



**Australian Government**  
**Registered Organisations Commission**

20 June 2017

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

By Email: [gm@actaha.org.au](mailto:gm@actaha.org.au)

Dear Mr Capezio

**Re: Lodgement of Financial Statements and Accounts – Australian Capital Territory Branch, Australian Hotels Association - for year ended 31 December 2016 (FR2016/359)**

I refer to the financial report for the Australian Capital Territory Branch of the Australian Hotels Association. The report was lodged with the Registered Organisations Commission ('the Commission') on 8 June 2017.

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

You are not required to take any further action in respect of the report lodged but I make the following comments to assist you when you next prepare a financial report. Please note the next report may be subject to an advanced review.

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

Under section 265(5)(a) of the RO Act, where the report is presented to a General Meeting of members, the report must be provided to members *at least 21 days* before that meeting.<sup>1</sup> The Designated Officer's Certificate states that the financial report was provided to members on 17 May 2017, and presented to a General Meeting of members on 25 May 2017. If these dates are correct, the reporting unit only provided members the financial report 8 days before the General Meeting.

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

**New Format for Auditor's Statement**

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*. Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

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<sup>1</sup> The full report, as described in s265(1), must be signed prior to providing the report to the members.

### Reporting Requirements

On the Registered Organisations Commission website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The Commission recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained at <http://www.roc.gov.au/running-a-registered-organisation/financial-reporting>

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au)

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting

# Financial Statements

## Australian Hotels Association – ACT Branch

### 2016



FINANCIAL STATEMENTS 2016

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## Introduction

This document contains a financial report of Australian Hotels Association – ACT Branch – a reporting unit as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 31 December 2016.

The enclosed financial report has been prepared in accordance with the requirements of the Australian Accounting Standards and the RO Act including the section 253 Reporting Guidelines issued 13 June 2014..

## Australian Accounting Standards applicable as at 31 December 2016

This financial report illustrates Australian Accounting Standards which apply to annual reporting periods beginning on or after 1 July 2015.

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

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

*AASB 4 Insurance Contracts*

*AASB 6 Exploration for and Evaluation of Mineral Resources*

*AASB 111 Construction Contracts*

*AASB 129 Financial Reporting in Hyperinflationary Economies*

*AASB 134 Interim Financial Reporting*

*AASB 141 Agriculture*

*AASB 1023 General Insurance Contracts*

*AASB 1038 Life Insurance Contracts*

*AASB 1039 Concise Financial Reports*

*AASB 1049 Whole of Government and General Government Sector Financial Reporting*

*AASB 1050 Administered Items*

*AASB 1051 Land Under Roads*

*AASB 1052 Disaggregated Disclosures*

*AAS 25 Financial Reporting by Superannuation Plans*

*Interpretation 12 Service Concession Arrangements*

*Interpretation 13 Customer Loyalty Programs*

*Interpretation 15 Agreements for the Construction of Real Estate*

*Interpretation 17 Distributions of Non-Cash Assets to Owners*

*Interpretation 107 Introduction of the Euro*

*Interpretation 110 Government Assistance — No Specific Relation to Operating Activities*

*Interpretation 129 Service Concession Arrangements: Disclosures*

*Interpretation 131 Revenue — Barter Transactions Involving Advertising Services*

*Interpretation 132 Intangible Assets — Web Site Costs*

*Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities*

*Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry*

*Interpretation 1047 Professional Indemnity Claims Liabilities in Medical Defence Organisations*

*Interpretation 1055 Accounting for Road Earthworks*

## Allowed alternative treatments

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

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

## Abbreviations

The following abbreviations are used in the model financial report:

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

**Principal** Phillip W Miller CA  
**Address** Unit 1/37 Geils Court, Deakin ACT 2600  
PO Box 105, Deakin West ACT 2600  
Suite 1.3, 33 Hibberston Street  
Gungahlin ACT 2912  
**Phone** (02) 6215 7600  
**Fax** (02) 6281 7708  
**Web** [www.mcsaudit.com.au](http://www.mcsaudit.com.au)  
ASIC Authorised Audit Company No. 408893

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (ACT REGION)  
ABN: 37 315 422 917**

**Report on the Financial Report**

I have audited the accompanying general purpose financial report of Australian Hotels Association (ACT Region) for the year ended 31 December 2016, comprising the statement of comprehensive income, statement of financial position as at 31 December 2016, statement of changes in equity, cash flow statement, notes to and forming part of the financial statements and the committee of management statement.

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

## Independence

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

## Auditors Opinion

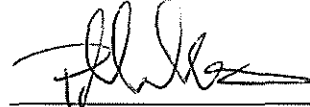
As part of the audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

In our opinion, the financial report presents fairly, in all material respects the financial position of Australian Hotels Association (ACT Region) as of 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.

**Name of Firm:**  
MCS Audit Pty Ltd

**Chartered Accountants  
Authorised Audit Company**

**Name of Director:**



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**Phillip W Miller CA  
Registered Company Auditor  
Public Practice Certificate Holder**

**Address:**

**Unit 1/37 Geils Court, Deakin ACT 2600**

**Dated:**

*17 May 2017*

**AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH**

**ABN: 37 315 422 917**

s.268 Fair Work (Registered Organisations) Act 2009

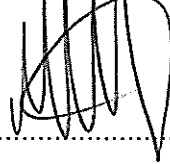
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 31 December 2016

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

I, Joshua Gray, being the Secretary of the Australian Hotels Association – ACT Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Hotels Association – ACT Branch for the period ended 31 December 2016 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 17/5/17; and
- that the full report was presented to a general meeting of members and a meeting of the committee of management of the reporting unit on 25/5/17 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

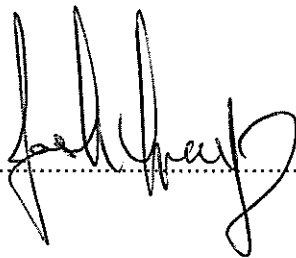


Signature of prescribed designated officer:.....

Name of prescribed designated officer: Michael Capezio

Title of prescribed designated officer: President

Dated: 25 May 2017



Signature of prescribed designated officer:.....

Name of prescribed designated officer: Joshua Gray

Title of prescribed designated officer: Secretary

Dated: 25 May 2017.



## AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

ABN: 37 315 422 917

### OPERATING REPORT

*for the period ended 31 December 2016*

The committee presents its report on the reporting unit for the financial year ended 31 December 2016.

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

##### **Principal Activities**

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

##### **Results of the Principal Activities**

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

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

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

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

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

##### **Financial Operating Result**

The operating surplus of the Association amounted to 5,987 in 2016(2015: surplus of \$6,118). This figure represents a true and fair view of the results achieved during the reporting period.

##### **Non-Financial Operating Result**

1. The AHA ACT is one of Australia's leading industry advocacy associations, which represents and advocates for the interests of the licensed hospitality and accommodation hotel sector in Canberra. AHA ACT members include licensed pubs, cafes, bars, restaurants, accommodation hotels and nightclubs in Canberra.
2. At both a national and Territory level, the AHA provides leadership and advocates for the industry in a variety of ways, including providing advice to assist members in areas such as regulations, minimising their impact on the environment, the responsible service of alcohol, responsible service of gaming, employment matters, advocacy on key industry issues and how to integrate new products and technologies into hospitality businesses. The AHA ACT works and consults with a wide spectrum of stakeholders and Government representatives in the ACT including Government agencies, police, political leaders from all sides of politics and other key industry groups.

3. In the political arena during 2015, the AHA ACT was actively involved in advocating industry's policy positions which included providing a more competitive regulatory and operating environment by reducing red tape and regulation for licensed hospitality, enabling businesses to grow and prosper. We lobbied against introducing "scores on doors" in the ACT as well as boosting tourism spending to attract more tourists to the ACT.
4. On alcohol and liquor licensing, AHA ACT lobbied the ACT Government for further consideration on the impacts of pre-loading and alcohol-related problem behaviour across the city and entertainment precincts, which has received support from senior police officers. AHA ACT made representations to ACT Policing as well as key political leaders.
5. AHA ACT proactively contributed to the two year Review of the Liquor Act, highlighting the challenges and rising costs facing the sector – calling for off-license venues to be paying higher fees to combat pre-fuelling and reward licensees for compliance with liquor fee reductions. AHA ACT has also highlighted its policy positions through the Liquor Advisory Board.
6. The AHA ACT held the annual AHA ACT Hospitality Awards in July 2015, attended by more than 400 industry leaders, politicians and industry representatives. The ACT had one home-town winner at the AHA National Awards for Excellence on the Gold Coast, Jamala Park.

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

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

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

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

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

The same Rules also provide for the vacation of and/or resignation from elected office by elected Members.

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

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

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

### **Number of members**

The number of persons that were at the end of financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 78.

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

### **Number of employees**

One-and-a-half full-time equivalent employees were employed by the ACT Branch between the 2016 financial reporting period.

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

Mr Michael CAPEZIO  
President  
Representative to the National Board

Mr Manuel NOTARAS  
Vice-President

Mr Joshua Gray  
Secretary Treasurer  
Divisional Representative - Molonglo Division

Mr Murray Emmerton  
President – Accommodation Division  
Representative to the National Accommodation Division

Mr Peter Barclay  
Divisional Representative – Molonglo Division

Mr David Quinn  
Divisional Representative – Molonglo Division

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

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

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

There were no new branches or divisions established and no branches or divisions ceased to operate in 2016.

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Michael Capezio

Title of prescribed designated officer: President

Dated: 17 May 2017 .

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Joshua Gray

Title of prescribed designated officer: Secretary

Dated: 17 May 2017 .

**AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH**

**ABN: 37 315 422 917**

**COMMITTEE OF MANAGEMENT STATEMENT**

*for the period ended 31 December 2016*

On the 17<sup>th</sup> day of May 2017 the Board of the Australian Hotels Association – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:

The committee of management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) 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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and

- (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

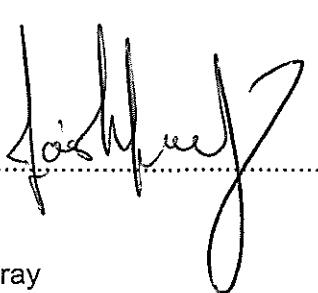
This declaration is made in accordance with a resolution of the Committee of Management.

Signature of prescribed designated officer:  .....

Name of prescribed designated officer: Michael Capezio

Title of prescribed designated officer: President

Dated: 17 May 2017 .

Signature of prescribed designated officer:  .....

Name of prescribed designated officer: Joshua Gray

Title of prescribed designated officer: Secretary

Dated: 17 May 2017 .

## AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

ABN: 37 315 422 917

### STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 December 2016

	Notes	2016 \$	2015 \$
<b>Revenue</b>			
Membership subscription*		98,142	94,039
Capitation fees	3A	-	-
Levies	3B	118	9,064
Interest	3C	2,467	2,999
Rental Revenue	3D	-	-
Sponsorship revenue	3E	103,736	115,097
Other revenue	3F	64,125	66,216
<b>Total revenue</b>		<b>268,588</b>	<b>287,415</b>
<b>Other Income</b>			
Grants and/or donations	3G	-	-
National office management fee	3H	6,906	726
<b>Total other income</b>		<b>6,906</b>	<b>726</b>
<b>Total income</b>		<b>275,494</b>	<b>288,141</b>
<b>Expenses</b>			
Employee expenses	4A	148,603	176,971
Capitation fees	4B	3,912	2,329
Affiliation fees	4C	327	2,346
Administration expenses	4D	105,357	95,359
Grants or donations	4E	4,440	-
Depreciation and amortisation	4F	-	259
Finance costs	4G	1,368	759
Legal costs	4H	-	-
Audit fees	12	5,500	4,000
Write- down and impairment of assets	4I	-	-
Net losses from sale of assets	4J	-	-
Other expenses	4K	-	-
<b>Total expenses</b>		<b>269,507</b>	<b>282,023</b>
<b>Profit (loss) for the year</b>		<b>5,987</b>	<b>6,118</b>
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss		-	-
Gain on revaluation of land & buildings		-	-
<b>Total comprehensive income for the year</b>		<b>5,987</b>	<b>6,118</b>

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

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

**AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH**  
**ABN: 37 315 422 917**

**STATEMENT OF FINANCIAL POSITION**  
*as at 31 December 2016*

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	166,863	160,816
Trade and other receivables	5B	91,744	78,957
Other current assets	5C	1,113	1,100
<b>Total current assets</b>		<b>259,720</b>	<b>240,873</b>
<b>Non-Current Assets</b>			
Plant and equipment	6	-	-
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>259,720</b>	<b>240,873</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	3,078	4,157
Other payables	7B	155,759	147,256
Employee provisions	8A	5,436	-
<b>Total current liabilities</b>		<b>164,273</b>	<b>151,413</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>164,273</b>	<b>151,413</b>
<b>Net assets</b>		<b>95,447</b>	<b>89,460</b>
<b>EQUITY</b>			
Retained earnings (accumulated deficit)	9	95,447	89,460
<b>Total equity</b>		<b>95,447</b>	<b>89,460</b>

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

**AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH**

**ABN: 37 315 422 917**

**STATEMENT OF CHANGES IN EQUITY**

*for the period ended 31 December 2016*

	Notes	Retained earnings \$	Total equity \$
<b>Balance as at 1 January 2015</b>		83,342	83,342
Adjustment for errors			
Profit for the year		6,118	6,118
<b>Closing balance as at 31 December 2015</b>		89,460	89,460
Profit for the year		5,987	5,987
<b>Closing balance as at 31 December 2016</b>	<b>9</b>	<b>95,447</b>	<b>95,447</b>

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



**AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH**

ABN: 37 315 422 917

**CASH FLOW STATEMENT***For the period ended 31 December 2016*

	Notes	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from AHA National Office	10B	6,906	726
Interest		2,467	2,999
Other		253,334	324,024
<b>Cash used</b>			
Employees		(148,603)	(195,462)
Suppliers and others		(92,994)	(165,906)
Payment to AHA National Office	10B	(15,063)	(8,189)
<b>Net cash from (used by) operating activities</b>	10A	<b>6,047</b>	<b>(41,808)</b>
<b>Net increase (decrease) in cash held</b>		<b>6,047</b>	<b>(41,808)</b>
Cash & cash equivalents at the beginning of the reporting period		<b>160,816</b>	202,624
<b>Cash &amp; cash equivalents at the end of the reporting period</b>		<b>166,863</b>	160,816

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

**AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH**

**ABN: 37 315 422 917**

**RECOVERY OF WAGES ACTIVITY\***

*for the period ended 31 December 2016*

	2016	2015
	\$	\$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>		
<i>[Insert fund or account name. If invested in assets include value of each asset]</i>	-	-

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

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## Note 1 Summary of significant accounting policies

### 1.1 Basis of preparation of the financial statements

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

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

### 1.2 Comparative amounts

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

### 1.3 Significant accounting judgements and estimates

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

### 1.4 New Australian Accounting Standards

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

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

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

- *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* contains three main parts and makes amendments to a number of Standards and Interpretations.  
Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.  
Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.  
Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments*.

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards
- AASB 2015-4 *Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent* aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent.

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

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are not expected to have a future financial impact on Australian Hotels Association – ACT Branch.

#### **1.5 Revenue**

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

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

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

Donation income is recognised when it is received.

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

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

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

#### **1.6 Capitation fees and levies**

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

#### **1.7 Employee benefits**

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the

end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

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

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

### **1.8 Borrowing costs**

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

### **1.9 Cash**

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

### **1.10 Financial instruments**

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

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

### **1.11 Financial assets**

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

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

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

A financial asset is classified as held for trading if:

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

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

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

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

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

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

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

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

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

the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

### **Derecognition of financial assets**

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

## **1.12 Financial Liabilities**

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

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

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

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

### **1.13 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.

### **1.14 Plant and Equipment**

#### ***Asset Recognition Threshold***

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

#### ***Depreciation***

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

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

	<b>2016</b>	<b>2015</b>
Plant and equipment	<b>4 years</b>	<b>4 years</b>

#### ***Derecognition***

An item of plant and equipment is derecognized 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 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.

### **1.15 Impairment for non-financial assets**

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

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

### **1.16 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.

### **1.17 Taxation**

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

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

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

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

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

### **1.18 Fair value measurement**

The Australian Hotels Association – ACT Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14A.

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Australian Hotels Association – ACT 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.

### **1.19 Going concern**

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

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

## **1.20 Acquire an asset or a liability**

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

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

## **1.21 Financial affairs**

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

## Note 2 Events after the reporting period

There were no events that occurred after 31 December 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Hotels Association – ACT Branch.

	2016	2015
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees*</b>		
AHA National Office	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Levies*</b>		
Penalty rates reform levy	118	9,064
<b>Total levies</b>	<u>118</u>	<u>9,064</u>
<b>Note 3C: Interest</b>		
Deposits	2,467	2,999
<b>Total interest</b>	<u>2,467</u>	<u>2,999</u>
<b>Note 3D: Rental revenue</b>		
Properties	-	-
Other	-	-
<b>Total rental revenue</b>	<u>-</u>	<u>-</u>
<b>Note 3E: Sponsorship</b>		
General	103,736	115,097
<b>Total sponsorship revenue</b>	<u>103,736</u>	<u>115,097</u>
<b>Note 3F: Other revenues</b>		
Advertising	-	2,451
AFE income	59,942	60,659
Consultancy fee	-	100
Golf day income	3,583	3,006
Agreement Making Income	600	-
<b>Total other revenues</b>	<u>64,125</u>	<u>66,216</u>

	2016	2015
	\$	\$

**Note 3G: Grants or donations\***

Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>

**Note 3H: National Office Management Fees**

Consultation fees	6,906	726
<b>Total national office management fees</b>	<u>6,906</u>	<u>726</u>

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

**Note 4 Expenses**

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

**Holders of office:**

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	7,500	10,000
<b>Subtotal employee expenses holders of office</b>	<u>7,500</u>	<u>10,000</u>

**Employees other than office holders:**

Wages and salaries	126,309	133,222
Superannuation	9,358	14,294
Leave and other entitlements	5,436	19,455
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>141,103</u>	<u>166,971</u>
<b>Total employee expenses</b>	<u>148,603</u>	<u>176,971</u>

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

	2016	2015
	\$	\$
<b>Note 4B: Capitation fees*</b>		
AHA National Office	3,912	2,329
<b>Total capitation fees</b>	<u>3,912</u>	<u>2,329</u>

<b>Note 4C: Affiliation fees*</b>		
AHA National Office	327	2,346
<b>Total affiliation fees/subscriptions</b>	<u>327</u>	<u>2,346</u>

<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions*	-	-
Compulsory levies*	10,824	3,514
Fees/allowances - meeting and conferences*	10,484	5,104
Conference and meeting expenses*	2,044	2,550
Office expenses	15,454	12,166
Information communications technology	3,174	1,390
Other	53,809	58,706
<b>Subtotal administration expense</b>	<u>95,789</u>	<u>83,430</u>
Operating lease rentals:		
Minimum lease payments	9,568	11,929
<b>Total administration expenses</b>	<u>105,357</u>	<u>95,359</u>

<b>Note 4E: Grants or donations*</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	1,190	-
Total paid that exceeded \$1,000	3,250	-
<b>Total grants or donations</b>	<u>4,440</u>	<u>-</u>

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



	2016	2015
	\$	\$

**Note 4F: Depreciation and amortisation**

Depreciation		
Property, plant and equipment	-	259
<b>Total depreciation</b>	<u>-</u>	<u>259</u>

**Note 4G: Finance costs**

Bank charges	1,368	759
<b>Total other expenses</b>	<u>1,368</u>	<u>759</u>

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

Litigation	-	-
Other legal matters	-	-
<b>Total legal costs</b>	<u>-</u>	<u>-</u>

**Note 4I: Write-down and impairment of assets**

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>

**Note 4J: Net losses from sale of assets**

Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
<b>Total net losses from asset sales</b>	<u>-</u>	<u>-</u>

**Note 4K: Other expenses\***

Penalties - via RO Act or RO Regulations*	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>

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

2016	2015
\$	\$

## Note 5 Current Assets

### Note 5A: Cash and Cash Equivalents

Cash at bank	75,008	76,424
Short term deposits	91,855	84,392
Cash on hand	-	-
Other	-	-
<b>Total cash and cash equivalents</b>	<b>166,863</b>	<b>160,816</b>

### Note 5B: Trade and Other Receivables

#### Receivables from other reporting unit\*

AHA National Office	7,530	264
<b>Total receivables from other reporting unit</b>	<b>7,530</b>	<b>264</b>

#### Less provision for doubtful debts\*

AHA National Office	-	-
<b>Total provision for doubtful debts</b>	<b>-</b>	<b>-</b>
<b>Receivable from other reporting unit (net)</b>	<b>7,530</b>	<b>264</b>

#### Other receivables:

Other trade receivables	84,214	78,693
<b>Total other receivables</b>	<b>84,214</b>	<b>78,693</b>
<b>Total trade and other receivables (net)</b>	<b>91,744</b>	<b>78,957</b>

### Note 5C: Other Current Assets

Prepayments	1,113	1,100
<b>Total other current assets</b>	<b>1,113</b>	<b>1,100</b>

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

2016	2015
\$	\$

## Note 6 Non-current Assets – Plant and equipment

Plant and equipment:

at cost	5,260	5,260
accumulated depreciation	(5,260)	(5,260)
<b>Total plant and equipment</b>	<b>-</b>	<b>-</b>

### *Reconciliation of the Opening and Closing Balances of Plant and Equipment*

<b>As at 1 January</b>		
Gross book value	5,260	5,260
Accumulated depreciation and impairment	(5,260)	(5,001)
<b>Net book value 1 July</b>	<b>-</b>	<b>259</b>
Additions:		
Depreciation expense	-	(259)
<b>Net book value 31 December</b>	<b>-</b>	<b>-</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	5,260	5,260
Accumulated depreciation and impairment	(5,260)	(5,260)
<b>Net book value 31 December</b>	<b>-</b>	<b>-</b>

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	3,078	4,067
<b>Subtotal trade creditors</b>	<b>3,078</b>	<b>4,067</b>
<b>Payables to other reporting unit*</b>		
AHA National Office	-	90
<b>Subtotal payables to other reporting unit</b>	<b>-</b>	<b>90</b>
<b>Total trade payables</b>	<b>3,078</b>	<b>4,157</b>

Settlement is usually made within 30 days.

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

	2016	2015
	\$	\$
<b>Note 7B: Other payables</b>		
Superannuation	3,292	4,564
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
Prepayments received/unearned revenue	131,871	117,241
GST payable	18,343	16,433
Other	2,253	9,018
<b>Total other payables</b>	<b>155,759</b>	<b>147,256</b>

Total other payables are expected to be settled in:

No more than 12 months	155,759	147,256
More than 12 months	-	-
<b>Total other payables</b>	<b>155,759</b>	<b>147,256</b>

## Note 8: Provisions

### Note 8A: Employee Provisions\*

#### Office Holders:

Annual leave	5,436	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<b>5,436</b>	<b>-</b>

#### Employees other than office holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>-</b>	<b>-</b>
<b>Total employee provisions</b>	<b>5,436</b>	<b>-</b>

Current	-	-
Non Current	-	-
<b>Total employee provisions</b>	<b>5,436</b>	<b>-</b>

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

2016	2015
\$	\$

**Note 9 Equity**

**Note 9A: Funds**

Retained earnings		
<b>Balance as at start of year</b>	<b>89,460</b>	<b>83,342</b>
Current year earnings	<b>5,987</b>	<b>6,118</b>
Adjustment for errors	-	-
<b>Balance as at end of year</b>	<b>95,447</b>	<b>89,460</b>

**Note 9B: Other Specific disclosures - Funds\***

**Compulsory levy/voluntary contribution fund – if invested in assets**

	-	-
<b>Other fund(s) required by rules</b>		
<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	-	-

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

2016	2015
\$	\$

**Note 10 Cash Flow**

**Note 10A: 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	166,863	160,816
Balance sheet	166,863	160,816
<b>Difference</b>	<u>-</u>	<u>-</u>

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

Profit/(deficit) for the year	5,987	6,118
Prior year adjustment	-	-

**Adjustments for non-cash items**

Depreciation/amortisation	-	259
---------------------------	---	-----

**Changes in assets/liabilities**

(Increase)/decrease in net receivables	(12,787)	(7,434)
(Increase)/decrease in prepayments	(13)	229
Increase/(decrease) in supplier payables	(1,079)	(39,843)
Increase/(decrease) in other payables	8,503	21,863
Increase/(decrease) in employee provisions	5,436	(23,001)
<b>Net cash from (used by) operating activities</b>	<u>6,047</u>	<u>(41,808)</u>

**Note 10B: Cash flow information\***

Cash inflows		
AHA National Office	6,906	726
<b>Total cash inflows</b>	<u>6,906</u>	<u>726</u>

Cash outflows		
AHA National Office	(15,063)	(8,189)
<b>Total cash outflows</b>	<u>(15,063)</u>	<u>(8,189)</u>

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

2016	2015
\$	\$

## Note 11 Related Party Disclosures

### Note 11A: Honorariums Paid to Key Management Personnel

Honorarium to the president	7,500	7,500
Honorarium to the accommodation division president	-	2,500
<b>Total other payables</b>	<b>7,500</b>	<b>10,000</b>

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

### Note 11B: Related Party Transactions – AHA National Office

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

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

National office management fee	6,906	726
--------------------------------	-------	-----

#### Expenses paid to AHA National Office includes the following:

Capitation fees	3,912	2,329
Levy	10,824	3,514
Affiliation fees	327	2,346

#### Terms and conditions of transactions with related parties

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

Apart from the above Related Party Transactions, there is no other related party transaction occurred for the year ended 31 December 2016.

## Note 12 Remuneration of Auditors

### Value of the services provided

Financial statement audit services	5,500	4,000
Other services	-	-
<b>Total remuneration of auditors</b>	<b>5,500</b>	<b>4,000</b>

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

2016	2015
\$	\$

## Note 13 Financial Instruments

### Note 13A: Categories of Financial Instruments

#### *Financial Assets*

Cash and cash equivalent:

Cash at bank

75,008	76,424
--------	--------

**Total**

75,008	76,424
--------	--------

Short term investments:

Bank deposits

91,855	84,392
--------	--------

**Total**

91,855	84,392
--------	--------

Receivables:

Trade debtors

91,744	78,957
--------	--------

**Total**

91,744	78,957
--------	--------

***Carrying amount of financial assets***

258,607	239,773
---------	---------

#### *Financial Liabilities*

Accounts payables:

AHA National Office

-	-
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Trade creditors

3,078	4,157
-------	-------

**Total**

3,078	4,157
-------	-------

***Carrying amount of financial liabilities***

3,078	4,157
-------	-------

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

#### **Short term investment**

Interest revenue

2,467	2,999
-------	-------

**Net gain/(loss) short term investments**

2,467	2,999
-------	-------

**Net gain/(loss) from financial assets**

2,467	2,999
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### Note 13C: Net Income and Expense from Financial Liabilities

The net income/expense from financial liabilities not at fair value from profit and loss is \$ 0 (2015: \$ 0).



## Note 13D: Credit Risk

### Credit Risk Management Policies

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

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

### Credit Risk Exposures

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

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

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

### Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
AHA National Office	7,480	50	-	-	7,530
Others	-	63,314	-	20,900	84,214
Total	7,480	63,364	-	20,900	91,744

## Note 13E: Liquidity Risk

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

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

### Contractual maturities for financial liabilities 2016

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
AHA National Office	-	-	-	-	-	-
Others	-	3,078	-	-	-	3,078
Total	-	3,078	-	-	-	3,078

## Note 13F: Market Risk

i: Interest rate risk

Reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed assets. Such risk is managed through diversification of investments across asset classes.

li: Price risk

The AHA ACT Branch does not have any material price risk.

## Note 14 Fair Value Measurement – Financial Assets and Liabilities

Management of the Australian Hotels Association – ACT Branch assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties.

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

	Carrying amount 2016	Fair value 2016	Carrying amount 2015	Fair value 2015
<b>Financial Assets</b>	\$	\$	\$	\$
Cash at bank	75,008	75,008	76,424	76,424
Short term deposits	91,855	91,855	84,392	84,392
Trade debtors	91,744	91,744	78,957	78,957
<b>Total</b>	<b>258,607</b>	<b>258,607</b>	<b>239,773</b>	<b>239,773</b>
<b>Financial Liabilities</b>				
Payables to AHA National Office	-	-	90	90
Other trade creditors	3,078	3,078	4,067	4,067
<b>Total</b>	<b>3,078</b>	<b>3,078</b>	<b>4,157</b>	<b>4,157</b>

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

### Fair value hierarchy – 31 December 2016

	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>	\$	\$	\$
Available for sale financial assets	-	-	-
Held to maturity financial assets	-	91,855	-
<b>Total</b>	-	<b>91,855</b>	-

## Fair value hierarchy – 31 December 2015

	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Available for sale financial assets	-	-	-
Held to maturity financial assets	-	84,392	-
<b>Total</b>	-	<b>84,392</b>	-

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

## Note 15 Key Management Personnel Compensation

	2016	2015
	\$	\$
Short-term employee benefits	131,745	175,677
Post-employments employee benefits	9,358	14,294
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
<b>Total compensation paid</b>	<b>141,103</b>	<b>189,971</b>

## Note 16: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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