



FAIR WORK  
COMMISSION

9 December 2016

Mr Mick Burns  
President, Northern Territory Branch  
Australian Hotels Association

By email: [admin@ahant.com.au](mailto:admin@ahant.com.au)

Dear Mr Burns

**Re: Lodgement of Financial Statements and Accounts – Australian Hotels Association, Northern Territory Branch - for year ended 30 June 2016 (FR2016/223)**

I refer to the financial report for the Northern Territory Branch of the Australian Hotels Association. The report was lodged with the Fair Work Commission on 7 December 2016.

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

You do not have to take any further action in relation to the report lodged but I make the following comments to assist when preparing the next financial report. Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.<sup>1</sup>

**Reports must be provided to Members at least 21 days before the General Meeting of Members**

The Designated Officer's Certificate states that the financial report was provided to members on 9 November 2016 and presented to the Annual General Meeting on 29 November 2016. Under section 265(5)(a) of the RO Act, where a report is presented to a General Meeting of members, the report must be provided to members at least 21 days before that meeting. If these dates are correct, the reporting unit only provided members the financial report 20 days before the General Meeting.<sup>2</sup> When calculating the deadline for providing the report to the members ahead of the Annual General Meeting in future years, the Branch should not include the day of that meeting.<sup>3</sup>

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<sup>1</sup> The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

<sup>2</sup> The correct deadline for providing the report to the members in this particular case was 8 November, not the 9<sup>th</sup>. Section 36 of the *Acts Interpretation Act 1901* provides that if a period of time is expressed to end before a specified day, then the period of time does not include that day. In this case, the relevant period of time is the 21 days before the meeting, and the "specified day" is the day on which the meeting is held (e.g. 29 November), so the *calculation* of the period should not have included the day of the meeting.

<sup>3</sup> e.g. subtract 21 from the date of the AGM to identify the deadline.

## Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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

Yours sincerely

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


Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

**Designated Officer's Certificate**

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

I, Mick Burns, being the President of the Australian Hotels Association Northern Territory Branch certify that:

- the documents lodged herewith are copies of the full report for the Australian Hotels Association Northern Territory Branch for the period ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- a copy of the full report was available to members of the reporting unit on 9 November 2016; and
- a copy of the full report was presented to the Annual General Meeting of members of the reporting unit on 29 November 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:  .....

Name of prescribed designated officer.....Mick Burns .....

Title of prescribed designated officer.... President .....

Dated.....6 December 2016 .....

**Australian Hotels Association  
Northern Territory Branch Inc.**

ABN 48 911 463 427

**General Purpose Financial Report**  
for the year ended 30 June 2016

# AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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**Independent auditor report to the members of Australian Hotels Association NT Branch Inc.**

We have audited the accompanying financial report of Australian Hotels Association NT Branch Inc (“the Branch”), which comprises the statement of financial position as at 30 June 2016, 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 Committee of Management statement.

*The Committee of Management’s Responsibility for the Financial Report*

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes establishing and maintaining internal controls 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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

*Independence*

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

*Auditor's Opinion*

In our opinion:

- the general purpose financial report presents fairly, in all material respects, the financial position and performance of the Australian Hotels Association NT Branch Inc. 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*; and
- the use of the going concern basis of accounting in the preparation of the financial report as stated in note 1.19 is appropriate.

*Merit Partners*

Merit Partners

A handwritten signature in black ink, appearing to read 'MunLi Chee', written over a horizontal line.

MunLi Chee

Registered Company Auditor

Member of Chartered Accountants Australia and New Zealand and CPA Australia

Holder of Certificate of Public Practice

Darwin

28 October 2016

**AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.**

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016


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

**Certificate by Prescribed Designated Officer**

I Mick Burns being the designated officer responsible of the Australian Hotels Association NT Branch Inc. certify:

- that the documents lodged herewith are copies of the full report for the Australian Hotels Associations NT Branch Inc. for the year ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 29 November 2016; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 28 October 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:..........

Name of prescribed designated officer:.....*Michael John Burns*.....

Title of prescribed designated officer: .....*PRESIDENT*.....

Dated: .....*28-10-16*.....



# AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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## OPERATING REPORT

The Committee of Management presents its report on the reporting unit for the financial year ended 30 June 2016.

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

The principal activities of the Australian Hotels Association NT Branch Inc. (the 'Association') during the financial year were:

- The Australian Hotels Association NT Branch Inc. 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 Australian Hotels Association NT Branch Inc. considers all political developments both Commonwealth and in the Northern Territory affecting the Association and takes steps to initiate, promote, amend, modify or reject as the case may be all or any of such political measure. The Association 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 Association outlining the activities for the year (attached). There were no significant changes in the nature of these activities during the year under review;

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

There were significant changes to the profit/loss for the year (2015 loss \$49,983, 2016 loss \$149,663). Employee expenses have increased with the additional staff member being employed and for the part time use of a tourism intern. This has been offset with funding for that position by NT Government.

Meetings and conferences, travel and accommodation costs increased due to increased number of Board meetings which required regional members to attend.

Overall income on Conference and Trade Expo was down and expenses were increased with the move to the Convention Centre.

Affiliation fees have increased with the commissioning of national accommodation salary survey.

Income was further reduced when the AHANT Inc. loan was paid out during the year.

The significant change to financials was recognised in the budget endorsed for 2015/16.

## AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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### Right of members to resign

- Under section 174 of the *Fair Work (Registered Organisations) Act 2009*, 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;
- The register of members of the Association was maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*; and
- Section 272 of the *Fair Work (Registered Organisations) Act 2009* outlines the registrar's rights to certain prescribed information.

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

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.

### Number of members

As at 30 June 2016 to which this report relates, the number of members of the Association was 160 plus 4 Honorary Life members (130 are voting members).

### Number of employees

As at 30 June 2016, the total number of employees employed by the Association was 5.

**AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.**

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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

The office holders during the financial year:

Michael Burns	President
Jason Hanna	Senior Vice President
Frank Dalton	Vice President
Doug Sallis	Treasurer
Craig Jervis	Secretary (appointed 26 August 2015)
Justin Coleman	Board Member
Lindsay Carmichael	Board Member
Ray Loechel	Board Member
John Riordan	Board Member
Greg Targett	Board Member
Carey Osborne	Board Member (appointed 13 October 2015)
John Tourish	Board Member (appointed 13 October 2015)
Ian Sloan	Board Member (appointed 13 October 2015)
Paul Palmer	Board Member (appointed 13 October 2015)
Ashleigh Winn	Board Member (appointed 13 October 2015)
Kyle Pearson	Board Member (appointed 13 October 2015)
Jordan Jenkins	Board Member (appointed 13 October 2015)
Fiona Pryde	Resigned 21 July 2015 as Secretary and Board Member
Rick Cullen	Resigned 7 October 2015 as Board Member

Signature of designated officer:  .....

Name and title of designated officer: *Michael John Burns* .....

Dated: *28.10.16* .....

**AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.**

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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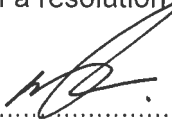
**COMMITTEE OF MANAGEMENT STATEMENT**

On 28 October 2016 the Committee of Management of the Australian Hotels Association NT Branch Inc. passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The Committee of Management declares that in its opinion:

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

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

Signature of designated officer:  .....

Name and title of designated officer: *Michael John Burns* .....

Dated: *28.10.16* .....

# AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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## STATEMENT OF COMPREHENSIVE INCOME

	Notes	2016 \$	2015 \$
<b>Revenue</b>			
Membership subscription		<b>26,045</b>	36,324
Interest	3A	<b>13,726</b>	28,921
Other revenue	3B	<b>558,992</b>	526,790
<b>Total revenue</b>		<b>598,763</b>	592,035
<b>Other Income</b>			
Grants and donations	3C	<b>212,500</b>	143,592
<b>Total other income</b>		<b>212,500</b>	143,592
<b>Total income</b>		<b>811,263</b>	735,627
<b>Expenses</b>			
Employee expenses	4A	<b>485,721</b>	372,398
Affiliation fees	4B	<b>14,203</b>	6,429
Administration expenses	4C	<b>447,602</b>	391,223
Depreciation and amortisation	4D	<b>6,000</b>	8,660
Audit fees	11	<b>7,400</b>	6,900
<b>Total expenses</b>		<b>960,926</b>	785,610
<b>Profit (loss) for the year</b>		<b>(149,663)</b>	(49,983)
<b>Other comprehensive income</b>		<b>0</b>	0
<b>Total comprehensive income for the year</b>		<b>(149,663)</b>	(49,983)

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

# AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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## STATEMENT OF FINANCIAL POSITION

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	<b>561,260</b>	510,746
Trade and other receivables	5B	<b>57,505</b>	43,971
<b>Total current assets</b>		<b>618,765</b>	554,717
<b>Non-Current Assets</b>			
Plant and equipment	6A	<b>3,801</b>	10,545
Other receivable	6B	<b>0</b>	173,111
<b>Total non-current assets</b>		<b>3,801</b>	183,656
<b>Total assets</b>		<b>622,566</b>	738,373
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	<b>51,270</b>	81,824
Other payables	7B	<b>137,312</b>	84,076
Employee provisions	8A	<b>25,271</b>	14,097
<b>Total current liabilities</b>		<b>213,853</b>	179,997
<b>Total liabilities</b>		<b>213,853</b>	179,997
<b>Net assets</b>		<b>408,713</b>	558,376
<b>EQUITY</b>			
Retained earnings		<b>408,713</b>	558,376
<b>Total equity</b>		<b>408,713</b>	558,376

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

# AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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## STATEMENT OF CHANGES IN EQUITY

	Retained earnings	Total equity
	\$	\$
<b>Balance as at 1 July 2014</b>	608,359	608,359
Loss for the year	(49,983)	(49,983)
<b>Closing balance as at 30 June 2015</b>	<b>558,376</b>	<b>558,376</b>
Loss for the year	<b>(149,663)</b>	<b>(149,663)</b>
<b>Closing balance as at 30 June 2016</b>	<b>408,713</b>	<b>408,713</b>

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

# AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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## CASH FLOW STATEMENT

	Notes	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units		0	10,770
Interest		13,726	28,921
Customers		913,946	668,963
<b>Cash used</b>			
Employees		(472,674)	(368,386)
Suppliers		(561,675)	(347,397)
Payment to other reporting units	9B	(13,805)	(6,451)
<b>Net cash from (used by) operating activities</b>	9A	<b>(120,482)</b>	<b>(13,580)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of plant and equipment		(2,115)	(1,455)
<b>Net cash from (used by) investing activities</b>		<b>(2,115)</b>	<b>(1,455)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Advances from related parties		173,111	0
<b>Net cash from (used by) financing activities</b>		<b>173,111</b>	<b>0</b>
<b>Net increase (decrease) in cash held</b>		<b>50,514</b>	<b>(15,035)</b>
Cash & cash equivalents at the beginning of the reporting period		510,746	525,781
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>561,260</b>	<b>510,746</b>

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



# AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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## Index to the Notes of the Financial Statements

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## **Note 1 Summary of significant accounting policies**

### **1.1 Basis of preparation of the financial statements**

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

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

### **1.2 Comparative amounts**

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

### **1.3 Significant accounting judgements and estimates**

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 the assets and liabilities within the next reporting period.

### **1.4 New Australian Accounting Standards**

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

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

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

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

# AUSTRALIAN HOTELS ASSOCIATION NT BRANCH INC.

ABN 48 911 463 427

FOR THE YEAR ENDED 30 JUNE 2016

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- *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards  
The adoption of this amendment did not have an impact on the entity.
- *AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent* aligns the relief available in *AASB 10 Consolidated Financial Statements* and *AASB 128 Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent.  
The adoption of this amendment did not have an impact on the entity.

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

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a future financial impact on the entity.

## **1.5 Revenue**

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

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

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

Donation income is recognised when it is received.

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

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

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

## **1.6 Government grants**

Government grants are not recognised until there is reasonable assurance that the Australian Hotels Association NT Branch Inc. will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Australian Hotels Association NT Branch Inc. recognises as expenses the related costs for which the grants are intended to compensate. Specifically,

government grants whose primary condition is that the Australian Hotels Association NT Branch Inc. should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Australian Hotels Association NT Branch Inc. with no future related costs are recognised in profit or loss in the period in which they become receivable.

## 1.7 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

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

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

## 1.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## 1.9 Borrowing costs

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

## 1.10 Cash

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

## 1.11 Financial instruments

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

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

## 1.12 Financial assets

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

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

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

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A financial asset is classified as held for trading if:

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

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

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

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

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

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

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

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

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

exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

***Loan and receivables***

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

***Effective interest method***

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

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

***Impairment of financial assets***

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

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

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered



uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

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

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

#### ***Derecognition of financial assets***

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

### **1.13 Financial Liabilities**

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

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

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

A financial liability is classified as held for trading if:

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

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



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

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

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

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

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

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

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

### **1.14 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

### **1.15 Land, Buildings, Plant and Equipment**

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

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

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## ***Depreciation***

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

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

	<b>2016</b>	<b>2015</b>
Plant and equipment	<b>15%</b>	15%
Motor vehicles	<b>20%</b>	20%

## ***Derecognition***

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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

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

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

### **1.17 Taxation**

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

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

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

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

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

## 1.18 Fair value measurement

The Australian Hotels Association NT Branch Inc. measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Australian Hotels Association NT Branch Inc. determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on

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the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Australian Hotels Association NT Branch Inc. has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

### **1.19 Going concern**

The Committee of Management has resolved that that Australian Hotels Association NT Branch Inc. is a going concern.

As a result, the entity is not reliant on agreed financial support of another reporting unit to continue on a going concern basis.

Additionally, the entity has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

### **Note 2 Events after the reporting period**

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Hotels Association NT Branch Inc.

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	2016	2015
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Interest</b>		
Deposits	6,470	11,507
Loans	7,256	17,414
<b>Total interest</b>	<u>13,726</u>	<u>28,921</u>
<b>Note 3B: Other income</b>		
Corporate sponsorship	234,387	217,910
Functions	217,145	189,603
Conference and Trade Fair	61,182	76,927
Other income	46,278	42,350
<b>Total other income</b>	<u>558,992</u>	<u>526,790</u>
<b>Note 3C: Grants and Donations</b>		
Grants	212,500	143,592
<b>Total grants and donations</b>	<u>212,500</u>	<u>143,592</u>
<b>Note 3D: Capitation Fees</b>		
Capitation fees	<u>0</u>	<u>0</u>
<b>Total capitation fees</b>	<u>0</u>	<u>0</u>
<b>Note 3E: Levies</b>		
Levies	<u>0</u>	<u>0</u>
<b>Total Levies</b>	<u>0</u>	<u>0</u>

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	2016	2015
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	0	0
Superannuation	0	0
Leave and other entitlements	0	0
Separation and redundancies	0	0
Other employee expenses	0	0
<b>Subtotal employee expenses holders of office</b>	<u>0</u>	<u>0</u>
<b>Employees other than office holders:</b>		
Wages and salaries	427,969	321,994
Superannuation	40,111	29,682
Leave and other entitlements	14,870	7,799
Separation and redundancies	0	0
Other employee expenses	2,771	12,923
<b>Subtotal employee expenses employees other than office holders</b>	<u>485,721</u>	<u>372,398</u>
<b>Total employee expenses</b>	<u><u>485,721</u></u>	<u><u>372,398</u></u>
<b>Note 4B: Affiliation fees</b>		
National AHA	14,203	6,429
<b>Total affiliation fees</b>	<u><u>14,203</u></u>	<u><u>6,429</u></u>

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	2016	2015
	\$	\$
<b>Note 4C: Administration expenses</b>		
Consideration to employers for payroll deductions	0	0
Compulsory levies	0	0
Fees/allowances - meeting and conferences	0	0
Conference and meeting expenses	270,282	226,272
Contractors/consultants	9,132	15,259
Property expenses	35,790	35,415
Insurance	7,170	8,349
Travel	47,064	26,624
Publications	11,853	11,675
Other	66,311	67,629
<b>Subtotal administration expense</b>	<b>447,602</b>	<b>391,223</b>
Operating lease rentals:		
Minimum lease payments	0	0
<b>Total administration expenses</b>	<b>447,602</b>	<b>391,223</b>

### Note 4D: Depreciation and amortisation

Depreciation		
Property, plant and equipment	6,000	8,660
<b>Total depreciation</b>	<b>6,000</b>	<b>8,660</b>

### Note 4E: Grants or donations

Grants:		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	0	0
Donations:		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	0	0
<b>Total grants or donations</b>	<b>0</b>	<b>0</b>

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	2016	2015
	\$	\$
<b>Note 4F: Legal costs</b>		
Litigation	0	0
Other legal matters	0	0
<b>Total legal costs</b>	<u>0</u>	<u>0</u>
<b>Note 4G: Other expenses</b>		
Penalties - via RO Act or RO Regulations	0	0
<b>Total other expenses</b>	<u>0</u>	<u>0</u>
<b>Note 4H: Capitation fees</b>		
Capitation Fees	0	0
<b>Total capitation fees</b>	<u>0</u>	<u>0</u>



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	2016	2015
	\$	\$
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	561,140	510,524
Cash on hand	120	222
<b>Total cash and cash equivalents</b>	<b>561,260</b>	<b>510,746</b>
<b>Note 5B: Trade and Other Receivables</b>		
<b>Receivables from other reporting unit</b>		
AHA National Office	0	0
<b>Total receivables from other reporting unit</b>	<b>0</b>	<b>0</b>
Less provision for doubtful debts	0	0
<b>Total provision for doubtful debts</b>	<b>0</b>	<b>0</b>
<b>Receivable from other reporting unit</b>	<b>0</b>	<b>0</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	7,717	6,831
Other trade receivables	49,788	37,140
<b>Total other receivables</b>	<b>57,505</b>	<b>43,971</b>
<b>Total trade and other receivables</b>	<b>57,505</b>	<b>43,971</b>

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	2016	2015
	\$	\$

## Note 6 Non-current Assets

### Note 6A: Plant and equipment

Plant and equipment:

at cost	84,403	100,270
accumulated depreciation	(80,602)	(89,725)
<b>Total plant and equipment</b>	<b>3,801</b>	<b>10,545</b>

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

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<b>As at 1 July</b>		
Gross book value	100,270	98,815
Accumulated depreciation and impairment	(89,725)	(81,065)
<b>Net book value 1 July</b>	<b>10,545</b>	<b>17,750</b>
Additions:		
By purchase	2,115	1,455
Depreciation expense	(6,000)	(8,660)
Disposals:		
Other	(17,982)	0
Depreciation on disposal	15,123	0
<b>Net book value 30 June</b>	<b>3,801</b>	<b>10,545</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	84,403	100,270
Accumulated depreciation and impairment	(80,602)	(89,725)
<b>Net book value 30 June</b>	<b>3,801</b>	<b>10,545</b>

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	2016	2015
	\$	\$

## Note 6B: Other Receivables

Loans	0	173,111
<b>Total other receivables</b>	<b>0</b>	<b>173,111</b>

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	<b>46,724</b>	81,824
<b>Subtotal trade creditors and accruals</b>	<b>46,724</b>	81,824

AHANT WA Branch	<b>4,546</b>	0
<b>Subtotal payables to other reporting unit</b>	<b>4,546</b>	0

<b>Total trade payables</b>	<b>51,270</b>	81,824
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Settlement is usually made within 30 days.

### Note 7B: Other payables

Superannuation	<b>11,139</b>	9,266
Consideration to employers for payroll deductions	<b>0</b>	0
Legal costs	<b>0</b>	0
Prepayments received/unearned revenue	<b>98,107</b>	51,250
Other	<b>28,066</b>	23,560
<b>Total other payables</b>	<b>137,312</b>	84,076

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	2016	2015
	\$	\$
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	0	0
Long service leave	0	0
Separations and redundancies	0	0
Other	0	0
<b><i>Subtotal employee provisions—office holders</i></b>	<u>0</u>	<u>0</u>
<b>Employees other than office holders:</b>		
Annual leave	25,271	14,097
Long service leave	0	0
Separations and redundancies	0	0
Other	0	0
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<u>25,271</u>	<u>14,097</u>
<b>Total employee provisions</b>	<u>25,271</u>	<u>14,097</u>
Current	25,271	14,097
Non Current	0	0
<b><i>Total employee provisions</i></b>	<u>25,271</u>	<u>14,097</u>

## Note 9 Equity

### Other Specific disclosures - Funds

<b>Compulsory levy/voluntary contribution fund</b>	<u>0</u>	<u>0</u>
<b>Other fund(s) required by rules</b>	<u>0</u>	<u>0</u>

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	2016	2015
	\$	\$
<b>Note 10 Cash Flow</b>		
<b>Note 10A: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	561,260	510,746
Balance sheet	561,260	510,746
<b>Difference</b>	<u>0</u>	<u>0</u>
<b>Reconciliation of profit/(deficit) to net cash from operating activities:</b>		
Profit/(deficit) for the year	(149,663)	(49,983)
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	6,000	8,660
Net loss on sale of fixed assets	2,859	0
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	(13,534)	508
Increase/(decrease) in supplier payables	(30,554)	63,304
Increase/(decrease) in other payables	53,236	(38,845)
Increase/(decrease) in employee provisions	11,174	2,776
<b>Net cash from (used by) operating activities</b>	<u>(120,482)</u>	<u>(13,580)</u>
<b>Note 10B: Cash flow information</b>		
<b>Cash inflows</b>		
AHA National Office	0	10,770
<b>Total cash inflows</b>	<u>0</u>	<u>10,770</u>
<b>Cash outflows</b>		
AHA National Office	13,805	6,451
<b>Total cash outflows</b>	<u>13,805</u>	<u>6,451</u>

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	2016	2015
	\$	\$

## Note 11 Contingent Liabilities, Assets and Commitments

### Operating lease commitments

Australian Hotels Association NT Branch Inc. leases computer equipment, a phone system and a photocopier. The average remaining term is 2 years.

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

Within one year	9,859	1,246
After one year but not more than five years	9,687	208
More than five years	0	0
	<u>19,546</u>	<u>1,454</u>

### Capital commitments

At 30 June 2016 the entity has no commitments (2015: \$nil).

### Finance lease commitments

	<u>0</u>	<u>0</u>
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### Other contingent assets or liabilities

At 30 June 2016 the entity has no contingent assets or liabilities (2015: \$nil).

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	2016	2015
	\$	\$

### Note 12 Related Party Disclosures

#### Note 12A: Related Party Transactions for the Reporting Period

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

#### Revenue received from AHANT Inc includes the following:

Interest	7,256	17,414
Administration Fee	20,000	20,000

#### Expenses paid to AHANT Inc includes the following:

Rent	30,000	30,000
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#### Amounts owed by AHANT Inc include the following:

Accounts receivable	0	24,255
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#### Amounts owed to AHANT Inc include the following:

Trade Payables	42,896	1,012
Other Payables	2,050	2,147

#### Loans from AHANT Inc includes the following:

Loan	0	173,111
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#### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2016, the Australian Hotels Association NT Branch Inc. has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The loan provided to AHANT Incorporated receives a rate of interest of 10% and is repayable 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.

The loan was repaid during the year.

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	2016	2015
	\$	\$

### Note 12B: Key Management Personnel Remuneration for the Reporting Period

#### Short-term employee benefits

Salary (including annual leave taken)	165,347	159,974
Annual leave accrued	4,046	8,199
<b>Total short-term employee benefits</b>	<b>169,393</b>	<b>168,173</b>

#### Post-employment benefits:

Superannuation	15,708	14,964
<b>Total post-employment benefits</b>	<b>15,708</b>	<b>14,964</b>

#### Termination benefits

	0	0
<b>Total</b>	<b>185,101</b>	<b>183,137</b>

### Note 13 Remuneration of Auditors

#### Value of the services provided

Financial statement audit services	7,400	6,900
Other services	3,900	0
<b>Total remuneration of auditors</b>	<b>11,300</b>	<b>6,900</b>

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



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### Note 14 Financial Instruments

The main risks Australian Hotels Association NT Branch Inc. 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 consists mainly of deposits with banks, accounts receivables and payables.

The totals for each category of financial instruments as detailed in the accounting policies to these financial statements are detailed below.

	2016	2015
	\$	\$

#### Note 14A: Categories of Financial Instruments

##### *Financial Assets*

Held-to-maturity investments:

Cash and cash equivalents	561,260	510,746
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Bank overdraft	0	0
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<b>Total</b>	<b>561,260</b>	<b>510,746</b>
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Loans and receivables:

Trade receivables	49,788	37,140
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Other receivables	0	173,111
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<b>Total</b>	<b>49,788</b>	<b>210,251</b>
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<b><i>Carrying amount of financial assets</i></b>	<b>611,048</b>	<b>720,997</b>
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##### *Financial Liabilities*

Other financial liabilities:

Trade and other payables	178,727	165,900
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<b>Total</b>	<b>178,727</b>	<b>165,900</b>
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<b><i>Carrying amount of financial liabilities</i></b>	<b>178,727</b>	<b>165,900</b>
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#### Note 14B: Net Income and Expense from Financial Assets

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

Interest revenue	6,470	11,507
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<b>Net gain/(loss) held-to-maturity</b>	<b>6,470</b>	<b>11,507</b>
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##### **Loans and receivables**

Interest revenue	7,256	17,414
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<b>Net gain/(loss) from loans and receivables</b>	<b>7,256</b>	<b>17,414</b>
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<b>Net gain/(loss) from financial assets</b>	<b>13,726</b>	<b>28,921</b>
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The net income from financial assets not at fair value from profit and loss is \$13,726 (2015: \$28,921).

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### Note 14C: Credit Risk

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those specifically provided for. 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 illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2016	2015
	\$	\$
<b>Financial assets</b>		
Trade receivables	49,788	37,140
Other receivables	0	173,111
<b>Total</b>	<b>49,788</b>	<b>210,251</b>

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

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2016	2016	2015	2015
	\$	\$	\$	\$
Trade receivables	27,694	22,094	25,115	12,025
Other receivables	0	0	173,111	0

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade Receivables	0	8,978	11,705	1,411	22,094
<b>Total</b>	<b>0</b>	<b>8,978</b>	<b>11,705</b>	<b>1,411</b>	<b>22,094</b>

### Ageing of financial assets that were past due but not impaired for 2015

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	0	12,025	0	0	12,025
<b>Total</b>	<b>0</b>	<b>12,025</b>	<b>0</b>	<b>0</b>	<b>12,025</b>

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### Note 14D: Liquidity Risk

Liquidity risk arises from the Association's management of working capital and it is the risk the Association will encounter 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.

### Contractual maturities for financial liabilities 2016

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	0	51,270	0	0	0	51,270
Other payables	0	137,312	0	0	0	137,312
<b>Total</b>	<b>0</b>	<b>188,582</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>188,582</b>

### Maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	0	81,824	0	0	0	81,824
Other payables	0	84,076	0	0	0	84,076
<b>Total</b>	<b>0</b>	<b>165,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>165,900</b>

### Note 14E: Market Risk

Market risks generally include interest rate risk, price risk, and currency risk.

#### *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.

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

The following table illustrates the sensitivity of the net result for the year and equity to a reasonable change in interest rates of +0.5% and -0.5% (2015: +0.5% and -0.5%). These changes are considered to be reasonably possible based on observations of current market conditions and economic reports.

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

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	Cash	+0.5%	2,806	2,806
Interest rate risk	Cash	-0.5%	(2,806)	(2,806)

### Sensitivity analysis of the risk that the entity is exposed to for 2015

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	Cash	+0.5%	2,554	2,554
Interest rate risk	Cash	-0.5%	(2,554)	(2,554)

### Note 15 Fair Value Measurement

#### Note 15A: Financial Assets and Liabilities

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

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

	Carrying amount 2016 \$	Fair value 2016 \$	Carrying amount 2015 \$	Fair value 2015 \$
<b>Financial Assets</b>				
Cash and cash equivalents	561,260	561,260	510,746	510,746
Trade and other receivables	49,788	49,788	210,251	210,251
<b>Financial Liabilities</b>				
Trade and other payables	178,727	178,727	165,900	165,900
<b>Total</b>	<b>432,321</b>	<b>432,321</b>	<b>555,097</b>	<b>555,097</b>

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### Note 15B: Fair Value Hierarchy

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

#### Fair value hierarchy – 30 June 2016

	Level 1	Level 2	Level 3
	\$	\$	\$
<b>Assets measured at fair value</b>			
Cash and cash equivalents	561,260	0	0
Trade and other receivables	49,788	0	0
<b>Total</b>	<b>611,048</b>	<b>0</b>	<b>0</b>
<b>Liabilities measured at fair value</b>			
Trade and other payables	178,727	0	0
<b>Total</b>	<b>178,727</b>	<b>0</b>	<b>0</b>

#### Fair value hierarchy – Parent 30 June 2015

	Level 1	Level 2	Level 3
	\$	\$	\$
<b>Assets measured at fair value</b>			
Cash and cash equivalents	510,746	0	0
Trade and other receivables	210,251	0	0
<b>Total</b>	<b>720,997</b>	<b>0</b>	<b>0</b>
<b>Liabilities measured at fair value</b>			
Trade and other payables	165,900	0	0
<b>Total</b>	<b>165,900</b>	<b>0</b>	<b>0</b>

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

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

Information to be provided to members or General Manager:

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