



13 December 2019

Paul Palmer
President, Northern Territory Branch
Australian Hotels Association

Dear President,

Re: – Australian Hotels Association, Northern Territory Branch - financial report for year ending 30 June 2019 (FR2019/188)

I refer to the financial report of the Northern Territory Branch of the Australian Hotels Association. The documents were lodged with the Registered Organisations Commission (**ROC**) on 25 November 2019. A replacement copy of the committee of management statement was received on 12 December 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

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

Nil activity disclosure – wage recovery revenue

A nil activity declaration in respect of wage recovery revenue was included at declaration (f) in the committee of management statement. Item 26 of the current reporting guidelines has removed this declaration from the committee of management statement. In next year's report it would appear appropriate to include this nil activity in the officer's declaration statement or the notes.

Prescribed designated officer's certificate

Section 268 requires the lodgement of a copy of the full report to be accompanied by a (single) certificate by a prescribed designated officer certifying that the documents lodged are copies of the documents presented in accordance with section 266. There were two documents purporting to be the certificate by prescribed designated officer received by the ROC. The certificate signed on 25 November 2019 after presentation to the annual general meeting on 19 November 2019 appears to contain the information required and has been taken to have satisfied the requirement of section 268.¹ The earlier certificate signed on 22 October 2019 that was included at page 4 of the financial statements was not considered to be the certificate contemplated by section 268. Next year's report should be accompanied by a single certificate that is signed following presentation to the meeting referred to in section 266.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements

¹ It is the annual general meeting in this case which appears to be the general meeting referred to in section 266.

to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

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

Yours faithfully

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

Stephen Kellett
Financial Reporting
Registered Organisations Commission

Australian Hotels Association Northern Territory Branch

Designated Officer's Certificate

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

Certificate for the year ended 30 June 2019

I, Paul Palmer, 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 2019 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 24 October 2019; and
- a copy of the full report was presented to the Annual General Meeting of members of the reporting unit on 19 November 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer....Paul Palmer

Title of prescribed designated officer.... President

Dated.....25 November 2019

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Financial Statements

For the Year Ended 30 June 2019

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Hotels Association Northern Territory Branch (the Branch), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of management Statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2019, and its financial performance and its cash flows for the year then ended on that date in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Branch in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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Perks Finance Pty Ltd
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Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2019

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an approved auditor, a member of Chartered accountants Australia & New Zealand, and hold a current public practice certificate.

Perks Audit

PERKS AUDIT PTY LTD

84 Smith Street

Darwin

Northern Territory 0800

P Hill

PETER J HILL

Director

Registered Company Auditor

Registration number: AA2017/25

Dated this *22nd* day of October 2019

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427


For the Year Ended 30 June 2019

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by Prescribed Designated Officer

I, Penny Phillips being the designated officer responsible of the Australian Hotels Association NT Branch Certify:

- that the documents lodged herewith are copies of the full report for the Australian Hotels Association NT Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 22nd October 2019; and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on 22nd October 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Penny Phillips

Title of prescribed designated officer: Treasurer

Dated this 22nd day of October 2019

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For the Year Ended 30 June 2019

Expenditure Report Required Under Subsection 255(2A)

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	553,835	567,855
Advertising	2,393	-
Operating costs	431,190	461,651
Donations to political parties	-	-
Legal costs	5,629	12,588

Signature of prescribed designated officer: 

Name of prescribed designated officer: Penny Phillips

Title of prescribed designated officer: Treasurer

Dated this 22nd day of October 2019

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2019

Operating Report

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2019.

Principal Activities

The principal activities of branch during the financial year were:

- The Australian Hotels Association Northern Territory Branch ("AHA") is an employers' branch 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.
- 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

There were significant changes to the profit/loss for the year (2018 loss \$207,016; 2019 Profit \$14,974).

Increased membership fee income. By retaining membership fees in AHANT Branch this improved the income and reversed the recent annual trend of a deficit.

Increased chargebacks to AHANT Inc for extraordinary events the industry were faced with.

The significant changes to the financials were recognised in the budget endorsed for 2018/19.

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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For the Year Ended 30 June 2019

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 2019 to which this report relates, the number of members of the AHA was 150 including 4 Honorary Life members (146 are voting members);

As at 30 June 2019, the total number of employees employed by the reporting entity was 6;

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

Paul Palmer	President
Michael Burns	Senior Vice President
Frank Dalton	Vice President
Jason Hanna	Secretary
Penny Phillips	Treasurer
Justin Coleman	Board Member
Doug Sallis	Board Member
Russell Reid	Board Member
Matt Hewer	Board Member (appointed 8 May 2019)
Ray Loechel	Board Member
Ian McCormack	Board Member (appointed 8 May 2019)
Craig Jervis	Board Member
Jon Jenkins	Board Member
Amy McArdle	Board Member
Greg Targett	Board Member
David Robinson	Board Member (appointed 21 May 2019)
Joshua Aburrow-Newman	Board Member (appointed 29 August 2019)
Geoff Weeks	Resigned 8 May 2019 as Board Member
Kyle Pearson	Resigned 8 May 2019 as Board Member
Leah Sloan	Resigned 8 May 2019 as Board Member
John Tourish	Resigned 8 May 2019 as Board Member

Treasurer
Penny Phillips

Dated this 22nd day of October 2019

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2019

Committee of Management Statement

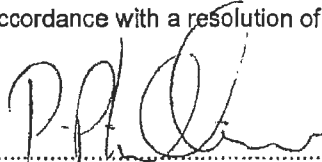
On 22 October 2019, the Committee of Management of the Australian Hotels Association Northern Territory Branch passed the following resolution in relation to the general purpose financial report ("GPFR") of the reporting unit for the financial year ended 30 June 2019:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Treasurer


Penny Phillips

Dated this 22nd day of October 2019

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2019

Statement of Comprehensive Income

	2019	2018
	\$	\$
Profit / (loss) for the year	14,974	(207,016)
Other comprehensive income:	-	-
Total comprehensive income / (loss) for the year	14,974	(207,016)

Statement of Profit or Loss

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For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue			
Grant or Donations	3	325,564	301,000
Membership subscriptions	3	169,643	19,707
Conference and Trade Expo	3	40,403	57,059
Corporate Sponsorship	3	235,303	221,185
Functions	3	160,504	186,971
Interest received	3	924	2,703
Other income	3	128,733	46,453
		<u>1,061,074</u>	<u>835,078</u>
Expenditure			
Accounting fees		2,477	4,461
Employee benefits expense	4	558,347	567,855
Depreciation		1,631	934
Conference/seminar costs		236,655	247,742
Rent		26,830	27,850
Insurance		5,765	7,695
Travel		48,888	38,469
Publications		27,019	30,976
Consulting and professional fees		39,862	10,342
Other expenses		98,626	34,845
		<u>1,046,100</u>	<u>1,042,094</u>
Profit / (loss) before tax		<u>14,974</u>	<u>(207,016)</u>
Income tax expense	1.23	-	-
Profit / (loss) for the year		<u>14,974</u>	<u>(207,016)</u>

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For the Year Ended 30 June 2019
Statement of Financial Position

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5A	140,402	251,557
Trade and other receivables	5B	146,865	294,228
TOTAL CURRENT ASSETS		287,267	545,785
NON-CURRENT ASSETS			
Property, plant and equipment	6	7,096	7,413
TOTAL NON-CURRENT ASSETS		7,096	7,413
TOTAL ASSETS		294,363	553,198
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7A	11,299	55,599
Other payables	7B	102,857	316,225
Short-term provisions	8A	24,006	40,147
TOTAL CURRENT LIABILITIES		138,162	411,971
TOTAL LIABILITIES		138,162	411,971
NET ASSETS		156,201	141,227

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For the Year Ended 30 June 2019
Statement of Changes in Equity

2019

	Retained Earnings \$	Total \$
Balance at 01 July 2018	141,227	141,227
Profit for the year	14,974	14,974
Balance at June 30, 2019	<u>156,201</u>	<u>156,201</u>

2018

	Retained Earnings \$	Total \$
Balance at 01 July 2017	348,243	348,243
Loss for the year	(207,016)	(207,016)
Balance at June 30, 2018	<u>141,227</u>	<u>141,227</u>

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For the Year Ended 30 June 2019

Statement of Cash Flows

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,207,513	579,290
Payments to suppliers	(748,302)	(443,368)
Payments to employees	(569,976)	(546,658)
Interest received	924	2,703
Net cash (used in) operating activities	9 <u>(109,841)</u>	<u>(408,033)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(1,314)</u>	<u>(4,538)</u>
Net cash (used in) investing activities	<u>(1,314)</u>	<u>(4,538)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (decrease) in cash and cash equivalents held	(111,155)	(412,571)
Cash and cash equivalents at beginning of year	251,557	664,128
Cash and cash equivalents at end of financial year	5 <u>140,402</u>	<u>251,557</u>

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For the Year Ended 30 June 2019

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 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.

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

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.

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.

Future Australian Accounting Standards Requirements

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact.

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For the Year Ended 30 June 2019

1.5 Investment in associates and joint arrangements

An associate is an entity over which the Australian Hotels Association Northern Territory Branch has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 *Non-current Asset Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Australian Hotels Association Northern Territory Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The net book value of assets and or liabilities transferred to Australian Hotels Association Northern Territory Branch for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009/a* restructure of the branches of the Australian Hotels Association Northern Territory Branch /a determination by the General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009/a* revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

The assets and liabilities are recognised as at the date of transfer.

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For the Year Ended 30 June 2019

1.7 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 loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established

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.

1.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Australian Hotels Association Northern Territory Branch 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 Northern Territory Branch 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 Northern Territory Branch 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 Northern Territory Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

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For the Year Ended 30 June 2019

1.9 Gains

Sale of assets

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

1.10 Capitation fees and levies

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

1.11 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 Northern Territory Branch 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.

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For the Year Ended 30 June 2019

1.12 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.

1.13 Borrowing costs

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

1.14 Cash

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

1.15 Financial instruments

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

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1.16 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Australian Hotels Association Northern Territory Branch business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Australian Hotels Association Northern Territory Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Australian Hotels Association Northern Territory Branch business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Australian Hotels Association Northern Territory Branch commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The Australian Hotels Association Northern Territory Branch measures financial assets at amortised cost if both of the following conditions are met:

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- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Australian Hotels Association Northern Territory Branch financial assets at amortised cost includes trade receivables and loans to related parties.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Australian Hotels Association Northern Territory Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Australian Hotels Association Northern Territory Branch has transferred substantially all the risks and rewards of the asset, or
 - b) the Australian Hotels Association Northern Territory Branch has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Australian Hotels Association Northern Territory Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Australian Hotels Association Northern Territory Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Australian Hotels Association Northern Territory Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Australian Hotels Association Northern Territory Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Australian Hotels Association Northern Territory Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Australian Hotels Association Northern Territory Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Australian Hotels Association Northern Territory Branch considers a financial asset in default when contractual payments are 90¹ days past due. However, in certain cases, the Australian Hotels Association Northern Territory Branch may also consider a financial asset to be in default when internal or external information indicates that the Australian Hotels Association Northern Territory Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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1.17 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Australian Hotels Association Northern Territory Branch's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.18 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.

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1.19 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.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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:

	2019	2018
Plant and equipment	15%	15%
Motor vehicles	20%	20%

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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.

1.20 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.21 Impairment of non-financial assets

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

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

1.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

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1.23 Taxation

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

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

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

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

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

1.24 Fair value measurement

The Australian Hotels Association Northern Territory Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, financial assets at fair value through OCI, 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 Northern Territory Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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1.24 Fair value measurement (continued)

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 Northern Territory Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

1.25 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.

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Note 2 Events after the reporting period

There were no events that occurred after 30 June 2019, 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.

Note 3 Income

	2019	2018
	\$	\$

Note 3A: Capitation fees*

Capitation fees	-	-
Total capitation fees	-	-

Note 3B: Levies*

Levies	-	-
Total levies	-	-

Note 3C: Investment income

Interest		
Deposits	-	-
Loans	924	2,703
Debt instruments at fair value through OCI	-	-
Dividends	-	-
Total investment income	924	2,703

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	2019	2018
	\$	\$
Note 3D: Rental revenue		
Properties	-	-
Other	-	-
Total rental revenue	<u>-</u>	<u>-</u>

Note 3E: Grants or donations[†]

Grants	325,564	301,000
Donations	-	-
Total grants or donations	<u>325,564</u>	<u>301,000</u>

Note 3F: Net gains from sale of assets

Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net gain from sale of assets	<u>-</u>	<u>-</u>

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Note 4 Expenses

	2019	2018
	\$	\$
Note 4A: Employee benefits expense		
Holders of office:		
- wages and salaries	-	-
- superannuation	-	-
- leave and other entitlements	-	-
- separation and redundancies	-	-
- other employee expenses	-	-
Subtotal employee expenses holders of office	-	-
Employees other than office holders		
- wages and salaries	517,187	497,654
- superannuation	49,133	46,628
- leave and other entitlements	(16,141)	(6,322)
- separation and redundancies	-	-
- other employee expenses	8,168	2,230
Subtotal employee expenses employees other than office holders	<u>558,347</u>	<u>567,855</u>
Total employee benefits expense	<u>558,347</u>	<u>567,855</u>

Note 4B: Capitation fees*

Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>

Note 4C: Affiliation fees*

Affiliation fees paid to National AHA	<u>9,859</u>	<u>9,859</u>
Total affiliation fees/subscriptions	<u>9,859</u>	<u>9,859</u>

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	2019	2018
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	236,655	247,742
Contractors/consultants	-	-
Property expenses	26,830	27,850
Office expenses	-	-
Information communications technology	-	-
Other	-	-
Subtotal administration expense	263,485	275,592
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	263,485	275,592

Note 4E: Grants or donations*

Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	-	-
Property, plant and equipment	1,631	934
Total depreciation	1,631	934
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	1,631	934

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	2019	2018
	\$	\$
Note 4G: Finance costs		
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	<u>-</u>	<u>-</u>
Note 4H: Legal costs*		
Litigation	-	-
Other legal matters	5,629	12,588
Total legal costs	<u>5,629</u>	<u>12,588</u>
Note 4I: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	<u>-</u>	<u>-</u>
Note 4J: Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	<u>-</u>	<u>-</u>
Note 4K: Other expenses		
Penalties - via RO Act or RO Regulations*	-	-
Total other expenses	<u>-</u>	<u>-</u>

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Note 5 Current Assets

5A Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash on hand	129	143
Cash at bank	140,273	251,414
Total cash and cash equivalents	140,402	251,557

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*

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

AHA National Office	-	-
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Total provision for doubtful debts	-	-
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Receivable from other reporting unit[s] (net)	-	-
--	----------	----------

Other receivables:

GST receivable	-	-
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Other trade receivables	146,865	294,228
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Total other receivables	146,865	294,228
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Total trade and other receivables (net)	146,865	294,228
--	----------------	----------------

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 30 June	-	-

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Note 6 Non-current Assets

Note 6A: Plant and equipment

	2019	2018
	\$	\$
Plant and equipment:		
at cost	91,709	90,395
accumulated depreciation	(84,613)	(82,982)
Total plant and equipment	7,096	7,413

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	90,395	85,857
Accumulated depreciation and impairment	(82,982)	(82,048)
Net book value 1 July	7,413	3,809
Additions:		
By purchase	1,314	4,538
Depreciation expense	(1,631)	(934)
Disposals:	-	-
Other	-	-
Depreciation on disposal	-	-
Net book value 30 June	7,096	7,413
Net book value as of 30 June represented by:		
Gross book value	91,709	90,395
Accumulated depreciation and impairment	(84,613)	(82,982)
Net book value 30 June	7,096	7,413

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Note 7 Current Liabilities

2019	2018
\$	\$

Note 7A: Trade payables

Trade creditors and accruals	<u>11,299</u>	<u>55,599</u>
Subtotal trade creditors and accruals	<u>11,299</u>	<u>55,599</u>
Payables to other reporting unit[s]*		
AHANT WA Branch	<u>-</u>	<u>-</u>
Subtotal payables to other reporting unit	<u>-</u>	<u>-</u>
Total trade payables	<u>11,299</u>	<u>55,599</u>

Settlement is usually made within 30 days.

Note 7B: Other payables

Superannuation	12,282	12,955
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	51,957	254,106
GST payable	10,539	18,130
Other	28,079	31,034
Total other payables	<u>102,857</u>	<u>316,225</u>

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Note 8 Provisions

	2019	2018
	\$	\$
Note 8A: Employee Provisions*		
Office Holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	-	-
Employees other than office holders:		
Annual leave	24,006	40,147
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	24,006	40,147
Total employee provisions	24,006	40,147
Current	-	-
Non Current	-	-
Total employee provisions	-	-

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Note 9 Cash Flow

2019	2018
\$	\$

Note 9A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:

Cash flow statement	140,402	251,557
Balance sheet	140,402	251,557
Difference	<u>-</u>	<u>-</u>

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

Profit/(deficit) for the year	14,974	(207,016)
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Adjustments for non-cash items

Depreciation/amortisation	1,631	934
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-

Changes in assets/liabilities

Decrease/(increase) in net receivables	147,363	(253,085)
(Increase)/decrease in prepayments	-	-
(Decrease)/increase in supplier payables	(44,300)	40,443
(Decrease) in other payables	(213,360)	(10,506)
(Decrease)/increase in employee provisions	(16,141)	21,197
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	<u>(109,841)</u>	<u>(408,033)</u>

Note 9B: Cash flow information*

Cash inflows

AHA National Office	-	-
Total cash inflows	<u>-</u>	<u>-</u>

Cash outflows

AHA National Office	9,559	9,559
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Total cash outflows

9,559

9,559

Note 10 Contingent Liabilities, Assets and Commitments

Note 10A: Commitments and Contingencies

Operating lease commitments—as lessee

Australian Hotels Association NT Branch Inc. leases a Ricoh photocopier. The remaining term is 1 year.

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

	2019	2018
	\$	\$
Within one year	1,350	1,246
After one year but not more than five years	-	1,350
More than five years	-	-

Capital commitments

At 30 June 2019 the entity has no commitments (2018: \$nil).

Finance lease commitments

-

-

Other contingent assets or liabilities

At 30 June 2019 the entity has no contingent assets or liabilities (2018: \$nil).

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11 Related Party Disclosures

Note 11A: Related Party Transactions for the Reporting Period

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

Revenue received from AHANT Inc	2019	2018
---------------------------------	------	------

includes the following:

Interest	-	-
Administration Fee	15,000	20,000

Expenses paid to AHANT Inc includes the following:

Rent	16,800	16,800
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Amounts owed by AHANT Inc include the following:

Accounts receivable	85,764	5,500
---------------------	--------	-------

Amounts owed to AHANT Inc include the following:

Trade Payables	-	41,124
Other Payables	-	460

Loans from AHANT Inc includes the following:

Loan	-	-
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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 year-end 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 2019, the Australian Hotels Association Northern Territory Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$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.

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

	2019	2018
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	195,530	269,062
Annual leave accrued	8,000	20,935
Performance bonus	-	-
Total short-term employee benefits	<u>203,530</u>	<u>289,997</u>
Post-employment benefits:		
Superannuation	18,576	25,561
Total post-employment benefits	<u>18,576</u>	<u>25,561</u>
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	-	-
Total	<u>222,106</u>	<u>315,558</u>

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Note 12 Remuneration of Auditors

	2019	2018
	\$	\$
Value of the services provided		
Financial statement audit services	10,630	9,550
Other services	-	-
Total remuneration of auditors	<u>10,630</u>	<u>9,550</u>

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

Note 13 Financial Instruments

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 branch'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:

Note 13A: Categories of Financial Instruments

	2019	2018
	\$	\$
Financial Assets		
Cash and cash equivalents	140,402	251,557
Trade receivables	146,865	294,228
Total	<u>287,267</u>	<u>545,785</u>
Carrying amount of financial assets	<u>287,267</u>	<u>545,785</u>
Financial Liabilities		
Trade and other payables	114,156	371,824
Total	<u>114,156</u>	<u>371,824</u>
Carrying amount of financial liabilities	<u>114,156</u>	<u>371,824</u>

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Note 13B: Net Income and Expense from Financial Assets

	2019	2018
	\$	\$
Held-to-maturity		
Interest revenue	924	2,703
Net gain/(loss) held-to-maturity	<u>924</u>	<u>2,703</u>
Loans and receivables		
Interest revenue	-	-
Net gain/(loss) from loans and receivables	<u>-</u>	<u>-</u>
Net gain/(loss) from financial assets	<u>924</u>	<u>2,703</u>

The net income from financial assets not at fair value from profit and loss is \$924 (2018: \$2,703).

Note 13C: Credit Risk

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

Financial assets		
Trade receivables	146,865	294,228
Other receivables	-	-
Total	146,865	294,228

	Trade and other receivables					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	65.2%	65.2%	23.7%	0%	11.1%	
Estimate total gross carrying amount at default	96,363	96,363	35,090	-	16,400	147,853
Expected credit loss			-	-	-	-

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30 June 2018	Trade and other receivables					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	-	281,631	9,725	1,792	1,080	294,228
Expected credit loss	-	-	-	-	-	-

Note 13D: Liquidity risk

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

The branch'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 branch 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 **branch** 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 2019

	On Demand	< 1 year	1- 2 years	2- 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	0	11,299	0	0	0	11,299
Other payables	0	102,857	0	0	0	102,857
Total	0	114,156	0	0	0	114,156

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Maturities for financial liabilities 2018

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	0	55,599	0	0	0	55,599
Other payables	0	316,225	0	0	0	316,225
Total	0	371,824	0	0	0	371,824

Note 13E: Market Risk

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

Interest rate risk

The branch 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% (2018: +0.5% and -0.5%). These changes are considered to be reasonably possible based on observations of current market conditions and economic reports.

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	Cash	+0.5%	702	702
Interest rate risk	Cash	-0.5%	(702)	(702)

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Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	Cash	+0.5%	1,258	1,258
Interest rate risk	Cash	-0.5%	(1,258)	(1,258)

Note 14 Fair Value Measurement

Note 14A: 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's financial assets and liabilities:

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial Assets				
Cash and cash equivalents	140,402	140,402	251,557	251,557
Trade and other receivables	146,865	146,865	294,228	294,228
Financial Liabilities				
Trade and other payables	114,156	114,156	371,824	371,824
Total	173,111	173,111	173,961	173,961

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Note 14B: 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 – Parent 30 June 2019

	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Cash and cash equivalents	140,402	-	-
Trade and other receivables	146,865	-	-
Total	287,267	-	-
Liabilities measured at fair value			
Trade and other payables	114,156	-	-
Total	114,156	-	-

Fair value hierarchy – 30 June 2018

	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Cash and cash equivalents	251,557	-	-
Trade and other receivables	294,228	-	-
Total	545,785	-	-
Liabilities measured at fair value			
Trade and other payables	371,824	-	-
Total	371,824	-	-

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For the Year Ended 30 June 2019

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

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

Information to be provided to members or Commissioner:

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

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Disclaimer

The additional financial data presented on page 49 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 2019. 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 PTY LTD

84 Smith Street

Darwin

Northern Territory 0800



PETER J HILL

Director

Registered Company Auditor

Registration number: AA2017/25

Dated this 23rd day of October 2019

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2019

Profit and Loss Account

Income	2019	2018
	\$	\$
Grants and Funding	325,564	301,000
Corporate sponsorship	235,303	221,185
Administration and management fees	169,643	19,707
Functions income - dinners and lunches	160,504	186,971
Other income	128,733	46,453
Conference and Trade Expo	40,403	57,059
Interest income	924	2,703
Total income	1,061,074	835,078
Less: Expenses		
Salaries - Employees	517,187	497,654
Conference/seminar costs	236,655	247,742
Superannuation contributions	49,132	46,628
Travel	48,888	30,976
Consulting and professional fees	29,233	34,845
Rent	26,830	27,850
Subscriptions	25,912	5,171
Sundry expenses	11,922	12,849
Magazine - Hospitality Outlook	11,661	10,342
Auditors remuneration	10,630	9,550
Publications	9,869	2,806
AHA National Affiliation fees and levies	9,859	9,859
Other Expenses	9,713	-
Entertainment	7,711	1,508
Telephone and fax	7,561	7,838
Computer expenses	7,436	3,334
Printing and stationery	6,711	3,268
Insurance	5,765	7,695
Workforce development expenses	4,513	38,469
Motor vehicle expenses	4,229	4,595
Workers compensation insurance	3,655	2,375
Electricity and water	3,587	4,086
Public relations	3,268	785
Cleaning	2,918	2,614
Accounting fees	2,476	4,461
Postage	1,852	1,073
Depreciation	1,631	934
Bank charges	1,437	1,589
Movement in leave provisions	(16,141)	21,198
Total Expenses	1,046,100	1,042,094
Profit / (loss) before income tax	14,974	(207,016)

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2019

OFFICER DECLARATION STATEMENT

I, Penny Phillips, being the designated officer of the Australian Hotels Association Northern Territory Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Treasurer
Penny Phillips

Dated this 22nd day of October 2019