

19 August 2013

Ms Fiona Pryde  
Secretary, Northern Territory Branch  
Australian Hotels Association  
GPO Box 3270  
DARWIN NT 0801



Dear Ms Pryde,

**Re: Lodgement of Financial Statements and Accounts - Australian Hotels Association, Northern Territory Branch - for year ended 30 June 2012 (FR2012/403)**

I refer to the above financial statements and accounts which were lodged with Fair Work Australia on 29 November 2012. The documents have been filed. However I wish to clarify the correct interpretation of particular provisions. I note they have not been previously clarified in FWC correspondence.

The requirement of Regulation 159(b) that the Operating Report disclose the number of employees measured on a “*full-time equivalent basis*” where both full-time and part-time employees are included, means that to avoid doubt, the total number of employees disclosed in the Operating Report should be calculated and expressed “as a full-time equivalent” unless it is otherwise clear that they are all full-time employees.

The requirement of Regulation 159(c) that the Operating Report disclose the period for which “*each person who has been a member of the Committee of Management at any time during the reporting period.....held such a position*” means that to avoid ambiguity, the period(s) should be clear. The period “during the year” may or may not signify “for the entire year”. This can be simply stated, or alternatively periods explicitly indicated for any exceptions.<sup>1</sup>

Section 254 requires both “*a review of....any significant changes in the nature of (the principal activities)*”<sup>2</sup> and “*details of any significant changes in the....financial affairs*”.<sup>3</sup> The Operating Report lodged for 2012 (and also for 2011) appears to have inadvertently duplicated a statement about changes in the nature of the principal activities and inadvertently omitted the statement about changes in the financial affairs made in earlier reports.<sup>4</sup>

Please contact me on (02) 6723 7237 if you need to discuss the reporting requirements.

Yours sincerely



Stephen Kellett

Senior Adviser, Regulatory Compliance Branch

<sup>1</sup> See attached an extract from the relevant page of the Operating Report for 2008 for comparison

<sup>2</sup> See subsection 254(2)(a)

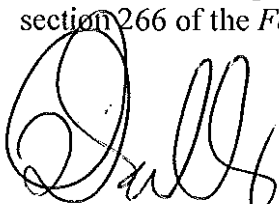
<sup>3</sup> See subsection 254(2)(b)

<sup>4</sup> See attached an extract from the relevant page of the Operating Report for 2010 for comparison

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

I, Douglas Sallis, President of the Australian Hotels Association Northern Territory Branch, certify that:

1. the documents lodged herewith for the year ended 30 June 2012 are copies of the full report referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. a copy of the full report was available to members on 24 October 2012; and
3. a copy of the full report was presented to the Annual General Meeting of members of the reporting unit on 21 November 2012 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed:  .....

Dated: 28-11-2012 .....

# **Australian Hotels Association Northern Territory Branch**

**ABN 48 911 463 427**

## **Financial Statements**

**For the Year Ended 30 June 2012**

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2012

## CONTENTS

	<u>Page</u>
<b>Financial Statements</b>	
Committee of Management Statement	i
Operating Report	2 - 3
Statement of Comprehensive Income	4
Income Statement	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 21
Independent Audit Report	22 - 23
Schedules	24 - 26

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

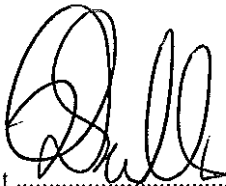
## Committee of Management Statement

On 9 October 2012, the Committee of Management of the Australian Hotels Association Northern Territory Branch passed the following resolution in relation to the general purpose financial report ("GPFR") of the reporting unit for the financial year ended 30 June 2012:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Fair Work (Registered Organisations) Act 2009;
- (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;
- (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 Fair Work (Registered Organisations) Act ("ROA"); and
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) no request for any information has been made by any member of the reporting unit during the period; and
  - (vi) no orders have been made by the Commission under the Fair Work (Registered Organisations) Act 2009 during the period

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



President .....

Doug Sallis

Dated this 11th day of October 2012

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

## Operating Report

30 June 2012

I, Doug Sallis, being the designated officer responsible for preparing this report for the financial year ended 30 June 2012 of the Australian Hotels Association Northern Territory Branch (AHA), report to the best of my knowledge as follows.

### Principal Activities

The principal activities of association during the financial year were:

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

### Significant Changes

No significant change in the nature of these activities occurred during the year.

### Members advice

- under section 174 of the Fair Work (Registered Organisations) Act ("ROA"), a member may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which he is a member (see rule 32, Australian Hotels Association Rules);
- the register of members of the AHA was maintained in accordance with the RAO; and
- section 272 Information to be provided to members or General Manager
  - (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
  - (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
  - (3) A reporting unit must comply with an application made under subsection (1).

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Operating Report

30 June 2012

## Trustee of superannuation entity

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

## Prescribed and other information

As at 30 June 2012 to which this report relates, the number of members of the AHA was 160 including Honorary Life members (125 are voting members);

As at 30 June 2012, the total number of employees employed by the reporting entity was 5;

The office holders during the financial year were:

Doug Sallis	President
Michael Burns	Senior Vice President
Noel Fahey	Vice President
Justin Coleman	Treasurer
Fiona Pryde	Secretary
Frank Dalton	
Peter Severin	
Lindsay Carmicheal	
Matthew Cielens	
Ray Loechel	
Tony Adams	
Geoff Booth	
Craig Jervis	
Brad Morgan (outgoing Secretary)	
Alan Rowe (outgoing)	
David Gyles (outgoing)	

## Operating result

The (loss) profit of the association for the financial year after providing for income tax amounted to \$ (92,206)(2011: \$ 32,578).

Signed in accordance with a resolution of the Members of the Committee:

President:  .....

Doug Sallis

Dated this 11th day of October 2012

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

## Statement of Comprehensive Income

For the Year Ended 30 June 2012

	2012	2011
	\$	\$
Profit for the year	<u>(92,206)</u>	<u>32,578</u>
Other comprehensive income:		
Total comprehensive (loss) income for the year	<u><u>(92,206)</u></u>	<u><u>32,578</u></u>

The accompanying notes form part of these financial statements.



# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

## Income Statement

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue	2	688,278	797,522
Other income	2	78,508	90,310
Insurance		(6,102)	(7,131)
Depreciation		(14,035)	(8,345)
Accounting fees		(11,155)	(8,704)
Publications		(14,522)	(14,197)
Rent		(31,780)	(31,520)
Travel		(38,241)	(36,961)
Security costs		(1,764)	(63,010)
Other expenses		(91,641)	(74,265)
Consulting and professional fees		(55,342)	(80,769)
Conference/seminar costs		(213,391)	(211,221)
Employee benefits expense		(381,019)	(319,131)
Office Holders		-	-
(Loss) profit before income taxes		(92,206)	32,578
Income tax expense	1(i)	-	-
(Loss) profit for the year		(92,206)	32,578

The accompanying notes form part of these financial statements.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Statement of Financial Position

30 June 2012

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	596,524	586,138
Trade and other receivables	4	9,667	142,962
Other assets	5	(830)	200
<b>TOTAL CURRENT ASSETS</b>		<b>605,361</b>	<b>729,300</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	4	173,111	173,111
Property, plant and equipment	6	42,100	51,700
<b>TOTAL NON-CURRENT ASSETS</b>		<b>215,211</b>	<b>224,811</b>
<b>TOTAL ASSETS</b>		<b>820,572</b>	<b>954,111</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	260,855	336,688
Short-term provisions	8	58,471	23,971
<b>TOTAL CURRENT LIABILITIES</b>		<b>319,326</b>	<b>360,659</b>
<b>TOTAL LIABILITIES</b>		<b>319,326</b>	<b>360,659</b>
<b>NET ASSETS</b>		<b>501,246</b>	<b>593,452</b>
<b>EQUITY</b>			
Retained Earnings		501,246	593,452
<b>TOTAL EQUITY</b>		<b>501,246</b>	<b>593,452</b>

The accompanying notes form part of these financial statements.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Statement of Changes in Equity

For the Year Ended 30 June 2012

2012

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2011	593,452	593,452
Total comprehensive (loss) for the year	(92,206)	(92,206)
<b>Balance at 30 June 2012</b>	<b>501,246</b>	<b>501,246</b>

The accompanying notes form part of these financial statements.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

## Statement of Cash Flows

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
<b>CASH FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		\$ 633,491	\$ 808,439
Payments to suppliers and employees		(665,471)	(1,126,547)
Interest received		46,800	52,142
Net cash provided by (used in) operating activities	11	<u>14,820</u>	<u>(265,966)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		-	9,090
Purchase of property, plant and equipment		(4,434)	(42,529)
Net cash used by investing activities		<u>(4,434)</u>	<u>(33,439)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net increase (decrease) in cash and cash equivalents held		10,386	(299,405)
Cash and cash equivalents at beginning of year		<u>586,138</u>	<u>885,543</u>
Cash and cash equivalents at end of financial year	3	<u>\$ 596,524</u>	<u>\$ 586,138</u>

The accompanying notes form part of these financial statements.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 1 Summary of Significant Accounting Policies

### (a) Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 9th day of October 2012 by the members association.

### (b) Comparative Figures

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

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

### (c) Property, Plant and Equipment

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

#### Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated and impairment losses.

The carrying amount of plant and equipment is reviewed annually by committee members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 1 Summary of Significant Accounting Policies continued

### (c) Property, Plant and Equipment continued

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	
Plant and Equipment	20%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

### (d) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is expensed in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### (e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 1 Summary of Significant Accounting Policies continued

### (f) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

### (g) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### (h) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### (i) Income Tax

No formal exemption from income tax under Section 50 (15) of the Income Tax Assessment Act has been granted by the Australia Taxation Office. The Branch however believes that it is exempt and as such no liability has been booked in the accounts.

### (j) Revenue and other income

The association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Australian Hotels Association Northern Territory Branch's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 1 Summary of Significant Accounting Policies continued

### (j) Revenue and other income continued

#### Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

#### Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

#### Dividend revenue

Dividends are recognised as revenue when the right to receive the dividend has been established. Where the dividend is paid out of pre-acquisition profits, it is taken to revenue; however this may be considered an impairment indicator causing an impairment review of the value of the investment.

#### Construction

Revenue relating to construction activities is detailed at Note .

#### Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

#### Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).



# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 1 Summary of Significant Accounting Policies continued

### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to, the ATO is included with other receivable or payable in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### (l) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The association has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the association:

Standard name	Effective date for entity	Requirements	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	30 June 2012	<ul style="list-style-type: none"> <li>- Clarification of the definition of a related party</li> <li>- Requirement to disclose commitments to related parties</li> <li>- Disclosure exemptions for government-related entities</li> </ul>	Minimal impact expected
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	<ul style="list-style-type: none"> <li>- Changes to the classification and measurement requirements for financial assets and financial liabilities.</li> <li>- New rules relating to derecognition of financial instruments.</li> </ul>	The impact of AASB 9 has not yet been determined.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	30 June 2012	Changes where the entity is subject to minimum funding requirements and makes an early payment to cover these requirements in relation to defined benefit plans.	No significant impact expected.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	30 June 2012	Makes changes to a number of standards / interpretations including: <ul style="list-style-type: none"> <li>- Clarification of the content of the statement of changes in equity</li> <li>- Financial instrument disclosures</li> <li>- Fair value of award credits</li> </ul>	No impact expected.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 1 Summary of Significant Accounting Policies continued

### (I) New accounting standards for application in future periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	30 June 2012	Requires additional disclosures regarding for example, remaining risks where an entity has transferred a financial asset	No impact expected.
AASB 2010-8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.
AASB 2010-9 / 2010-10 Amendment to Australian Accounting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters	30 June 2012	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	30 June 2012	Collates the Australian specific disclosures into one Accounting Standard rather than including them within a number of different standards.	Little impact since most of the disclosures required by AASB 1054 are already included within the financial statements.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	FOR RDR ENTITIES  Little impact since the disclosures are not included in the RDR financial's.  FOR NON RDR ENTITIES  The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to ABS GFS Manual and Related Amendments	30 June 2013	Standard is applicable for whole of government and general government financial statements only. AASB 2011 provides details of changes in accounting treatment due to the Government Finance Statistics manual.	Standard is not applicable and therefore there will be no impact on adoption.

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 1 Summary of Significant Accounting Policies continued

### (l) New accounting standards for application in future periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates. [These are expected to be released by the AASB in June / July].	30 June 2014	<p>AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess.</p> <p>AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice.</p> <p>AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.</p>	<p>The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated.</p> <p>All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11.</p> <p>Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.</p>
AASB 13 Fair Value Measurement	30 June 2014	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	<p>Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.</p> <p>The entity has not yet determined the magnitude of any changes which may be needed.</p> <p>Some additional disclosures will be needed.</p>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 2 Revenue and Other Income

	2012	2011
	\$	\$
Revenue		
- Grant Funding	240,279	357,461
- Membership Fees and Subscriptions	26,295	28,720
- Corporate Sponsorship	183,736	184,955
- Functions	165,709	157,159
- Conference and Trade Fair	72,259	69,227
Total Revenue	688,278	797,522
- Other income	31,708	38,168
- Interest received	46,800	52,142
Total Other income	78,508	90,310
Total Revenue and Other income	766,786	887,832

## 3 Cash and Cash Equivalents

	2012	2011
	\$	\$
Other cash and cash equivalents	(116)	-
Cash on hand	135	147
Cash at bank	596,505	585,991
	596,524	586,138

### Reconciliation of cash

	2012	2011
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	596,524	586,138
	596,524	586,138

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 4 Trade and Other Receivables

	2012	2011
	\$	\$
<b>CURRENT</b>		
Trade receivables	9,667	142,962
Total current trade and other receivables	<u>9,667</u>	<u>142,962</u>
	2012	2011
	\$	\$
<b>NON-CURRENT</b>		
Other receivables	173,111	173,111
Total non-current trade and other receivables	<u>173,111</u>	<u>173,111</u>

### Credit risk

The association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the association.

On a geographical basis, the association has significant credit risk exposures in Australia. The association's exposure to credit risk for receivables at the end of the reporting period in Australia is as follows:

### (a) Credit Risk - Trade and Other Receivables

The association does not have any material credit risk exposure to any single receivable or group of receivables.

Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the association.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The other classes of receivables do not contain impaired assets.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

## 5 Other Assets

	2012	2011
	\$	\$
<b>CURRENT</b>		
Prepayments	(830)	200
	<u>(830)</u>	<u>200</u>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 6 Property, Plant and Equipment

	2012	2011
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	55,457	51,023
Accumulated depreciation	(36,852)	19
Total plant and equipment	<u>18,605</u>	<u>51,042</u>
Motor vehicles		
At cost	29,796	(1,020)
Accumulated depreciation	(6,979)	-
Total motor vehicles	<u>22,817</u>	<u>(1,020)</u>
Improvements		
At cost	10,001	10,001
Accumulated depreciation	(9,323)	(8,323)
Total improvements	<u>678</u>	<u>1,678</u>
Total property, plant and equipment	<u><u>42,100</u></u>	<u><u>51,700</u></u>

### (a) Movements in Carrying Amounts

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

	Plant and Equipment	Motor Vehicles	Improvements	Total
	\$	\$	\$	\$
Balance at the beginning of year	21,246	28,776	1,678	51,700
Additions	4,434	-	-	4,434
Depreciation expense	(7,075)	(5,959)	(1,000)	(14,034)
Carrying amount at the end of 30 June 2012	<u>18,605</u>	<u>22,817</u>	<u>678</u>	<u>42,100</u>

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 7 Trade and Other Payables

	2012	2011
	\$	\$
CURRENT		
Other payables	22,762	-
Secured Liabilities		
Trade payables	13,731	17,958
Advance funding and sponsorship	219,560	304,007
Other payables	4,802	14,723
	<u>260,855</u>	<u>336,688</u>

## 8 Provisions

	2012	2011
	\$	\$
CURRENT		
Employee benefits		
- Other employees	58,471	23,971
- Office Holders	-	-
	<u>58,471</u>	<u>23,971</u>

## 9 Auditors' Remuneration

	2012	2011
	\$	\$
Remuneration of the auditor:		
- Auditing or reviewing the financial statements	6,800	9,371

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## 10 Related Party Transactions

During the year ended 30 June 2008, the Branch provided a secured loan of \$173,392 to AHANT Incorporated to purchase units 20 and 23 Cavenagh Street, Darwin NT where the Branch currently operates. The loan accrues interest at 10% per annum and is paid monthly. The interest earned for the year was \$17,414 (2010: \$17,414).

There are no set principal repayment terms, however the loan must be repaid in full within 30 days of being notified in writing by the Branch, or immediately in the event of; the appointment of a statutory manager under the associations Act (NT), dissolution of AHANT Incorporated, or if AHANT Incorporated becomes insolvent, enters into an agreement with its creditors or an application or order is made for the winding up of AHANT Incorporated.

AHANT Incorporated has agreements to lease the units back to the Branch at a rate of \$15,000 per unit per annum. Rent paid for the year ended 30 June 2012 was \$30,000 (2011: \$30,000).

The loan is secured by a charge over the units.

## 11 Cash Flow Information

### (a) Reconciliation of Cash Flow from Operations with (Loss) Profit after Income Tax

	2012	2011
	\$	\$
(Loss) profit for the year	(92,206)	32,578
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation	14,035	8,345
- Net gain on disposal of property, plant and equipment	-	(1,453)
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	133,293	(110,821)
- (Increase)/decrease in prepayments	1,030	1,002
- Increase/(decrease) in trade payables and accruals	(41,332)	(188,007)
- Increase/(decrease) in provisions	-	(7,610)
	<u>14,820</u>	<u>(265,966)</u>



# **Australian Hotels Association Northern Territory Branch**

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2012

## **12 Branch Details**

The registered office of the branch is:

Australian Hotels Association Northern Territory Branch

20/24 Cavenagh Street

DARWIN NT 0800

# **Australian Hotels Association Northern Territory Branch**

ABN 48 911 463 427

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

## ***Report on the Financial Report***

We have audited the accompanying financial report of Australian Hotels Association Northern Territory Branch, which comprises the statement of financial position as at 30 June 2012, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

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

The committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act ("ROA")* 2009. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## ***Auditor's Responsibility***

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

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

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

## ***Independence***

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

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

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

## *Auditor's Opinion*

In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

*Perks Audit & Assurance*  
PERKS AUDIT & ASSURANCE

59 Smith Street

Darwin

Northern Territory 0800



PETER J HILL

Partner

Registered Company Auditor

Dated this 11th day of October 2012

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2012

## Disclaimer

The additional financial data presented on page 24 is in accordance with the books and records of the branch which have been subjected to the auditing procedures applied in our statutory audit of the branch for the year ended 30 June 2012. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Hotels Association Northern Territory Branch) in respect of such data, including any errors or omissions therein however caused.

*Perks Audit & Assurance*  
PERKS AUDIT & ASSURANCE

59 Smith Street

Darwin

Northern Territory 0800



PETER J HILL

Partner

Registered Company Auditor

Dated this 11th day of October 2012

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2012

## Profit and Loss Account

	2012	2011
	\$	\$
<b>Income</b>		
Sponsorship and associate membership fees	240,279	357,461
Corporate sponsorship	183,736	184,955
Functions income - dinners and lunches	165,709	157,159
Conference and Trade Expo	72,259	69,227
Interest income	46,800	52,142
Other income	31,708	38,168
Administration and management fees	26,295	28,720
<b>Total income</b>	<b>766,786</b>	<b>887,832</b>
<b>Less: Expenses</b>		
Salaries - Employees	350,648	290,154
Conference/seminar costs	213,391	211,221
Consulting and professional fees	55,342	80,769
Travel	38,241	36,961
Rent	31,780	31,520
Superannuation contributions	28,335	26,467
Public relations	14,864	-
Magazine - Hospitality Outlook	14,522	14,197
Accounting fees	11,155	8,704
Telephone and fax	10,773	8,689
Computer expenses	9,582	5,568
Sundry expenses	8,710	10,277
Printing and stationery	7,430	4,792
Auditors remuneration	6,800	9,371
AHA National Affiliation fees and levies	6,250	2,642
Insurance	6,102	7,131
Equipment < \$300	5,941	5,095
Postage	5,899	4,550
Repairs and maintenance	4,527	6,523
Advertising	2,931	6,615
Electricity and water	2,869	3,061
Bank charges	2,378	2,672
Motor vehicle expenses	2,037	2,319
Security costs	1,764	63,010
Workers compensation insurance	1,646	1,140
Debt collection	650	2,090
Staff training	390	1,371
Salaries - Office Holders	-	-
Depreciation	14,035	8,345

# Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2012

Profit and Loss Account

	2012	2011
	\$	\$
Total Expenses	858,992	855,254
(Loss) profit before income tax	(92,206)	32,578