



26 June 2018

Mr Anthony Brierley
Acting General Manager, Australian Capital Territory Branch
Australian Hotels Association

Dear Mr Brierley

Re: – Australian Capital Territory Branch, Australian Hotels Association - financial report for year ending 31 December 2017 (FR2017/307)

I refer to the financial report of the Australian Capital Territory Branch of the Australian Hotels Association. The documents were lodged with the Registered Organisations Commission ('ROC') on 31 May 2018. An amended Designated Officer's certificate was received today.

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

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

Non-compliance with previous request

The ROC aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines by providing advice about errors identified in financial reports. Failure to address issues that are identified may lead to the Commissioner exercising his powers under section 330 of the RO Act.

While we filed last year's financial report, we raised certain issues for the reporting unit to address in relation to future financial reports. I note that the following error re-occurred in the 2017 report.

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

The amended Designated Officer's Certificate states that the financial report was provided to members on 9 May 2018, and presented to a General Meeting of members on 23 May 2018. Under section 265(5)(a) of the RO Act, where the report is presented to a General Meeting of members, the report must be provided to members at least 21 days before that meeting.

If these dates are correct, the reporting unit only provided members the financial report 14 days before the General Meeting.

I acknowledge your advice that a misunderstanding arose in part because Branch rule 6(5) specifies a minimum 14 day notice period for the annual general meeting. It is important to take into account that the minimum 21 day period for the provision of a full report to the members under subsection 265(5) is a separate obligation. I also acknowledge your advice that the Branch will consider alterations to its rules that will facilitate compliance with the RO Act.

Reporting Requirements

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

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

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

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
Registered Organisations Commission

Australian Hotels Association, ACT Branch

**Certificate of Designated Officer
s268 of Fair Work (Registered Organisations) Act 2009 ('RO Act')**

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

- that the documents lodged with the Registered Organisations Commission on 31 May 2018 are a copy of the full report that was provided to the members and presented to a meeting in accordance with s266 of the RO Act;

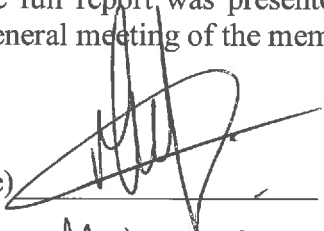
and

- that the full report was provided to the members of the organisation on 9 May 2018

and

- the full report was presented, for the purposes of s266 of the RO Act, to a General meeting of the members, on 23 May 2018.

(Signature)

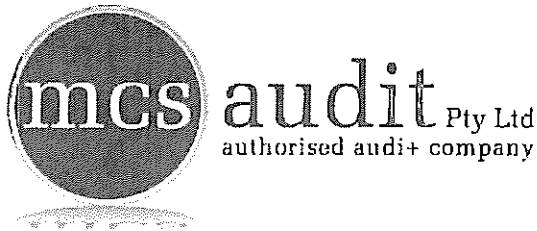


(Name)

Michael Capezio

(Date)

26-6-2018



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

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Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Australian Hotels Association - ACT Branch (the Reporting Unit), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australian Hotels Association - ACT Branch as at 31 December 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

I did not locate any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. Therefore my opinion on the financial report is not modified.

Report on the Recovery of Wages Activity financial report

Opinion on the recovery of wages activity financial report

There were no recovery of wages activity for the year ended 31 December 2017.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

MCS Audit Pty Ltd



**Phillip W Miller CA
Director**

Canberra

Date: 29 April 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/24

Australian Hotels Association - ACT Branch

s.268 Fair Work (Registered Organisations) Act 2009

Certificate By Prescribed Designated Officer¹

Certificate for the year ended 31 December 2017

I Michael Capezio, 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 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 9.5.18; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 24.4.18 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:..... ACT President

Dated:..... 24 April 2018

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

Australian Hotels Association - ACT Branch

Operating Report

for the year ended 31 December 2017

The Committee of Management presents its operating report on the Reporting Unit for the year ended 31 December 2017.

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 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

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

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

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, there were no significant changes in the nature of these principal activities that occurred during the financial review under review.

Financial Operating Result

The operating surplus of the Association amounted to \$21,847 in 2017 (2016: surplus of \$5,987).

Non financial Operating Report

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.
3. In the political arena during 2017, the AHA ACT was actively involved in advocating industry policy positions which included no changes to licence fees or operating hours, regulating accommodation providers and increasing tourism spending to attract more visitors to the ACT.
4. The AHA ACT held the annual AHA ACT Hospitality Awards in July 2017, attended by more than 400 industry leaders, politicians and industry representatives.

Significant changes in financial affairs

There were no significant change in financial affairs relating to the Branch.

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 ceased 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 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 the 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 82.

A register of members of the Branch has been kept and maintained during the immediate preceding calendar year (2016) 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 2017 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

Mr Peter Barclay
Divisional Representative – Molonglo Division

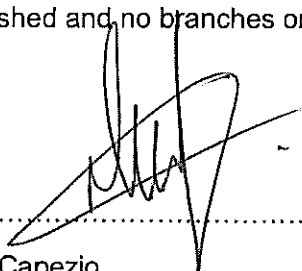
Mr David Quinn
Divisional Representative – Molonglo Division

All office 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'.

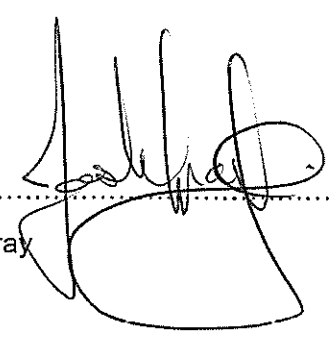
There was no new branches or divisions established and no branches or divisions ceased to operate in 2017.

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Michael Capezio

Title of prescribed officer: President

Dated: 24.04.2018

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Joshua Gray

Title of prescribed designated officer: Secretary

Dated: 24-4-18

Australian Hotels Association - ACT Branch
Committee of Management Statement
for the year ended 31 December 2017

On 24 / 4 / 2018 the Committee of Management 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 2017:

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.

Signature of designated officer:

Name and title of designated officer: Michael Capozzello ACT President

Dated: 24.4.18

Australian Hotels Association - ACT Branch
Statement of Comprehensive Income
for the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Revenue			
Membership subscription*		106,884	98,142
Capitation fees	3A	-	-
Levies	3B	-	118
Interest	3C	2,415	2,467
Sponsorship revenue	3D	83,006	103,736
Other revenue	3F	90,164	64,125
Total revenue		282,469	275,494
Other Income			
Grants and/or donations	3E	-	-
Share of net profit from associate	6E	-	-
Net gains from sale of assets	3F	-	-
Total other income		-	-
Total income		-	-
Expenses			
Employee expenses	4A	122,062	148,603
Capitation fees	4B	4,948	3,912
Affiliation fees	4C	300	327
Administration expenses	4D	126,091	105,357
Grants or donations	4E	-	4,440
Depreciation and amortisation	4F	311	-
Finance costs	4G	1,210	1,368
Legal costs	4H	-	-
Audit fees	12	5,700	5,500
Share of net loss from associate	6E	-	-
Write-down and impairment of assets	4I	-	-
Net losses from sale of assets	4J	-	-
Other expenses	4K	-	-
Total expenses		260,622	269,507
Surplus (deficit) for the year		21,847	5,987
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Net gain on available for sale investments		-	-
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land & buildings		-	-
Total comprehensive income for the year		21,847	5,987

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
Statement of Financial Position
as at 31 December 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	227,352	166,863
Trade and other receivables	5B	86,720	91,744
Other current assets	5C	845	1,113
Total current assets		314,917	259,720
Non-Current Assets			
Plant and equipment	6B	1,123	-
Total non-current assets		1,123	-
Total assets		316,040	259,720
LIABILITIES			
Current Liabilities			
Trade payables	7A	179	3,078
Other payables	7B	195,805	155,759
Employee provisions	8A	2,762	5,436
Total current liabilities		198,746	164,273
Non-Current Liabilities			
Employee provisions	8A	-	-
Total non-current liabilities		-	-
Total liabilities		198,746	164,273
Net assets		117,294	95,447
EQUITY			
General funds	9A	-	-
Retained earnings (accumulated deficit)		117,294	95,447
Total equity		117,294	95,447

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

Australian Hotels Association - ACT Branch
Statement of Changes in Equity
for the year ended 31 December 2017

	Notes	General funds	Retained earnings	Total equity
		\$	\$	\$
Balance as at 1 January 2015		-	89,460	-
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	5,987	-
Other comprehensive income		-	-	-
Transfer to/from	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2016		-	95,447	-
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	21,847	-
Other comprehensive income		-	-	-
Transfer to/from	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2017		-	117,294	-

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

Australian Hotels Association - ACT Branch
Statement of Cash Flows
for the year ended 31 December 2017

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from AHA National Office	10B	-	6,906
Interest		2,415	2,467
Other		293,804	253,334
Cash used			
Employees		(121,865)	(148,603)
Suppliers		(102,572)	(92,994)
Payment to other reporting units/controlled entity(s)	10B	(9,859)	(15,063)
Net cash from (used by) operating activities	10A	61,923	6,047
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		(1,434)	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		(1,434)	-
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		60,489	6,047
Cash & cash equivalents at the beginning of the reporting period		166,863	160,816
Cash & cash equivalents at the end of the reporting period	5A	227,352	166,863

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

Australian Hotels Association - ACT Branch
Recovery of Wages Activity*
for the year ended 31 December 2017

	2017	2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
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	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages <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 of estimates identified that have a significant risk of causing a material misstatement in the carrying amounts of assets and liabilities.

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 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in *AASB 3 Business Combinations* and other Australian Accounting Standards that do not conflict with the requirements of *AASB 11 Joint Arrangements*.
The adoption of this amendment did not have an impact on the Australian Hotels Association - ACT Branch.

- *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* clarify the principle in AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The adoption of this amendment did not have an impact on the Australian Hotels Association - ACT Branch.

- *AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements* amends AASB 127 *Separate Financial Statements* to allow an entity to use the equity method as described in AASB 128 to account for its investments in subsidiaries, joint ventures and associates its separate financial statements.

The adoption of this amendment did not have an impact on the Australian Hotels Association - ACT Branch.

- *AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* clarify certain requirements in:
 - AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* – Changes in methods of disposal
 - AASB 7 *Financial Instruments: Disclosures* – servicing contracts; applicability of the amendments to AASB 7 to condensed interim financial statements
 - AASB 119 *Employee Benefits* – regional market issue regarding discount rate
 - AASB 134 *Interim Financial Reporting* – disclosure of information 'elsewhere in the interim financial report'

The adoption of this amendment did not have an impact on the Australian Hotels Association - ACT Branch.

- *AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* amends AASB 101 *Presentation of Financial Statements* to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

The adoption of this amendment did not have an impact on the Australian Hotels Association - ACT Branch.

- *AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception* amends AASB 10 *Consolidated Financial Statements*, AASB 12 *Disclosure in Interests in Other Entities* and AASB 128 *Investments in Associates and Joint Ventures* to clarify how investment entities and their subsidiaries apply the consolidation exception.

The adoption of this amendment did not have an impact on the Australian Hotels Association - ACT Branch.

Future Australian Accounting Standards Requirements

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date that are expected to have a future impact on the association.

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.

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.

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. 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.

1.8 Leases

Operating lease payments are expensed 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 statement of financial position.

1.10 Financial instruments

Financial assets and financial liabilities are recognised when the 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 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.

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 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.

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:

	2017	2016
Plant and equipment	4 years	4 years

Derecognition

An item of 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.

1.15 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 - ACT Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Taxation

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 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.

1.17 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 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 - 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 Australian Hotels Association - ACT 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.

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.

1.18 Going concern

Australian Hotels Association - ACT Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Australian Hotels Association - ACT Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Australian Hotels Association - ACT Branch.

	2017	2016
	\$	\$
Note 3 Income		
Note 3A: Capitation fees[*]		
<i>[list name and amount for each reporting unit]</i>	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies[*]		
Penalty rates reform levy	-	118
Total levies	<u>-</u>	<u>118</u>
Note 3C: Interest		
Deposits	2,416	2,467
Total interest	<u>-</u>	<u>2,467</u>
Note 3D: Sponsorship revenue		
General	83,006	103,736
Total rental revenue	<u>83,006</u>	<u>103,736</u>
Note 3E: Grants or donations[*]		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>
Note 3F: Other revenue		
AFE income	90,164	59,942
Golf day income	-	3,583
Agreement making income	-	600
Total other income	<u>90,164</u>	<u>64,125</u>

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

	2017	2016
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses*		
 Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	10,000	7,500
Subtotal employee expenses holders of office	<u>10,000</u>	<u>7,500</u>
 Employees other than office holders:		
Wages and salaries	105,076	126,309
Superannuation	9,659	9,358
Leave and other entitlements	(2,673)	5,436
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>112,062</u>	<u>141,103</u>
Total employee expenses	<u><u>122,062</u></u>	<u><u>148,603</u></u>

Note 4B: Capitation fees*

AHA National Office	3,912
Total capitation fees	<u>3,912</u>

Note 4C: Affiliation fees*

AHA National Office	300	327
Total affiliation fees/subscriptions	<u>300</u>	<u>327</u>

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

	2017	2016
	\$	\$

Note 4D: Administration expenses

Consideration to employers for payroll deductions*	-	-
Compulsory levies*	4,611	10,824
Fees/allowances - meeting and conferences*	16,062	10,484
Conference and meeting expenses*	1,890	2,044
Contractors/consultants	-	-
Property expenses	-	-
Office expenses	15,958	15,454
Information communications technology	379	3,174
Other	74,692	53,809
Subtotal administration expense	113,592	95,789
Operating lease rentals:		
Minimum lease payments	12,499	9,568
Total administration expenses	126,091	105,357

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	-	1,190
Total paid that exceeded \$1,000	-	3,250
Total grants or donations	-	4,440

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	-	-
Property, plant and equipment	311	-
Total depreciation	311	-
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	311	-

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

	2017	2016
	\$	\$
Note 4G: Finance costs		
Bank charges	1,209	1,368
Total finance costs	<u>1,209</u>	<u>1,368</u>

Note 4H: Legal costs*

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

Note 4K: Other expenses

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

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

	2017	2016
	\$	\$

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	83,088	75,008
Cash on hand	-	-
Short term deposits	144,264	91,855
Other	-	-
Total cash and cash equivalents	227,352	166,863

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*

AHA National Office	-	7,530
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Total receivables from other reporting unit[s]	-	7,530
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Less provision for doubtful debts*

AHA National Office	-	-
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Total provision for doubtful debts	-	-
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Receivable from other reporting unit[s] (net)	-	7,530
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Other receivables:

GST receivable	-	-
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Other trade receivables	86,720	84,214
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Total other receivables	86,720	84,214
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Total trade and other receivables (net)	86,720	91,744
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Note 5C: Other Current Assets

Prepayments	845	1,113
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Total other current assets	845	1,113
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*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2017	2016
	\$	\$
Note 6		
Non-current Assets		
Note 6B: Plant and equipment		
Plant and equipment:		
at cost	6,693	5,260
accumulated depreciation	(5,570)	(5,260)
Total plant and equipment	<u>1,123</u>	<u>-</u>

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 January		
Gross book value	5,260	5,260
Accumulated depreciation and impairment	(5,260)	(5,260)
Net book value 1 January	-	-
Additions:		
By purchase	1,143	-
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(311)	-
Other movement <i>[give details below]</i>	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 December	<u>1,123</u>	<u>-</u>
Net book value as of 31 December represented by:		
Gross book value	6,693	5,260
Accumulated depreciation and impairment	(5,570)	(5,260)
Net book value 31 December	<u>1,123</u>	<u>-</u>

Note 7 **Current Liabilities**

Note 7A: Trade payables

Trade creditors and accruals	179	3,078
Operating lease rentals	-	-
Subtotal trade creditors	<u>179</u>	<u>3,078</u>
Payables to other reporting unit[s]* <i>[list name and amount for each reporting unit]</i>	-	-
Subtotal payables to other reporting unit[s]	<u>-</u>	<u>-</u>
Total trade payables	<u>-</u>	<u>3,078</u>

Settlement is usually made within 30 days.

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

	2017 \$	2016 \$
Note 7B: Other payables		
Wages and salaries	-	-
Superannuation	6,367	3,292
Consideration to employers for payroll deductions*	-	-
Legal costs*		
Litigation	-	-
Other legal matters	-	-
Prepayments received/unearned revenue	170,432	131,871
GST payable	16,957	18,343
Other	2,049	2,253
Total other payables	195,805	155,759
Total other payables are expected to be settled in:		
No more than 12 months	195,805	155,759
More than 12 months	-	-
Total other payables	195,805	155,759

Note 8 Provisions

Note 8A: Employee Provisions*

Office Holders:

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

Subtotal employee provisions—office holders

-	-
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Employees other than office holders:

Annual leave	2,762	5,436
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions—employees other than office holders

2,762	5,436
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Total employee provisions

-	-
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Current	2,762	5,436
Non Current	-	-
Total employee provisions	2,762	5,436

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

2017	2016
\$	\$

Note 9 Equity

Note 9A: Funds

Balance as at start of year	95,447	89,460
Current year earnings	21,847	5,987
Transferred out of reserve	-	-
Balance as at end of year	117,294	95,447
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Total Reserves	-	-

Note 9B: Other Specific disclosures - Funds*

Compulsory levy/voluntary contribution fund – if invested in assets

Other fund(s) required by rules

Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

*As required by Reporting Guidelines. Items to be disclosed even if nil.

Note 10	Cash Flow	2017	2016
		\$	\$

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	227,352	166,863
Balance sheet	227,352	166,863
Difference	<u>-</u>	<u>-</u>

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

Profit/(deficit) for the year	21,847	5987
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Adjustments for non-cash items

Depreciation/amortisation	311	-
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	5,024	(12,787)
(Increase)/decrease in prepayments	268	(13)
Increase/(decrease) in supplier payables	(2,899)	(1,079)
Increase/(decrease) in other payables	40,046	8,503
Increase/(decrease) in employee provisions	(2,674)	5,436
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	<u>61,923</u>	<u>6,047</u>

Note 10B: Cash flow information*

Cash inflows

AHA National Office	-	6,906
Total cash inflows	<u>-</u>	<u>6,906</u>

Cash outflows

AHA National Office	9,859	(15,063)
Total cash outflows	<u>9,859</u>	<u>(15,063)</u>

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

2017	2016
\$	\$

Note 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 AHA National Office includes the following:

Management fee	-	6,906
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Expenses paid to AHA National Office includes the following:

Capitation fees	-	3,912
Levies	9,559	10,824
Affiliation fees	300	327

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 the National Head Office on normal commercial terms. There are no other related party transactions for the year ended 31 December 2017.

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

Short-term employee benefits

Salary (including annual leave taken)	88,971	74,436
Annual leave accrued	2,673	5,435
Performance bonus	-	-
Short-term employee benefits	-	-
Total short-term employee benefits	91,644	79,871

Post-employment benefits:

Superannuation	8,452	7,071
Total post-employment benefits	8,452	7,071

Other long-term benefits:

Long-service leave	-	-
Total other long-term benefits	-	-

Termination benefits

Total	100,096	86,942
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Note 11C: Transactions with key management personnel and their close family members

Other transactions with key management personnel

Honorarium to the president	10,000	7,500
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Note 12 Remuneration of Auditors

Value of the services provided

Financial statement audit services	5,700	5,500
Other services	-	-
Total remuneration of auditors	5,700	5,500

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

2017 2016
\$ \$

Note 13 Financial Instruments

[General discussion on how the entity manages risk and the risk exposures (i.e. credit risk, liquidity risk, price/interest rate market risks)]

Note 13A: Categories of Financial Instruments

Financial Assets

Cash and cash equivalent

 Cash at bank

83,087 75,008

Total

83,087 75,008

Held-to-maturity investments:

 Short term deposits

144,264 91,855

Total

144,264 91,855

Available-for-sale assets:

- -

Total

- -

Loans and receivables:

 Trade debtors

86,720 91,744

Total

86,720 91,744

Carrying amount of financial assets

314,071 258,607

Financial Liabilities

Accounts payables:

 Trade creditors

179 3,078

Total

- 3,078

Other financial liabilities:

- -

Total

- -

Carrying amount of financial liabilities

179 3,078

	2017	2016
	\$	\$
Note 13B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	2,415	2,467
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	2,415	2,467
Loans and receivables		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from loans and receivables	-	-
Available for sale		
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Gain/loss recognised in equity	-	-
Amounts reversed from equity:		
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from available for sale	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial assets	2,415	2,467

The net income/expense from financial assets not at fair value from profit and loss is \$0 (2016: \$ 0).

	2017	2016
	\$	\$
Note 13C: Net Income and Expense from Financial Liabilities		
At amortised cost		
Interest expense	-	-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest expense	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest expense	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial liabilities	-	-

The net income/expense from financial liabilities not at fair value from profit and loss is \$0 (2016:\$0).

2017 2016
\$ \$

Note 13D: Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the association. The association is exposed to this risk for various financial instruments, for example by granting loans and receivables to customer, placing deposits etc. The associations maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarised below.

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

Financial assets		
Cash at bank	83,087	75,008
Short term deposits	144,264	91,854
Trade receivables	86,720	92,403
Total	314,071	259,265
Financial liabilities		
Trade payables	179	3,078
Total	179	3,078

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

	Not Past Due Nor Impaired 2017 \$	Past due or impaired 2017 \$	Not Past Due Nor Impaired 2016 \$	Past due or impaired 2016 \$
Cash at bank	83,087	-	75,008	-
Short term deposits	144,264	-	91,854	-
Trade receivables	86,720	-	92,403	-
Trade payables	(179)	-	(3,078)	-
Total	313,892	-	256,187	-

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 \$
AHA National Office	-	-	-	-	-
Other	314,071	-	-	-	314,071
Total	314,071	-	-	-	314,071

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 \$
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AHA National Office	7,480	-	-	-	7,530
Others	251,785	-	-	-	251,785
Total	259,265	-	-	-	259,265

Note 13E: Liquidity Risk

Liquidity risk is the risk that the association might not be able to meet its obligations. The association manages its liquidity needs by monitoring inflows and outflows due in a day-to-day basis. The liquidity risk to the association is considered to be immaterial.

Contractual maturities for financial liabilities 2017

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Other	179	-	-	-	-	-
Total	179	-	-	-	-	-

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Other	3,078	-	-	-	-	3,078
Total	3,078	-	-	-	-	3,078

Note 15F: Market Risk

The association is exposed to market risk through its use of financial instruments and specifically to interest rate risk, which results from its operation activities.

The exposure to interest rates risk for the association is considered to be immaterial.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2016: +/- 1%). There changes are considered to be reasonably possible based on observation of current market conditions.

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	1	[+ Rate]	2,273	2,273
Interest rate risk	1	[- Rate]	(2,273)	(2,273)

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	1	[+ Rate]	1,668	1,668
Interest rate risk	1	[- Rate]	(1,668)	(1,668)

Note 14 Fair Value Measurement

Note 14A: Financial Assets and Liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2017 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2017 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the financial assets and liabilities:

	Carrying amount 2017 \$	Fair value 2017 \$	Carrying amount 2016 \$	Fair value 2016 \$
Financial Assets				
Cash at bank	83,088	83,088	75,008	75,008
Short term deposits	144,264	144,264	91,855	91,855
Trade debtors	86,720	86,720	91,744	91,744
Total	314,072	314,072	258,607	258,607
Financial Liabilities				
Other trade creditors	179	179	3,078	3,078
Total	179	179	3,078	3,078

Note 14: Financial and Non-financial Assets and Liabilities 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 – 31 December 2017

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Held to maturity		-	144,264	-
Total		-	144,264	-
Liabilities measured at fair value				-
Total		-	-	-

Fair value hierarchy – 30 June 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Held to maturity		-	91,855	-
Total		-	91,855	-
Liabilities measured at fair value				-
Total		-	-	-

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).