



15 June 2015

Mr Justin Colman
President
Australian Hotels Association, Northern Territory Branch
20/24 Cavenagh
Darwin NT 0800

via e-mail: admin@ahant.com.au

Dear Mr Colman

**Australian Hotels Association, Northern Territory Branch
Financial Report for the year ended 30 June 2014 - FR2014/332**

I acknowledge receipt of the amended financial report for the year ended 30 June 2014 for the Australian Hotels Association, Northern Territory Branch. The financial report was lodged with the Fair Work Commission (FWC) on 12 June 2015.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

Designated Officer's Certificate

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

I, Fiona Pryde, being the Secretary of the Australian Hotels Association Northern Territory Branch certify that:

- the documents lodged herewith are copies of the updated full report for the Australian Hotels Association Northern Territory Branch for the period ended 30 June 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- the updated full report was provided to members of the reporting unit on 8 May 2015; and
- the updated full report was presented to a general meeting of members of the reporting unit on 4 June 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: *F. Pryde*

Name of prescribed designated officer: *Fiona Pryde*

Title of prescribed designated officer: *Secretary*

Dated: *12 June 2015*

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Financial Statements

For the Year Ended 30 June 2014

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2014

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Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Operating Report

For the Year Ended 30 June 2014

I, Michael Burns, being the designated officer responsible for preparing this report for the financial year ended 30 June 2014 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 in Financial Affairs

Other than a reduction in salary and wages due to the transition of Acting CEO back to CEO whilst CEO on maternity leave there was no significant change in the nature of these activities during the financial year.

Members advice

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

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Operating Report

For the Year Ended 30 June 2014

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 2014 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 2014, the total number of employees employed by the reporting entity was 5;

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

Michael Burns	President (elected 8 April 2015, Outgoing Senior Vice President 2014)
Jason Hanna	Senior Vice President (appointed 10 December 2014)
Frank Dalton	Vice President (elected 8 July 2014)
Doug Sallis	Treasurer (Outgoing President 2014)
Fiona Pryde	Secretary
Justin Coleman	(President term expired April 2014, elected Board member 18 March 2015)
Lindsay Carmichael	
Ray Loccheh	
Craig Jervis	
Rick Cullen	
John Riordan	(elected 18 March 2015)
Greg Targett	(elected 18 March 2015)
Peter Severin	(elected 2014 term expired March 2015)
Geoff Booth	(elected 2014 term expired March 2015)
Scott Simpson	(resigned 11 November 2014 as Senior Vice President and Board member)
Noel Fahey	(Outgoing Vice President, term expired March 2015)
Geoff Booth	(term expired March 2015)

Operating result

The Profit of the Association for the financial year after providing for income tax amounted to \$ 93,430 (2013: Profit of \$ 12,440).

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

President:
Michael Burns

Dated this 1st day of May 2015

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Committee of Management Statement

For the Year Ended 30 June 2014


On 1 May 2015, 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 2014:

The Committee of Management declares that in its opinion:

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

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

President


Michael Burns

Dated this 1st day of May 2015

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Statement of Comprehensive Income

For the Year Ended 30 June 2014

	2014	2013
	\$	\$
Profit for the year	93,430	12,440
Other comprehensive income:		
Total comprehensive Profit income for the year	93,430	12,440

The accompanying notes form part of these financial statements.

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Statement of Profit or Loss

For the Year Ended 30 June 2014

		2014	2013
	Note	\$	\$
Revenue	2	695,534	707,641
Other income	2	67,616	68,028
Accounting fees		(9,654)	(13,560)
Employee benefits expense	3	(271,552)	(355,589)
Depreciation		(12,865)	(15,046)
Conference/seminar costs		(216,014)	(208,775)
Rent		(32,399)	(31,740)
Insurance		(8,125)	(10,186)
Travel		(19,802)	(14,365)
Publications		(16,444)	(14,863)
Consulting and professional fees		(7,460)	(21,512)
Other expenses		(75,405)	(77,593)
Profit before income taxes		93,430	12,440
Income tax expense	1(k)	-	-
Profit for the year		93,430	12,440

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	525,781	506,614
Trade and other receivables	5	33,765	23,665
TOTAL CURRENT ASSETS		<u>559,546</u>	<u>530,279</u>
NON-CURRENT ASSETS			
Trade and other receivables	5	173,111	173,111
Property, plant and equipment	6	17,750	27,658
TOTAL NON-CURRENT ASSETS		<u>190,861</u>	<u>200,769</u>
TOTAL ASSETS		<u>750,407</u>	<u>731,048</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	130,674	199,398
Overdraft		53	-
Short-term provisions	8	11,321	16,721
TOTAL CURRENT LIABILITIES		<u>142,048</u>	<u>216,119</u>
TOTAL LIABILITIES		<u>142,048</u>	<u>216,119</u>
NET ASSETS		<u>608,359</u>	<u>514,929</u>
EQUITY			
Retained Earnings		<u>608,359</u>	<u>514,929</u>
TOTAL EQUITY		<u>608,359</u>	<u>514,929</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2014

2014

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2013	514,929	514,929
Profit for the year	93,430	93,430
Balance at 30 June 2014	608,359	608,359

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
CASH FROM OPERATING ACTIVITIES:			
Receipts from customers		\$ 773,630	\$ 806,385
Receipts from other reporting units		20,156	-
Payments to suppliers and employees		(790,341)	(929,786)
Payments to other reporting units		(13,666)	-
Interest received		32,345	34,095
Net cash provided by (used in) operating activities	14	<u>22,124</u>	<u>(89,306)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		<u>(2,957)</u>	<u>(604)</u>
Net cash used by investing activities		<u>(2,957)</u>	<u>(604)</u>
Net increase (decrease) in cash and cash equivalents held		19,167	(89,910)
Cash and cash equivalents at beginning of year		<u>506,614</u>	<u>596,524</u>
Cash and cash equivalents at end of financial year	4	<u>\$ 525,781</u>	<u>\$ 506,614</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

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 Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009 ("RO Act")*. For the purpose of preparing the general purpose financial statements, the Australian Hotels Association Northern Territory Branch is a not-for-profit entity.

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

(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) Accounting judgments and estimates

The Committee of Management has assessed the balances recognised in the financial statements and has resolved that no accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(d) Going concern

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

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

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

(e) 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(c) Property, Plant and Equipment continued

Plant and equipment

Items of 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 the 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.

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 statement of profit or loss 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	15%
Motor Vehicles	20%

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(l) 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.

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.

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.

Membership Subscriptions

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).

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(m) 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.

(n) 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:

AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	30 June 2015	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

2 Revenue and Other Income

	2014	2013
	\$	\$
Revenue		
- Grant Funding	218,107	245,791
- Membership Fees and Subscriptions	28,246	25,620
- Corporate Sponsorship	201,212	190,400
- Functions	179,443	169,509
- Conference and Trade Fair	68,527	76,321
- Capitation fees	-	-
- Financial Support from another Reporting Unit	-	-
- Levies	-	-
- Grants or donations	-	-
Total revenue	695,534	707,641
- Other income	35,271	33,932
- Interest received	32,345	34,095
Total other income	67,616	68,027
Total revenue and other income	763,151	775,669

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Notes to the Financial Statements

For the Year Ended 30 June 2014

3 Expenses

	2014	2013
	\$	\$
Depreciation	12,865	15,046
Employee benefits expense		
Holders of office:	-	-
- wages and salaries	-	-
- superannuation	-	-
- leave and other entitlements	-	-
- separation and redundancies	-	-
- other employee expenses	-	-
Employees other than office holders		
- wages and salaries	255,354	322,047
- superannuation	22,057	31,936
- leave and other entitlements	(7,171)	590
- separation and redundancies	-	-
- other employee expenses	1,312	1,016
Total employee benefits expense	<u>271,552</u>	<u>355,589</u>
Consideration to employers for payroll deductions membership subscriptions	-	-
Capitation fees paid	-	-
Affiliation fees paid to National AHA	12,212	8,067
Compulsory levies imposed	-	-
Grants or donations paid	-	-
Fees or allowances for attendance at meetings and conferences	-	-
Expenses incurred with holding meetings and conferences	216,014	208,775
Legal costs or other litigation expenses	-	-
Penalties imposed under the RO Act	-	-

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Notes to the Financial Statements

For the Year Ended 30 June 2014

4 Cash and Cash Equivalents

	2014	2013
	\$	\$
Cash on hand	300	195
Cash at bank	525,481	506,419
	<u>525,781</u>	<u>506,614</u>

Reconciliation of cash

	2014	2013
	\$	\$
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	525,781	506,614
Bank overdraft	(53)	-
	<u>525,728</u>	<u>506,614</u>

5 Trade and Other Receivables

	2014	2013
	\$	\$
CURRENT		
Trade receivables	23,984	24,654
Provision for impairment	(989)	(989)
Receivables from other reporting units	10,770	-
Total current trade and other receivables	<u>33,765</u>	<u>23,665</u>

	2014	2013
	\$	\$
NON-CURRENT		
Other receivables	<u>173,111</u>	<u>173,111</u>
Total non-current trade and other receivables	<u>173,111</u>	<u>173,111</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2014

6 Property, Plant and Equipment

	2014	2013
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	59,018	56,061
Accumulated depreciation	(52,167)	(45,261)
Total plant and equipment	<u>6,851</u>	<u>10,800</u>
Motor vehicles		
At cost	29,796	29,796
Accumulated depreciation	(18,897)	(12,938)
Total motor vehicles	<u>10,899</u>	<u>16,858</u>
Improvements		
At cost	10,001	10,001
Accumulated depreciation	(10,001)	(10,001)
Total improvements	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u><u>17,750</u></u>	<u><u>27,658</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	10,800	16,858	-	27,658
Additions	2,957	-	-	2,957
Depreciation expense	(6,906)	(5,959)	-	(12,865)
Carrying amount at the end of 30 June 2014	<u><u>6,851</u></u>	<u><u>10,899</u></u>	<u><u>-</u></u>	<u><u>17,750</u></u>

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Notes to the Financial Statements

For the Year Ended 30 June 2014

7 Trade and Other Payables

	2014	2013
	\$	\$
CURRENT		
Trade payables	18,520	10,554
Payables to other reporting units	-	-
Consideration to employers for payroll deductions	-	-
Legal and other litigation costs payable	-	-
Advance funding and sponsorship	74,848	132,344
Other payables	37,306	56,500
	<u>130,674</u>	<u>199,398</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

8 Provisions

	2014	2013
	\$	\$
CURRENT		
Office holders		
- Annual leave	-	-
- Long service leave	-	-
- Separations and redundancies	-	-
- Other	-	-
Employees other than office holders		
- Annual leave	11,321	16,721
- Long service leave	-	-
- Separations and redundancies	-	-
- Other	-	-
	<u>11,321</u>	<u>16,721</u>

Provision for Employee Benefits

The provision for employee benefits represents amounts accrued for annual leave.

Based on past experience, the association does not expect the full amount of annual leave to be settled within the next 12 months. However, the amount must be classified as a current liability because the association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

9 Financial Risk Management

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

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

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

	2014	2013
	\$	\$
Financial Assets		
Held-to-maturity investments		
- Cash and cash equivalents	525,781	506,614
- Bank overdraft	(53)	-
	<u>525,728</u>	<u>506,614</u>
Loans and receivables		
- Trade receivables	33,765	24,654
- Other receivables	173,111	173,111
	<u>206,876</u>	<u>197,765</u>
Total financial assets	<u>732,604</u>	<u>704,379</u>
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	130,674	199,398
Total financial liabilities	<u>130,674</u>	<u>199,398</u>

Liquidity risk

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

The Association'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 Association maintains cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

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

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2014

9 Financial Risk Management continued

The Association's liabilities have contractual maturities which are summarised below:

	Not later than 1 month		3 months to 1 year		Total	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
Trade payables	18,520	10,554	-	-	18,520	10,554
Other short term financial liabilities	-	-	112,154	188,844	112,154	188,844
Total	18,520	10,554	112,154	188,844	130,674	199,398

(i) Interest rate risk

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

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

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +0.50% and -0.50% (2013: +0.50%/-0.50%), 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.

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

	2014		2013	
	+0.50%	-0.50%	+0.50%	-0.50%
	\$	\$	\$	\$
Net results	2,533	(2,533)	2,983	(2,983)
Equity	2,533	(2,533)	2,983	(2,983)

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Notes to the Financial Statements

For the Year Ended 30 June 2014

9 Financial Risk Management continued

Credit risk

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5. The main source of credit risk to the Association is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the Association's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Association and the customer or counter party to the transaction. 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.

	Gross amount \$	Past due and impaired \$	Past due but not impaired (days overdue)			
			< 30 \$	31-60 \$	61-90 \$	> 90 \$
2014						
Trade and term receivables	34,754	989	16,300	8,430	3,248	5,787
Other receivables	173,111	-	-	-	-	173,111
Total	207,865	989	16,300	8,430	3,248	178,898
2013						
Trade and term receivables	24,654	-	-	-	-	-
Other receivables	173,111	-	-	-	-	173,111
Total	197,765	-	-	-	-	173,111

The Association does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

There are no reporting comparisons for the 2013 trade and term receivables as ageing balances were not provided for the 2013 financial statements.

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2014

10 Key Management Personnel Disclosures

Key management personnel are:

Sarah Andrews (CEO)

Amy Corcoran (Acting CEO)

The totals of remuneration paid to the key management personnel of Australian Hotels Association Northern Territory Branch during the year are as follows:

	2014	2013
	\$	\$
Short-term employee benefits		
- salary (including annual leave taken)	155,109	-
- annual leave accrued	9,577	-
Long-term benefits		
- long service leave	-	-
Post-employment benefits		
- superannuation	13,552	-
Termination benefits		
- termination benefits	-	-
	<u>178,238</u>	<u>-</u>

There are no reporting comparisons for the 2013 total remuneration paid to key management personnel as respective balances were not provided for the 2013 financial statements.

11 Auditors' Remuneration

	2014	2013
	\$	\$
Remuneration of the auditor:		
- Auditing or reviewing the financial statements	7,000	7,800
- Other services	-	-
	<u>7,000</u>	<u>7,800</u>

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2014

12 Fair Value Measurement

Net Fair Values

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

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated.

	2014		2013	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	525,781	525,781	506,614	506,614
Trade and other receivables	206,876	206,876	196,776	196,776
Total financial assets	732,657	732,657	703,390	703,390
Financial liabilities				
Trade and other payables	130,674	130,674	199,398	199,398
Bank overdraft	53	53	-	-
Total financial liabilities	130,727	130,727	199,398	199,398

Fair value hierarchy

All assets and liabilities measured at fair value are to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

For the financial assets and liabilities noted above they have been measured in accordance with level 2. Long term fixed rate receivables are evaluated by the Association based on parameters such as interest rates and individual customer credit worthiness.

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2014

13 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 (2013: \$17,453).

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 2014 was \$30,000 (2013: \$30,000).

The loan is secured by a charge over the units.

14 Cash Flow Information

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

	2014	2013
	\$	\$
Profit (loss) for the year	93,430	12,440
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation	12,865	15,046
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	(10,100)	(13,998)
- Prior period adjustment	-	1,242
- Increase/(decrease) in trade payables and accruals	(68,724)	(62,286)
- Increase/(decrease) in provisions	(5,400)	(41,750)
- Increase/(decrease) in borrowings	53	-
	<u>22,124</u>	<u>(89,306)</u>

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2014

15 Section 272(5) Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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

16 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 2014, and the statement of profit or loss, 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 2009* ("RO Act"). 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, the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and management's use of the going concern basis of accounting in the preparation of the general purpose financial report is appropriate.

Perks Audit

PERKS AUDIT PTY LTD

59 Smith Street

Darwin

Northern Territory 0800

P Hill

PETER J HILL

Partner

Registered Company Auditor

Dated this 8th day of May 2015

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2014

Disclaimer

The additional financial data presented on page 29 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 2014. 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
PERKS AUDIT PTY LTD

59 Smith Street

Darwin

Northern Territory 0800

P Hill
PETER J HILL

Partner

Registered Company Auditor

Dated this 8th day of May 2015

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2014

Profit and Loss Account

	2014	2013
	\$	\$
Income		
Sponsorship and associate membership fees	218,107	245,791
Corporate sponsorship	201,212	190,400
Functions income - dinners and lunches	179,443	169,509
Conference and Trade Expo	68,527	76,321
Interest income	32,345	34,095
Other income	35,271	33,932
Administration and management fees	28,246	25,620
Total Income	763,151	775,668
Less: Expenses		
Salaries - Employees	255,354	322,047
Conference/seminar costs	216,014	208,775
Rent	32,399	31,740
Superannuation contributions	22,057	31,936
Travel	19,802	14,365
Magazine - Hospitality Outlook	16,444	14,863
Depreciation	12,865	15,046
AHA National Affiliation fees and levies	12,212	8,067
Sundry expenses	10,694	6,805
Accounting fees	9,654	13,560
Insurance	8,125	10,186
Telephone and fax	8,103	7,669
Consulting and professional fees	7,460	21,512
Auditors remuneration	7,000	7,800
Postage	6,498	4,749
Equipment < \$300	4,231	3,237
Printing and stationery	3,903	4,371
Computer expenses	3,810	5,318
Electricity and water	3,775	3,721
Advertising	2,760	1,601
Cleaning	2,610	2,805
Public relations	2,322	13,904
Bank charges	2,161	2,524
Publications	2,150	2,100
Motor vehicle expenses	1,985	1,941
Workers compensation insurance	1,312	1,016
Repairs and maintenance	1,192	980
Leave pay	(7,171)	590
Total Expenses	669,721	763,228
Profit before income tax	93,430	12,440