

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

### *Fair value through profit or loss*

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

A financial liability is classified as held for trading if:

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

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

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

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

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## *Other financial liabilities*

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

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

## *Derecognition of financial liabilities*

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

## **1.18 Contingent Liabilities and Contingent Assets**

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

## **1.19 Land, Buildings, Plant and Equipment**

### *Asset Recognition Threshold*

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

### *Revaluations—Land and Buildings*

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

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Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

## *Depreciation*

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

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

	2018	2017
Plant and equipment	15%	15%
Motor vehicles	20%	20%

## *Derecognition*

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

### **1.20 Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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## 1.21 Impairment of non-financial assets

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

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

## 1.22 Non-current assets held for sale

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

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

## 1.23 Taxation

The Australian Hotels Association Northern Territory Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

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

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



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## 1.24 Fair value measurement

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

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

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

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

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

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

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

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

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



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

## 1.25 Going concern

The Committee of Management have resolved that the Australian Hotels Association Northern Territory Branch is a going concern.

As a result, going concern financial support was not required to be received from another reporting unit during the financial year.

Additionally, going concern financial support was not required to be provided to another reporting unit during the financial year.

## Note 2 Events after the reporting period

There were no events that occurred after 30 June 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Hotels Association NT Branch.

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## Note 3 Income

	2018	2017
	\$	\$
<b>Note 3A: Capitation fees*</b>		
Capitation fees	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Levies*</b>		
Levies	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Interest</b>		
Deposits	2,703	3,655
Loans	-	-
<b>Total interest</b>	<u>2,703</u>	<u>3,655</u>
<b>Note 3D: Rental revenue</b>		
Properties	-	-
Other	-	-
<b>Total rental revenue</b>	<u>-</u>	<u>-</u>
<b>Note 3E: Grants or donations*</b>		
Grants	301,000	316,027
Donations	-	-
<b>Total grants or donations</b>	<u>301,000</u>	<u>316,027</u>

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## Note 3F: Net gains from sale of assets

Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
<b>Total net gain from sale of assets</b>	<b>-</b>	<b>-</b>

## Note 4 Expenses

	2018	2017
	\$	\$
<b>Note 4A: Employee benefits expense</b>		
<b> Holders of office:</b>		
- wages and salaries	-	-
- superannuation	-	-
- leave and other entitlements	-	-
- separation and redundancies	-	-
- other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>-</b>	<b>-</b>
<b>Employees other than office holders</b>		
- wages and salaries	497,654	436,525
- superannuation	46,628	40,297
- leave and other entitlements	(6,322)	(6,322)
- separation and redundancies	-	-
- other employee expenses	2,230	2,230
<b>Subtotal employee expenses employees other than office holders</b>	<b>567,855</b>	<b>472,730</b>
<b>Total employee benefits expense</b>	<b>567,855</b>	<b>472,730</b>

## Note 4B: Capitation fees\*

Capitation fees	-	-
<b>Total capitation fees</b>	<b>-</b>	<b>-</b>

## Note 4C: Affiliation fees\*

Affiliation fees paid to National AHA	9,859	9,859
<b>Total affiliation fees/subscriptions</b>	<b>9,859</b>	<b>9,859</b>

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## Note 4D: Administration expenses

Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	247,742	251,974
Contractors/consultants	-	-
Property expenses	27,850	36,254
Office expenses	-	-
	-	-
Information communications technology	-	-
Other	-	-
<b>Subtotal administration expense</b>	<b>275,592</b>	<b>288,228</b>
Operating lease rentals:		
Minimum lease payments	-	-
<b>Total administration expenses</b>	<b>275,592</b>	<b>288,228</b>

## Note 4E: Grants or donations\*

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

## Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	-	-
Property, plant and equipment	934	1,446
<b>Total depreciation</b>	<b>934</b>	<b>1,446</b>
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>934</b>	<b>1,446</b>

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	2018	2017
	\$	\$
<b>Note 4G: Finance costs</b>		
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
<b>Total finance costs</b>	<u>-</u>	<u>-</u>
<b>Note 4H: Legal costs*</b>		
Litigation	-	-
Other legal matters	12,588	2,800
<b>Total legal costs</b>	<u>-</u>	<u>-</u>
<b>Note 4I: Write-down and impairment of assets</b>		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
<b>Total write-down and impairment of assets</b>	<u>-</u>	<u>-</u>
<b>Note 4J: Net losses from sale of assets</b>		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
<b>Total net losses from asset sales</b>	<u>-</u>	<u>-</u>
<b>Note 4K: Other expenses</b>		
Penalties - via RO Act or RO Regulations*	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 5 Current Assets

### 5A Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	143	82
Cash at bank	251,414	664,046
<b>Total cash and cash equivalents</b>	<b>251,557</b>	<b>664,128</b>

### Note 5B: Trade and Other Receivables

#### Receivables from other reporting unit[s]\*

AHA National Office

- -

#### Total receivables from other reporting unit[s]

- -

#### Less provision for doubtful debts\*

AHA National Office

- -

#### Total provision for doubtful debts

- -

#### Receivable from other reporting unit[s] (net)

- -

#### Other receivables:

GST receivable

- -

Other trade receivables

294,228 23,013

#### Total other receivables

294,228 23,013

#### Total trade and other receivables (net)

294,228 23,013

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 6 Non-current Assets

### Note 6A: Plant and equipment

Plant and equipment:

at cost	90,395	85,857
accumulated depreciation	(82,982)	(82,048)
<b>Total plant and equipment</b>	<b>7,413</b>	<b>3,809</b>

Reconciliation of the Opening and Closing Balances of Plant and Equipment

<b>As at 1 July</b>		
Gross book value	85,857	84,403
Accumulated depreciation and impairment	(82,048)	(80,602)
<b>Net book value 1 July</b>	<b>3,809</b>	<b>3,801</b>
Additions:		
By purchase	4,538	1,454
Depreciation expense	(934)	(1,446)
Disposals:	-	-
Other	-	-
Depreciation on disposal	-	-
<b>Net book value 30 June</b>	<b>7,413</b>	<b>3,809</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	90,395	85,857
Accumulated depreciation and impairment	(82,982)	(82,048)
<b>Net book value 30 June</b>	<b>7,413</b>	<b>3,809</b>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	<b>55,599</b>	15,156
<b>Subtotal trade creditors and accruals</b>	<b>55,599</b>	15,156
<b>Payables to other reporting unit[s]*</b>		
AHANT WA Branch	-	-
<b>Subtotal payables to other reporting unit</b>	-	-
<b>Total trade payables</b>	<b>55,599</b>	15,156

Settlement is usually made within 30 days.

### Note 7B: Other payables

Superannuation	<b>12,955</b>	10,130
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	<b>254,106</b>	263,916
GST payable	<b>18,130</b>	13,028
Other	<b>31,034</b>	21,527
<b>Total other payables</b>	<b>316,225</b>	308,601



# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 8 Provisions

### Note 8A: Employee Provisions\*

#### Office Holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

<b><i>Subtotal employee provisions—office holders</i></b>	<b>-</b>	<b>-</b>
---	----------	----------

#### Employees other than office holders:

Annual leave	40,147	18,950
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b>40,147</b>	<b>18,950</b>
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<b>Total employee provisions</b>	<b>40,147</b>	<b>18,950</b>
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Current	-	-
Non Current	-	-
<b><i>Total employee provisions</i></b>	<b>-</b>	<b>-</b>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 9 Cash Flow

### Note 9A: Cash Flow Reconciliation

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

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

Cash flow statement	251,557	664,128
Balance sheet	251,557	664,128
<b>Difference</b>	<u>-</u>	<u>-</u>

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

Profit/(deficit) for the year	(207,016)	(60,470)
-------------------------------	-----------	----------

#### Adjustments for non-cash items

Depreciation/amortisation	934	1,446
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-

#### Changes in assets/liabilities

(Increase)/decrease in net receivables	(253,085)	34,492
(Increase)/decrease in prepayments	-	-
Increase/(decrease) in supplier payables	40,443	(36,114)
Increase/(decrease) in other payables	(10,506)	171,289
Increase/(decrease) in employee provisions	21,197	(6,321)
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<u>(408,033)</u>	<u>104,322</u>

### Note 9B: Cash flow information\*

#### Cash inflows

AHA National Office	-	-
<b>Total cash inflows</b>	<u>-</u>	<u>-</u>

#### Cash outflows

AHA National Office	9,559	9,559
<b>Total cash outflows</b>	<u>9,559</u>	<u>9,559</u>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 10 Contingent Liabilities, Assets and Commitments

### Note 10A: Commitments and Contingencies

#### Operating lease commitments—as lessee

Australian Hotels Association NT Branch Inc. leases a Ricoh photocopier. The remaining term is 2 years.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2018	2017
	\$	\$
Within one year	1,246	7,998
After one year but not more than five years	1,350	2,596
More than five years	-	-

#### Capital commitments

At 30 June 2018 the entity has no commitments (2017: \$nil).

#### Finance lease commitments

-	-
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#### Other contingent assets or liabilities

At 30 June 2018 the entity has no contingent assets or liabilities (2017: \$nil).

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## 11 Related Party Disclosures

### Note 11A: Related Party Transactions for the Reporting Period

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

Revenue received from AHANT Inc	2018	2017
---------------------------------	------	------

includes the following:

Interest	-	-
Administration Fee	20,000	20,000

Expenses paid to AHANT Inc includes the following:

Rent	16,800	30,000
------	--------	--------

Amounts owed by AHANT Inc include the following:

Accounts receivable	5,500	-
---------------------	-------	---

Amounts owed to AHANT Inc include the following:

Trade Payables	41,124	-
Other Payables	460	2,231

Loans from AHANT Inc includes the following:

Loan	-	-
------	---	---

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2018, the Australian Hotels Association Northern Territory Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	2018	2017
	\$	\$

## Note 11B: Key Management Personnel Remuneration for the Reporting Period

### Short-term employee benefits

Salary (including annual leave taken)	269,062	267,070
Annual leave accrued	20,935	5,307
Performance bonus	-	-
<b>Total short-term employee benefits</b>	<b>289,997</b>	<b>272,377</b>

### Post-employment benefits:

Superannuation	25,561	25,372
<b>Total post-employment benefits</b>	<b>25,561</b>	<b>25,372</b>

### Other long-term benefits:

Long-service leave	-	-
<b>Total other long-term benefits</b>	<b>-</b>	<b>-</b>

### Termination benefits

	-	-
<b>Total</b>	<b>315,558</b>	<b>297,749</b>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 12 Remuneration of Auditors

### Value of the services provided

Financial statement audit services	9,550	10,815
Other services	-	-
<b>Total remuneration of auditors</b>	<b>9,550</b>	<b>10,815</b>

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

## Note 13 Financial Instruments

The main risks Australian Hotels Association Northern Territory Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The branch's financial instruments consist mainly of deposits with banks, accounts receivable and payable and bank overdrafts.

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

### Note 13A: Categories of Financial Instruments

	2018	2017
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	251,557	664,128
Trade receivables	294,228	23,013
<b>Total</b>	<b>545,785</b>	<b>687,141</b>
<b>Carrying amount of financial assets</b>	<b>545,785</b>	<b>687,141</b>
<b>Financial Liabilities</b>		
Trade and other payables	371,824	323,757
<b>Total</b>	<b>371,824</b>	<b>323,757</b>
<b>Carrying amount of financial liabilities</b>	<b>371,824</b>	<b>323,757</b>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 13B: Net Income and Expense from Financial Assets

<b>Held-to-maturity</b>		
Interest revenue	2,703	3,655
<b>Net gain/(loss) held-to-maturity</b>	<b>2,703</b>	<b>3,655</b>
<b>Loans and receivables</b>		
Interest revenue	-	-
<b>Net gain/(loss) from loans and receivables</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) from financial assets</b>	<b>2,703</b>	<b>3,655</b>

The net income from financial assets not at fair value from profit and loss is \$2,703 (2017: \$3,655).

## Note 13C: Credit Risk

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

<b>Financial assets</b>		
Trade receivables	294,228	23,013
Other receivables	-	-
<b>Total</b>	<b>294,228</b>	<b>23,013</b>

## Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2018 \$	Past due or impaired 2018 \$	Not Past Due Nor Impaired 2017 \$	Past due or impaired 2017 \$
Trade receivables	294,228	-	23,013	-
Other receivables	-	-	-	-

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade Receivables	\$281,631	\$9,725	\$1,792	\$1,080	\$294,228
<b>Total</b>	<b>\$281,631</b>	<b>\$9,725</b>	<b>\$1,792</b>	<b>\$1,080</b>	<b>\$294,228</b>

## Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade receivables	\$6,800	\$6,070	\$7,705	\$2,438	\$23,013
<b>Total</b>	<b>\$6,800</b>	<b>\$6,070</b>	<b>\$7,705</b>	<b>\$2,438</b>	<b>\$23,013</b>

### Note 13D: Liquidity risk

Liquidity risk arises from the branch's management of working capital and it is the risk that the branch will encounter difficulty in meeting its financial obligations as they fall due.

The branch'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 branch maintains cash 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.

At the reporting date, these reports indicate that the branch 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.

## Contractual maturities for financial liabilities 2018

	On Demand	< 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
Trade payables	0	55,599	0	0	0	55,599
Other payables	0	316,225	0	0	0	316,225
<b>Total</b>	<b>0</b>	<b>371,824</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>371,824</b>



# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

Maturities for financial liabilities 2017

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	0	15,156	0	0	0	15,156
Other payables	0	308,601	0	0	0	308,601
<b>Total</b>	<b>0</b>	<b>323,757</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>323,757</b>

## Note 13E: Market Risk

Market risks generally include interest rate risk, price risk, and currency risk.

### *Interest rate risk*

The branch is exposed to interest rate risk on financial assets and financial liabilities whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial instruments that primarily expose the Association to interest rate risk are cash and cash equivalents.

The Association's policy is to minimise interest rate cash flow risk exposure by using a mix of fixed and floating rates for cash and cash equivalents.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonable change in interest rates of +0.5% and -0.5% (2017: +0.5% and -0.5%). These changes are considered to be reasonably possible based on observations of current market conditions and economic reports.

### Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	Cash	+0.5%	1,258	1,258
Interest rate risk	Cash	-0.5%	(1,258)	(1,258)

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	Cash	+0.5%	3,320	3,320
Interest rate risk	Cash	-0.5%	(3,320)	(3,320)

## Note 14 Fair Value Measurement

### Note 14A: Financial Assets and Liabilities

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

The following table contains the carrying amounts and related fair values for the Australian Hotels Association NT Branch's financial assets and liabilities:

	Carrying amount 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
<b>Financial Assets</b>				
Cash and cash equivalents	251,557	251,557	664,128	664,128
Trade and other receivables	294,228	294,228	23,013	23,013
<b>Financial Liabilities</b>				
Trade and other payables	371,824	371,824	323,757	323,757
<b>Total</b>	<b>173,961</b>	<b>173,961</b>	<b>363,384</b>	<b>363,384</b>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Note 14B: Fair Value Hierarchy

The following tables provide an analysis of financial and non financial assets and liabilities that are measured at fair value, by fair value hierarchy.

### Fair value hierarchy – 30 June 2018

	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>	\$	\$	\$
Cash and cash equivalents	251,557	-	-
Trade and other receivables	294,228	-	-
<b>Total</b>	<b>545,785</b>	-	-
<b>Liabilities measured at fair value</b>			
Trade and other payables	371,824	-	-
<b>Total</b>	<b>371,824</b>	-	-

### Fair value hierarchy – Parent 30 June 2017

	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>	\$	\$	\$
Cash and cash equivalents	664,128	-	-
Trade and other receivables	23,013	-	-
<b>Total</b>	<b>687,141</b>	-	-
<b>Liabilities measured at fair value</b>			
Trade and other payables	323,757	-	-
<b>Total</b>	<b>323,757</b>	-	-

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## **Note 15      Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or Commissioner:

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

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Disclaimer

The additional financial data presented on page 49 is in accordance with the books and records of the branch which have been subjected to the auditing procedures applied in our statutory audit of the branch for the year ended 30 June 2018. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Hotels Association Northern Territory Branch) in respect of such data, including any errors or omissions therein however caused.

PERKS AUDIT PTY LTD

84 Smith Street

Darwin

Northern Territory 0800

PETER J HILL

Director

Registered Company Auditor

Registration number: AA2017/25

Dated this 29th day of October 2018

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

## Profit and Loss Account

	2018	2017
	\$	\$
<b>Income</b>		
Grants and Funding	301,000	316,027
Corporate sponsorship	221,185	233,667
Functions income - dinners and lunches	186,971	195,936
Conference and Trade Expo	57,059	58,580
Administration and management fees	19,707	23,390
Interest income	2,703	3,655
Other income	46,453	55,193
<b>Total income</b>	<b>835,078</b>	<b>886,448</b>
<b>Less: Expenses</b>		
Salaries - Employees	497,654	436,525
Conference/seminar costs	247,742	251,974
CBF expenses	-	40,656
Superannuation contributions	46,628	40,297
Rent	27,850	36,254
Consulting and professional fees	34,845	34,900
Sundry expenses	12,849	14,081
Travel	30,976	13,809
Magazine - Hospitality Outlook	10,342	11,224
Auditors remuneration	9,550	10,815
AHA National Affiliation fees and levies	9,859	9,859
Insurance	7,695	6,990
Public relations	785	5,464
Subscriptions	5,171	4,916
Accounting fees	4,461	4,713
Telephone and fax	7,838	3,891
Computer expenses	3,334	3,109
Printing and stationery	3,268	2,971
Motor vehicle expenses	4,595	2,926
Electricity and water	4,086	2,909
Publications	2,806	2,905
Cleaning	2,614	2,276
Postage	1,073	2,260
Workers compensation insurance	2,375	2,230
Bank charges	1,589	1,943
Entertainment	1,508	1,896
Depreciation	934	1,446
Workforce development expenses	38,469	-
Movement in leave provisions	21,198	(6,321)
<b>Total Expenses</b>	<b>1,042,094</b>	<b>946,918</b>
<b>Loss before income tax</b>	<b>(207,016)</b>	<b>(60,470)</b>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2018

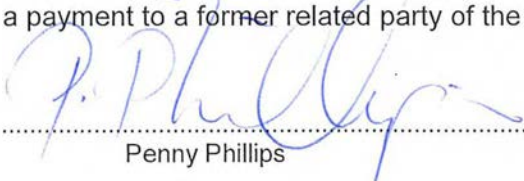
## OFFICER DECLARATION STATEMENT

I, Penny Phillips, being the designated officer of the Australian Hotels Association Northern Territory Branch, declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- 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 legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- 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

Treasurer .....

  
Penny Phillips

Dated this 29th day of October 2018



25 September 2018

Mr Paul Palmer  
President  
Australian Hotels Association - Northern Territory Branch

By Email: [admin@ahant.com.au](mailto:admin@ahant.com.au)

Dear Mr Palmer,

**Re: Lodgement of Financial Report - [FR2018/167]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Hotels Association-Northern Territory Branch (the reporting unit) ended on 30 June 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

### **Loans Grants and Donations Statement**

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 28 September 2018.

The attached fact sheet *Loans Grants and Donations (FS 009)* summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines (FS 008)* summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 December 2018 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the



ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Auditor's report**

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available on our website).

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,



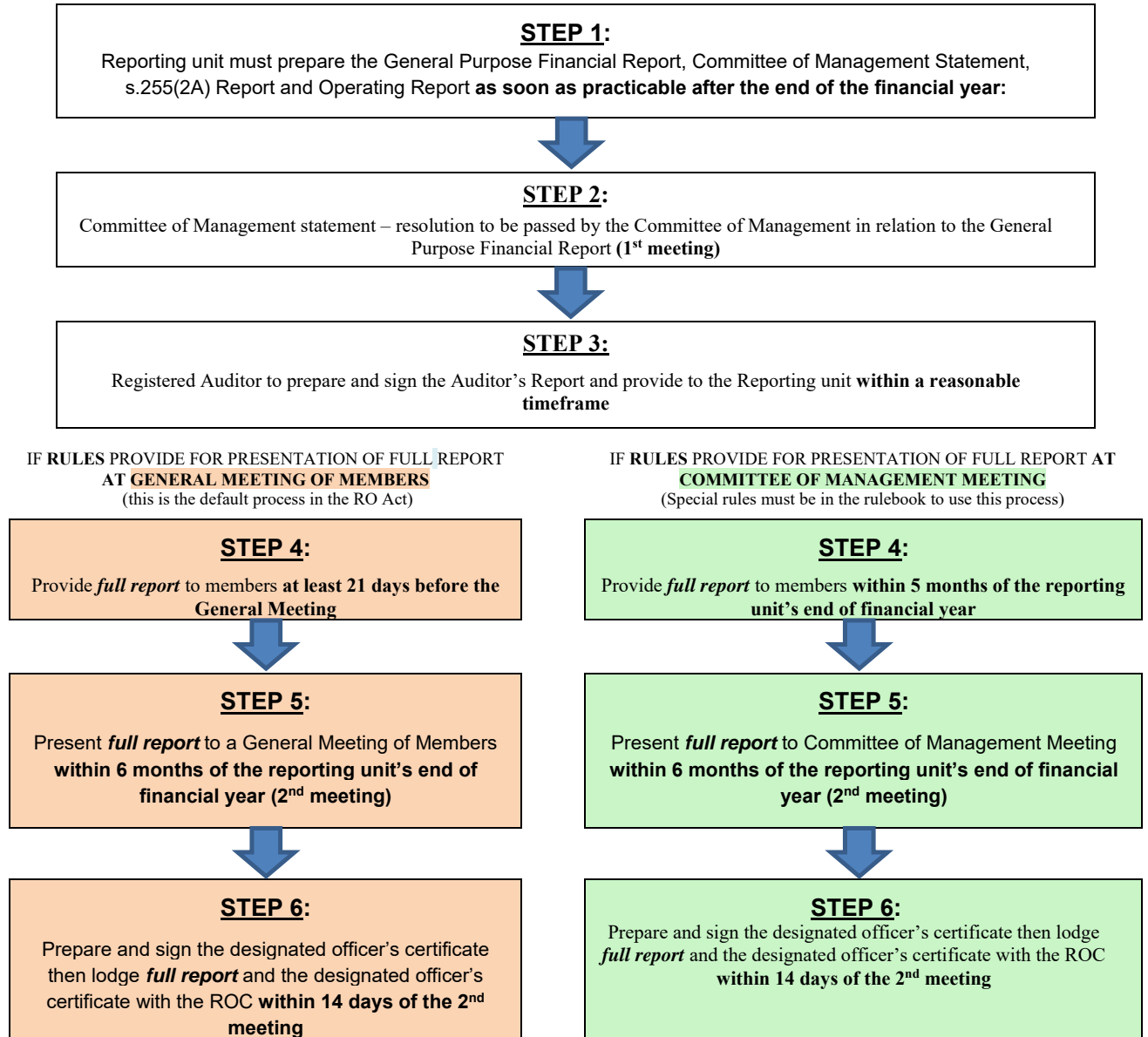
**Sarah Wilkin**  
**Registered Organisations Commission**

# Fact sheet

## Summary of financial reporting timelines – s.253 financial reports

### General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



# Fact sheet

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Australian Government  
Registered Organisations Commission

**FS 009**  
(19 June 2017)

## Fact sheet

### Loans, Grants & Donations

#### **The Loans, Grants & Donations Requirements**

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.





#### **The Loans, Grants & Donations Statement**



Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL. Common misconceptions Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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### Grants & Donations within the Financial Report

Item 16(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

#### Note 4E: Grants OR donations\*

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

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice