



17 May 2019

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

cc. Mr Phillip Miller CA, Vincents Audit Pty Ltd

Dear Mr Brierley

Re: – Australian Hotels Association, Australian Capital Territory Branch - financial report for year ending 31 December 2018 (FR2018/313)

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 9 April 2019. A signed copy of the committee of management statement was received on 16 April 2019.

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

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

Capitation and affiliation fees expenses

Reporting guidelines 14(b) and 14(c) distinguish between capitation fees (however equivalently termed in the rules) paid to another reporting unit within the organisation and affiliation fees paid to external entities of the kinds described.¹ As per our discussion, future reports should reflect this distinction so that it is clear under which reporting guideline the respective disclosures (whether for values or as nil) are made and that the disclosures are correctly categorised.

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

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect² must be included either in the financial statements, the notes or in an officer's declaration statement.

¹ i.e. "any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters"

² Or alternatively, a nil value as illustrated in the template notes to the model financial statements

Please note that nil activities only need to be disclosed once. The officer's declaration statement included several nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes (see attached list).

Reporting Requirements

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

If you have any 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

Committee of Management Statement

For the Year Ended 31 December 2018

On 21/02/2019 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 2018:

The Committee of Management declares that in its opinion:

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

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 Capezio; ACT President

Dated: 12/04/2019

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Financial Statements

For the Year Ended 31 December 2018

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

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Independent Audit Report to the members of Australian Hotels Association - ACT Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Hotels Association - ACT Branch (the Registered Organisation), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies, the Committee of Management, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report of the Registered Organisation presents fairly, in all material aspects, the financial position of Australian Hotels Association - ACT Branch as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Organisation in accordance with the ethical requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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



Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. I declare that I am an auditor registered under the Registered Organisations Act.

Report on Other Legal and Regulatory Requirements

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

Vincent's Audit Pty Ltd

Phillip W Miller CA
Director

Canberra
Dated this8th..... day ofMarch..... 2019

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

Australian Hotels Association – ACT Branch

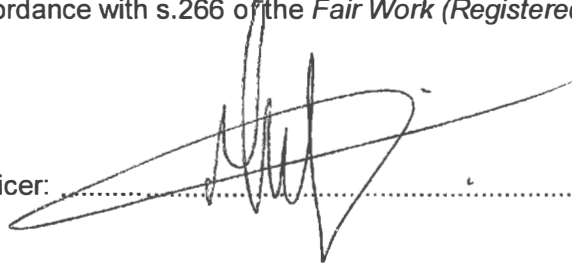
ABN: 37 315 422 917

Certificate by Prescribed Designated Officer

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

- that the documents lodged herewith are copies of the full report for the Australian Hotels Association – ACT Branch for the period ended 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 *March 8, 2019*; and
- that the full report was presented to a *general meeting of members* of the reporting unit on *March 29, 2019* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to be 'Michael Capezio', is written over a horizontal dotted line. The signature is stylized and extends above and below the line.

Name of prescribed designated officer: Michael Capezio

Title of prescribed designated officer: President

Dated: 29 March 2019

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Report Required Under Subsection 255(2A) for the year ended 31 December 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	112,912	122,062
Advertising	2,000	4,750
Operating costs	236,614	148,560
Donations to political parties	-	-
Legal costs	-	-

Signature of the designated officer:.....

Name and title of the designated officer: Michael Capezio; President

Dated: 7 March 2019

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Operating report

For the Year Ended 31 December 2018

The Committee of Management presents its operating report on the Reporting Unit for the year ended 31 December 2018.

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 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 \$30,702 (2017: surplus of \$21,847).

Non-Financial Operating Result

- 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.
- 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.
- In the political arena during 2018, the AHA ACT was actively involved in advocating industry policy positions.
- The AHA ACT held the annual AHA ACT Hospitality Awards in July 2018, 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.

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Operating report

For the Year Ended 31 December 2018

Right of members to resign

All members of the Association have the right to resign from the Association 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.

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 67.

A register of members of the Branch has been kept and maintained during the immediate preceding calendar year (2017) as required by ss230 (1)(a) and (2)..

Number of employees

1.5 full-time equivalent employees were employed by the ACT Branch during the 2018 financial reporting period.

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

Michael Capezio
President
From 1 January 2018 to 31 December 2018

Joshua Gray
Secretary and Treasurer
From 1 January 2018 to 31 December 2018

Peter Barclay
Board member
From 1 January 2018 to 9 April 2018
Vice president
From 10 April 2018 to 31 December 2018

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Operating report

For the Year Ended 31 December 2018

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

Todd Handy
Accommodation President
From 10 April 2018 to 31 December 2018

David Quinn
Board Member
From 1 January 2018 to 31 December 2018

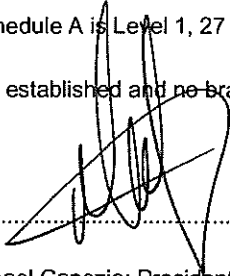
Brian Smith
Board Member
From 10 April 2018 to 31 December 2018

Manny Notaras
Vice president
From 1 January 2018 to 31 March 2018

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

There were no new branches or divisions established and no branches or divisions ceased to operate in 2018.

Signature of designated officer:



Name and title of designated officer: Michael Capezio; President

Dated:..... 7 March 2019

Australian Hotels Association - ACT Branch

Committee of Management Statement

For the Year Ended 31 December 2018

On 21/2/2019 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 2018:

The Committee of Management declares that in its opinion:

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

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Statement of Comprehensive Income

For the Year Ended 31 December 2018

		2018	2017
	Note	\$	\$
Revenue			
Membership subscription		90,860	106,884
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Interest	3C	2,551	2,415
Sponsorship revenue	3D	148,624	83,006
Grants and/or donations*	3E	-	-
Other revenue	3F	102,027	90,164
Total revenue		344,062	282,469
Other income			
Revenue from recovery of wages activity*	3G	-	-
		-	-
Total other income		-	-
Total income		344,062	282,469
Expenses			
Employee expenses	4A	(112,912)	(122,062)
Capitation fees and other expense to another reporting unit*	4B	-	(4,948)
Affiliation fees*	4C	(9,859)	(300)
Administration expenses	4D	(181,401)	(126,091)
Grants or donations	4E	(780)	-
Depreciation and amortisation	4F	(358)	(311)
Finance costs	4G	(825)	(1,210)
Legal costs*	4H	-	-
Audit fees	14	(7,225)	(5,700)
Total expenses		(313,360)	(260,622)
Surplus (deficit) for the year		30,702	21,847
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 and buildings		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		30,702	21,847

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

The Registered Organisation has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The above statement should be read in conjunction with the notes

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Statement of Financial Position

As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5A	175,439	227,352
Trade and other receivables	5B	116,635	86,720
Other current assets	5C	845	845
TOTAL CURRENT ASSETS		292,919	314,917
NON-CURRENT ASSETS			
Property, plant and equipment	6B	765	1,123
TOTAL NON-CURRENT ASSETS		765	1,123
TOTAL ASSETS		293,684	316,040
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7A	-	179
Other liabilities	7B	143,842	195,805
Employee provisions	8A	1,846	2,762
TOTAL CURRENT LIABILITIES		145,688	198,746
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		145,688	198,746
NET ASSETS		147,996	117,294
General funds			
Retained earnings	10A	147,996	117,294
TOTAL EQUITY		147,996	117,294

The Registered Organisation has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

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 Year Ended 31 December 2018

	General funds \$	Retained Earnings \$	Total \$
Balance at 1 January 2017	-	95,447	95,447
Surplus/ (deficit)	-	21,847	21,847
Closing balance as at 31 December 2017	-	117,294	117,294
Balance at 1 January 2018	-	117,294	117,294
Surplus/ (deficit)	-	30,702	30,702
Closing balance as at 31 December 2018	-	147,996	147,996

The Registered Organisation has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The above statement should be read in conjunction with the notes

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Statement of Cash Flows

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
OPERATING ACTIVITIES:			
Cash received			
Other receipts		289,369	293,804
Interest		2,551	2,415
Cash used			
Payment to suppliers		(212,807)	(102,572)
Payment to employees		(121,167)	(121,865)
Payment to other reporting units / controlled entity(s)	11B	(9,859)	(9,859)
Net cash from (used by) operating activities	11A	<u>(51,913)</u>	<u>61,923</u>
INVESTING ACTIVITIES:			
Cash used			
Purchase of property, plant and equipment		-	(1,434)
Net cash from (used by) investing activities		<u>-</u>	<u>(1,434)</u>
Net increase (decrease) in cash and cash equivalents held		(51,913)	60,489
Cash and cash equivalents at beginning of the reporting period		227,352	166,863
Cash and cash equivalents at end of the reporting period	5A	<u>175,439</u>	<u>227,352</u>

The above statement should be read in conjunction with the notes

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Notes to the Financial Statements
For the Year Ended 31 December 2018

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Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Notes to the Financial Statements

For the Year Ended 31 December 2018

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 Education Union - 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 significant accounting judgements and estimates relevant to the Registered Organisation for the year ended 31 December 2018.

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Notes to the Financial Statements

For the Year Ended 31 December 2018

1.4. Change in Accounting Policy

Financial Instruments – Adoption of AASB 9

The Registered Organisation has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 January 2017.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.

AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The key changes to the Company's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Company has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 January 2018.

Classification of financial assets

The financial assets of the Company have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income - debt instruments (FVOCI - debt)
- Fair value through other comprehensive income - equity instruments (FVOCI - equity)

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Transition adjustments

The classification of financial instruments from held-to-maturity which involved the term deposits did not result in a significant change and, as a result, the adoption of AASB 9 did not lead to restatement of the comparative figures nor the retained earnings.

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Notes to the Financial Statements

For the Year Ended 31 December 2018

1.4. Adoption of new and revised accounting standards

The Registered Organisation has adopted all standards which became effective for the first time at 31 December 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Registered Organisation or refer to Note 2 for details of the changes due to standards adopted.

1.5. Revenue and other income

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

Donations

Donations and bequests are recognised as revenue when received.

Subscriptions

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

Other income

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

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Notes to the Financial Statements
For the Year Ended 31 December 2018

1. Summary of Significant Accounting Policies

1.11. Goods and services tax (GST)

1.6. Gains

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

1.7. Capitation fees and levies

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

1.8. 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.

1.9. Cash and cash equivalents

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. Leases

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

1.11. Goods and services tax (GST)

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

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Notes to the Financial Statements For the Year Ended 31 December 2018

1. Summary of Significant Accounting Policies

1.11. Goods and services tax (GST)

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

1.12. Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

Fixed asset class	Depreciation rate
Computer Equipment	25%

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

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Notes to the Financial Statements For the Year Ended 31 December 2018

1. Summary of Significant Accounting Policies

1.13. Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Registered Organisation becomes party to the contractual provisions of the instrument.

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

Financial assets

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

Classification

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

- amortised cost

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

Impairment of financial assets

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

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Registered Organisation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information

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Notes to the Financial Statements

For the Year Ended 31 December 2018

1. Summary of Significant Accounting Policies

1.13. Financial instruments

and analysis based on the Registered Organisation's historical experience and informed credit assessment and including forward looking information.

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

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

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

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Summary of Significant Accounting Policies

1.13. Financial instruments

Financial liabilities

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

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

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

2. Events after the end of the Reporting Period

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

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Notes to the Financial Statements
For the Year Ended 31 December 2018

3. Revenue and Other Income

3A. Capitation fees and other revenue from another reporting unit*

	2018	2017
	\$	\$
Capitation fees		
Subtotal capitation fees	-	-
Other revenue from another reporting unit		
Subtotal other revenue from another reporting unit	-	-
Total capitation fees and another revenue from other reporting unit	-	-

3B. Levies*

Levies		
Total levies	-	-

3C. Interest

Deposits	2,551	2,415
Total interest	2,551	2,415

3D. Sponsorship revenue

Sponsorship general income	148,624	83,006
Total	148,624	83,006

3E. Grants or donations*

Grants	-	-
Donations	-	-
Total grants or donations	-	-

3F. Other revenue

AFE Income	102,027	90,164
Total other revenue	102,027	90,164

3G. Revenue from recovery of wages activity*

Total revenue from recovery of wages activity	-	-
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*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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Notes to the Financial Statements
For the Year Ended 31 December 2018

4. Expenses

4A. Employee expenses

	2018	2017
	\$	\$
Holders of office:		
Other employee expenses	10,000	10,000
Subtotal employee expenses holders of office	<u>10,000</u>	<u>10,000</u>
Employees other than office holders:		
Wages	73,984	105,076
Leave pay provision charge	(916)	(2,673)
Superannuation contributions	3,678	9,659
Staff sharing	26,166	-
Subtotal employee expenses, employees other than office holders	<u>102,912</u>	<u>112,062</u>
Total employee expenses	<u><u>112,912</u></u>	<u><u>122,062</u></u>
4B. Capitation fees and other expenses to another reporting unit*		
Capitation fees	-	4,948
Total capitation fees and other expenses to another reporting unit	<u>-</u>	<u>4,948</u>
4C. Affiliation fees*		
Affiliation Fees	9,859	300
Total affiliation fees	<u><u>9,859</u></u>	<u><u>300</u></u>
4D. Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	4,611
Fees/allowances - meeting and conferences*	16,688	16,062
Conference and meeting expenses*	16,676	1,890
Office expenses	14,558	15,957
Information communications technology	513	379
Other	120,466	74,692
Subtotal administration expense	<u>168,901</u>	<u>113,591</u>
Operating lease rentals:		
Minimum lease payments	12,500	12,500
Total administration expenses	<u><u>181,401</u></u>	<u><u>126,091</u></u>

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

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Notes to the Financial Statements
For the Year Ended 31 December 2018

4. Expenses

4E. Grants or donations*

	2018	2017
	\$	\$
Grants:		
Donations:		
Donations	780	-
Total grants or donations	780	-

4F. Depreciation and amortisation

Depreciation of property, plant and equipment	358	311
Total depreciation	358	311
Amortisation		
Total depreciation and amortisation	358	311

4G. Finance costs

Bank charges	825	1,210
Total finance costs	825	1,210

4H. Legal costs*

Total legal costs	-	-
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4I. Write-down and impairment of assets

Total write-down and impairment of assets	-	-
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4J. Net losses from sale of assets

Total net losses from asset sales	-	-
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4K. Other expenses

Total other expenses	-	-
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*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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Notes to the Financial Statements
For the Year Ended 31 December 2018

5. Current Assets

5A. Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	175,439	227,352
	<u>175,439</u>	<u>227,352</u>

5B. Trade and other receivables*

Receivables from other reporting unit[s]*	-	-
Total receivable from other reporting unit[s]	<u>-</u>	<u>-</u>
Other receivables:		
Trade receivables	116,635	86,720
Total trade and other receivables [net]	<u>116,635</u>	<u>86,720</u>

5C. Other current assets

Prepayments	845	845
Total other current assets	<u>845</u>	<u>845</u>

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

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Notes to the Financial Statements For the Year Ended 31 December 2018

6. Non-current Assets

6. Non-current Assets

6B. Plant and equipment

	2018	2017
	\$	\$
Plant and equipment		
At cost	6,693	6,693
Accumulated depreciation	(5,929)	(5,571)
Total plant and equipment	<u>764</u>	<u>1,122</u>

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

	Plant and Equipment	Total
	\$	\$
Year ended 31 December 2017		
Additions	1,433	1,433
Disposals	-	-
Depreciation expense	(311)	(311)
Impairment loss	-	-
Other changes, movements	-	-
Balance at the end of the year	<u>1,122</u>	<u>1,122</u>

	Plant and Equipment	Total
	\$	\$
Year ended 31 December 2018		
Balance at the beginning of year [Net book value]	1,122	1,122
Depreciation expense	(358)	(358)
Impairment loss	-	-
Other changes, movements	-	-
Balance at the end of the year	<u>764</u>	<u>764</u>

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Notes to the Financial Statements
For the Year Ended 31 December 2018

7. Current Liabilities

7A. Trade payables

	2018	2017
	\$	\$
Trade payables	-	179
Subtotal trade creditors	-	179
Payable to other reporting units[s]*	-	-
Subtotal payables to other reporting unit[s]	-	-
Total trade payable	-	179

7B. Other payables

GST payable	12,232	16,957
PAYG payable	3,112	2,049
Superannuation payable	2,690	6,367
Amount received in advance	125,808	170,432
Total other payables	143,842	195,805

8. Provisions

8A. Employee provisions*

Office holders:

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

Employees other than office holders:

Annual leave	1,846	2,762
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

Subtotal employees provisions - employees other than office holders	1,846	2,762
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Total employee provisions	1,846	2,762
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Current	1,846	2,762
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Non-Current	-	-
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Total employee provisions	1,846 \$	2,762
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*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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Notes to the Financial Statements
For the Year Ended 31 December 2018

9. Non-current liabilities

9A. Other non-current liabilities

	2018	2017
	\$	\$
NON-CURRENT		
	-	-

10. Equity

10A. Funds

Retained earnings:

Balance at start of year	117,294	95,447
Current year earnings	30,702	21,847
Transferred out of reserve	-	-
Balance as at end of year	147,996	117,294
Total reserve	147,996	117,294

10B. Other specific disclosure - Funds*

Compulsory levy/voluntary contribution fund - if invested in assets

Other fund(s) required by rules

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

11. Cash flow

11A. 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	175,439	227,352
Balance sheet	(175,439)	(227,352)
Difference	-	-

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

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Notes to the Financial Statements
For the Year Ended 31 December 2018

11. Cash flow

11B. Reconciliation of surplus/(deficit) to net cash from operating activities:

	2018	2017
	\$	\$
Profit for the year	30,702	21,847
Adjustments for non-cash items:		
- depreciation	358	311
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(29,915)	5,024
- (increase)/decrease in prepayments	-	268
- increase/(decrease) in income in advance	(44,624)	40,046
- increase/(decrease) in trade and other payables	(7,518)	(2,899)
- increase/(decrease) in employee benefits	(916)	(2,674)
Cashflows from operations	<u>(51,913)</u>	<u>61,923</u>

11C. Cash flow information*

Cash inflows		
AHA National office	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
AHA National office	(9,859)	(9,859)
Total cash outflows	<u>(9,859)</u>	<u>(9,859)</u>

12. Contingent liabilities, assets and commitments

12A. Commitments and contingencies

Operating lease commitments - as lessee

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

- within one year	12,500	12,500
- after one year but not more than five years	-	-
- more than five years	-	-
	<u>12,500</u>	<u>12,500</u>

Operating sublease is in place for office premises from 1 December 2016 to 1 December 2018.

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Notes to the Financial Statements For the Year Ended 31 December 2018

13. Related party disclosures

13A. Related party transactions for the reporting period

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

Revenue received from AHA National Office includes the following:

Total	-	-
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Expenses paid to AHA National Office includes the following:

Capitation fees	10,515	4,948
Levies	9,559	4,611
Affiliation fees	300	300
Staff sharing	12,823	-
Rent	12,500	-
Total	45,697	9,859

Terms and conditions of transactions with related parties

Staff sharing expense relates to the general management services provided by National office to AHA ACT when CEO was on maternity leave. The transactions occurred with the National office were on normal commercial terms. There are no other related party transactions for the year ended 31 December 2018.

13B. Key management personnel remuneration for the reporting period

	2018	2017
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	67,184	88,971
Annual leave accrued	2,762	2,673
	69,946	91,644
Post-employment benefits:		
Superannuation	6,108	8,452
Total	6,108	8,452

13C. Transactions with key management personnel and their close family members

Description		
Other transactions with key management personnel	-	-
Honarium to the president	10,000	10,000
Total	10,000	10,000

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Notes to the Financial Statements For the Year Ended 31 December 2018

14. Remuneration of Auditors

	2018	2017
	\$	\$
Value of the services provided		
- Financial statement audit services	7,225	5,700
Total	7,225	5,700

15. Financial instruments

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

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

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

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

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

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

15A. Categories of financial instruments

	2018	2017
	\$	\$
Financial assets		
Cash and cash equivalents	175,439	227,352
Trade and other receivables	116,635	86,720
Carrying amount of financial assets	116,635	86,720
Financial liabilities		
Financial liabilities at fair value	-	-
Trade payables	-	179
Carrying amount of financial liabilities	-	179

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Notes to the Financial Statements
For the Year Ended 31 December 2018

15. Financial instruments

15B. Net income and expense from financial assets

	2018	2017
	\$	\$
Amortised cost		
Interest revenue	2,551	2,415
	<u>2,551</u>	<u>2,415</u>

15C. Net income and expense from financial liabilities

The net income/expense from financial liabilities not at fair value from profit and loss is \$0 (2017:\$0)

15D. Credit risk

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

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

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

Trade receivables

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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

The Board receives quarterly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually.

The Registered Organisation's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

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

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

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

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Notes to the Financial Statements For the Year Ended 31 December 2018

15. Financial instruments

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

	2018	2017
	\$	\$
Financial assets		
Cash at bank	28,630	83,087
Short term deposit	146,809	144,264
Trade receivables	116,635	86,720
Total	292,074	314,071
Financial liabilities		
Trade payables	-	179
	-	179

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

	Not past due nor impaired	Past due or impaired	Not past due nor impaired	Past due or impaired
	2018	2018	2017	2017
	\$	\$	\$	\$
Cash at bank	28,630	-	83,087	-
Short term deposits	146,809	-	144,264	-
Trade receivables	116,635	-	86,720	-
Trade payables	-	-	(179)	-
Total	292,074	-	313,892	-

Ageing of financial assets that were past due but not impaired

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
			\$	\$	\$	\$	
2018							
AHA national office	-	-	-	-	-	-	-
Other financial assets	292,094	-	254,984	30,000	2,700	4,410	-
Total	292,094	-	254,984	30,000	2,700	4,410	-
2017							
AHA national office	-	-	-	-	-	-	-
Other financial assets	314,071	-	260,101	53,548	-	422	-
Total	314,071	-	260,101	53,548	-	422	-

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Notes to the Financial Statements For the Year Ended 31 December 2018

15. Financial instruments

15E. Liquidity risk

Liquidity risk is the risk that the Registered Organisation will encounter difficulty in meeting its financial obligations as they fall due.

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

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

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

The registered organisation does not have any contractual liability such as bank loans, finance lease etc.

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis - Non-derivative

	On demand		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment										
Trade and other payables	-	-	-	179	-	-	-	-	-	179
Total contractual outflows	-	-	-	179	-	-	-	-	-	179

The timing of expected outflows is not expected to be materially different from contracted cashflows.

(i) Interest rate risk

The Registered Organisation 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 rate risk for the registered organisation is considered to be immaterial.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2017: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

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Notes to the Financial Statements For the Year Ended 31 December 2018

15. Financial instruments

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2018		2017	
	+1.00%	-1.00%	+1.00%	-1.00%
	\$	\$	\$	\$
Interest	1,754	(1,754)	2,273	(2,273)
Equity	(1,754)	1,754	(2,273)	2,273

16. Fair value measurement

16A. 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 2018 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 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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Notes to the Financial Statements For the Year Ended 31 December 2018

16. Fair value measurement

The following table contains the carrying amounts and related fair values for the [reporting unit's] financial assets and liabilities:

	Carrying amount 2018	Fair Value 2018 \$	Carrying amount 2017 \$	Fair value 2017
Financial Assets				
Cash at bank	28,630	28,630	83,088	83,088
Short term deposits	146,809	146,809	144,264	144,264
Trade debtors	116,635	116,635	86,720	86,720
Total	292,074	292,074	314,072	314,072
Financial liabilities				
Other trade creditors	-	-	179	179
Total	-	-	179	179

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Fair value hierarchy - 31 December 2018				
Amortised cost	-	146,809	-	146,809
Total	-	146,809	-	146,809

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Fair value hierarchy - 31 December 2017				
Amortised cost	-	144,264	-	144,264
Total	-	144,264	-	144,264

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Notes to the Financial Statements

For the Year Ended 31 December 2018

17. Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

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

Australian Hotels Association - ACT Branch

ABN: 37 315 422 917

Officer declaration statement

I, Michael Capezio, being the officer of Australian Hotels Association – ACT Branch, declare that the following activities did not occur during the reporting period ending 31 December 2018.

The reporting unit did not:

(Note: delete items that appear elsewhere in the audited report)

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

Signed by the officer:

Dated: 7 March 2019