



24 May 2017

Mr Steve Old
General Manager, Tasmanian Hospitality Association Branch
Australian Hotels Association

By email: steve@tha.asn.au

Dear Mr Old

**Re: Lodgement of Financial Statements and Accounts – Australian Hotels Association
Tasmanian Hospitality Association Branch - for year ended 30 June 2016 (FR2016/224)**

I refer to the financial report for the Tasmanian Hospitality Association Branch of the Australian Hotels Association. The report was lodged with the Fair Work Commission on 12 January 2017 and was transferred to the Registered Organisations Commission ('ROC') on 1 May 2017.

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

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.

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Documents must be lodged within 14 days of presentation to Meeting

Section 268 of the RO Act requires the full report and the designated officer's certificate to be lodged within 14 days of the meeting at which the full report is presented for the purposes of section 266. The Designated Officer's Certificate indicated that this meeting occurred on 6 December 2016. If this is correct the full report should have been lodged by no later than 20 December 2016. However, the report was not lodged until 12 January 2017.

Please note that section 268 is a civil penalty provision. If in future financial years the Branch anticipates that it cannot lodge within the prescribed time, a written request for an extension of time, signed by a relevant officer including any reason for the delay must be made prior to the expiry of the 14 day period.

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were less than \$1,000; and
- (iv) donations that exceeded \$1,000

As the Branch has acknowledged in its correspondence, Note 4(e) did not distinguish the donations in accordance with the above Reporting Guideline and incorrectly disclosed the total amount of donations as grants.

Reporting Requirements

On the ROC 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 ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at stephen.kellett@roc.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
Financial Reporting



Designated Officer's Certificate or other Authorised Officer
s268 Fair Work (Registered Organisations) Act 2009

I, Paul Jubb, being the President of the Australian Hotels Association Tasmanian Branch, certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was provided to members on Monday, 14 November 2016; and
- that the full report was presented to a general meeting of members of the reporting unit on Tuesday, 6 December 2016; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:

A handwritten signature in black ink, appearing to read 'P Jubb', written in a cursive style.

Paul Jubb

Date: 9 December 2016

From: KELLETT, Stephen
Sent: Thursday, 19 January 2017 1:49 PM
To: 'Nasonie Sullivan'
Subject: RE: 2016 Audited Financial Report

Dear Ms Sullivan

I refer to the 2016 financial report lodged on 12 January 2017. I have identified the following matters that will require advice or action before the report will be filed.

Missing document

(1) There was no Designated Officer certificate included in the document lodged. The certificate is required by section 268, and I attach a copy of the Branch's 2015 certificate for reference.

Non-compliance with previous request

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports (see letter from J Fenwick dated 8 Jan 16). I note that some of the same matters appeared in the 2016 report.

(1) The grants and donations expense disclosure at Note 4(e) did not correspond to the total of the disclosures made in the Statement of loans, grants and donations lodged on 30 September 2016 (see attached). There are two derivative issues:

- (i) The memo from Wise Lord Ferguson provided by the Branch on 15 February 2016 (see attached) considered the classification of the expenses as donations in the 2015 LGD statement correct. It referred to the allocation in the accounts as being 'slightly out'. This means the 2016 financial report appears to be able to be considered to have mis-stated the respective balances for grants and donations exceeding \$1,000 in the same way as the 2015 report.
- (ii) FWC would expect the total of amounts disclosed in a LGD statement should reconcile with the total figures exceeding \$1,000 in a related financial report. The reason for the difference between the total disclosed in the 2016 report and the total of the disclosures in the LGD statement is not apparent. The question whether particular expenses are properly classified as donations (or grants) in the first place arises. FWC would generally expect, for example, that grants and donations would not be payments in consideration for any good or service.

(2) The notice under section 272(5) was again included twice, at Note 1(o) and at Note 15. This is a cosmetic not a critical issue but was explicitly identified in Ms Fenwick's letter.

Action required

I request the following:

(a) A Designated Officer's certificate, certifying the relevant facts, namely compliance with sections 265 and 266.



Australian Hotels
Association
Tasmanian Branch
Financials
30 June 2016

Australian Hotels Association Tasmanian Branch
OPERATING REPORT
For the period ended 30 June 2016

The Committee of Management presents its report of the Australian Hotels Association Tasmanian Branch for the financial year ended 30 June 2016.

Principal activities

The principal activities of the Association during the financial year were:

- Provision of industrial support to members including advice on legal and legislative matters, contractual obligations and representation of state members. Administration of Federal awards, the variation of awards following major test cases;
- Representation of members on industry issues e.g. licensing law and penalty rate reviews;
- Media and Communications to members and to the broader community via media releases in support of campaigns, targeted publications including national magazines;
- Provision of information for members providing up to date material relevant to hotels;
- Organisation of events to members such as Awards for Excellence, Charity Fund Raising etc. in order to recognise their achievements and contribution to the community

It is noted that during the financial year the activities of the Association were suitably carried out. No significant change in the nature of these activities occurred during the year.

The loss from ordinary activities amounted to \$84,627 for the period ending 30 June 2016 (2015: profit \$26,368).

Financial Affairs

No significant changes were noted to the financial affairs of the Branch during the year.

Right to Resign

Resignation from membership and termination of eligibility for membership is regulated by Rule 17 of the Federal Rules.

A member may resign from membership of the Association by written notice addressed to and delivered to the treasurer of the Branch.

Superannuation Trustees/Directors

There are no members of the Committee of Management that are trustees or directors of a superannuation entity or an exempt public sector superannuation scheme.

Number of members

The Association had 417 members at the end of the reporting period (2015: 402).

Number of employees

The Association employed 13 staff, expressed as 10.00 FTE, as at 30 June 2016 (2015: 8 employees, expressed as 7.13 FTE).

Payments to employers

The Association did not make any payments during the financial year to employers as consideration for the employers making payroll deductions of membership subscriptions.

Australian Hotels Association Tasmanian Branch
OPERATING REPORT
For the period ended 30 June 2016

Names and positions of the Committee of Management for the financial year
1 July 2015 to 30 June 2016 were:

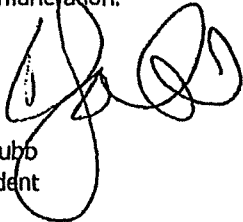
PRESIDENT

Paul Jubb

COMMITTEE OF MANAGEMENT

Mr Dominic Baker (*Vice President*)
Mr Frank Morgan (*Treasurer*)
Mr Michael Acquarola (*Councillor, North*)
Mr Nick Dakling (*Councillor, North*)
Mr Colin McGillivray (*Councillor, North*)
Mr Phillip Fuglsang (*Councillor, South*)
Mr Peter Scollard (*Councillor, South*) resigned 8/12/15
Mr Adrian Sampson (*Councillor, North West*)
Mr Angelo Fraraccio (*Councillor, South & Division President*)
Mr Rohan Birchmore (*Councillor, North*) resigned 10/9/15
Mr John Dabner (*Councillor, North West & Division President*)
Ms Shelly Richards (*Councillor, South*)
Mr Andrew Stack (*Councillor, South*) appointed 8/12/15

The councillors of the Committee of Management who held office during the financial year received no remuneration.



Paul Jubb
President

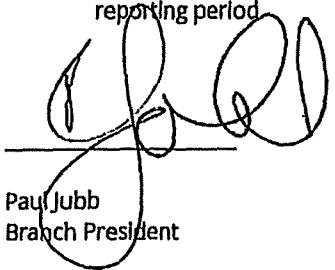
Dated: 10.11.2016

Australlian Hotels Association Tasmanian Branch
BRANCH EXECUTIVE DECLARATION
For the period ended 30 June 2016

On the 10/ 11 / 2016 the Branch Executive of the Australian Hotel Association Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2016:

The Branch Executive of the Association declares that in relation to the GPRF 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 of FWA;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Hotel Association Tasmanian Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Australian Hotel Association Tasmanian Branch will be able to pay its debt as and when they become due and payable;
- (e) during the financial year to which the GPRF 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 Australian Hotel Association Tasmanian Branch 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 Australian Hotel Association Tasmanian Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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


Paul Jubb
Branch President

Dated: 10.11.2016

Australian Hotels Association Tasmanian Branch
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2016

	Notes	2016 \$	2015 \$
Income	3	1,397,128	1,321,175
		<u>1,397,128</u>	<u>1,321,175</u>
Expenses			
Employee expenses	4(a)	814,569	653,345
Capitation fees	4(b)	22,662	18,493
Affiliation fees	4(c)	10,477	3,052
Administration expenses	4(d)	602,307	584,728
Grants or donations	4(e)	18,480	18,218
Depreciation and amortisation	4(f)	12,711	6,827
Legal costs	4(g)	-	9,657
Other expenses	4(h)	549	487
Total expenses		<u>1,481,755</u>	<u>1,294,807</u>
Profit/(Loss) for the year		<u>(84,627)</u>	<u>26,368</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(84,627)</u>	<u>26,368</u>

The accompanying notes form part of this Financial Report

Australian Hotels Association Tasmanian Branch
STATEMENT OF FINANCIAL POSITION
For the period ended 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5(a)	252,343	326,192
Trade and other receivables	5(b)	184,442	114,622
Inventory		2,480	915
Total Current Assets		439,265	441,729
Non-Current Assets			
Plant and equipment	6	40,103	41,538
Loan Tasmanian Hospitality Property Association		792,987	792,987
Total Non-Current Assets		833,090	834,525
Total Assets		1,272,355	1,276,254
LIABILITIES			
Current Liabilities			
Trade payables	7(a)	567,293	517,869
Other payables	7(b)	33,690	40,368
Employee provisions	8	91,002	31,381
Total Current Liabilities		691,985	589,618
Non-Current Liabilities			
Employee provisions	8	675	22,314
Total Non-Current Liabilities		675	22,314
Total Liabilities		692,660	611,932
Net Assets		579,695	664,322
EQUITY			
Retained profits	9(a)	579,695	664,322
Total Equity		579,695	664,322

The accompanying notes form part of this Financial Report

**Australian Hotels Association Tasmanian Branch
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2016**

	Retained Earnings	Total Equity
	\$	\$
Closing balance as at 30 June 2014	637,954	637,954
Profit for the year	26,368	26,368
Closing balance as at 30 June 2015	664,322	664,322
Profit for the year	(84,627)	(84,627)
Closing balance as at 30 June 2016	579,695	579,695

The accompanying notes form part of this Financial Report

Australian Hotels Association Tasmanian Branch
CASH FLOW STATEMENT
For the period ended 30 June 2016

	Notes	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and customers		1,146,749	1,191,722
Grants received		352,144	355,968
Interest		3,835	4,037
Cash used			
Suppliers and employees		<u>(1,565,301)</u>	<u>(1,329,711)</u>
Net cash from (used by) operating activities	10	<u>(62,573)</u>	<u>222,016</u>
 INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		<u>(11,276)</u>	<u>(32,334)</u>
Net cash from (used by) investing activities		<u>(11,276)</u>	<u>(32,334)</u>
 Net Increase (decrease) in cash held			
		(73,849)	189,682
Cash & cash equivalents at the beginning of the period		<u>326,192</u>	<u>136,510</u>
Cash & cash equivalents at the end of the period	5(a)	<u>252,343</u>	<u>326,192</u>

The accompanying notes form part of this Financial Report

Australian Hotels Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Hotel Association Tasmanian Branch is a not-for-profit entity. Disclosures made in the financial statement with zero values in both financial years are disclosed only due to the mandatory requirements of the Fair Work Commission.

The financial report covers the Australian Hotel Association Tasmanian Branch as an individual entity. The Australian Hotel Association Tasmanian Branch is a trade Association in Tasmania governed by the Fair Work (Registered Organisations) Act 2009.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at measured at fair value, as explained in the accounting policies below. Historical cost is 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.

Statement of Compliance

The financial report complies with Australian Accounting Standards, including International Financial Reporting Standards ('IFRS').

Comparative Amounts

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

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.

There are no new standards, amendments to standards or interpretations that were issued prior to sign off date that are expected to have a financial impact on the Association in the future reporting period.

Australian Hotels Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Plant and Equipment

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

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line or diminishing value basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of fixed assets	Depreciation Rate
Plant and Equipment	2.5 – 50% Straight Line or Diminishing Value

(b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on straight-line basis over the life of the term lease.

Australian Hotels Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Employee Benefits

Provision is made for the Associations' liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows required to settle the obligation.

(d) Cash and Cash Equivalents

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

(e) Revenue

Interest revenue is recognised as it accrues.

Membership revenue is recognised in income on a monthly basis over the 12 month period to which it relates.

Fundraising income and donations are recognised when received by the Association.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Trade and Other Receivables

Trade receivables, which generally have a 30-60 day term, are recognised initially at fair value, less an allowance for impairment.

The collectability of debts is assessed at balance date. A provision is raised against this balance to cover any accounts considered doubtful.

(h) Trade and Other Payables

Payables represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid. Payables are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, the amounts are unsecured and usually paid within 30 days from recognition.

Australian Hotels Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(j) Interest Bearing Liabilities

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains or losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

(k) Income Tax

The Association is exempt from income tax under Section 50-15 of the Income Tax Assessment Act.

(l) Inventory

Inventories are measured at lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

(m) Financial Instruments

Recognition

Financial Instruments are initially measured at cost, which includes transaction costs, when the related contractual rights or obligations are created. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expenses to the Income Statement.

Australian Hotels Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) New and Revised Accounting Standards and Interpretations

Certain new accounting standards and Australian Accounting Interpretations have been published that are not mandatory for the 30 June 2016 reporting period. The Committee of Management have given due consideration to new and revised standards and Interpretations issued by the AASB that are not yet effective and do not believe they will have any material impact on the financial statements.

(o) Information to be provided to Members or General Manager

In accordance with the requirement of the Fair Work (Registered Organisations) Act 2009, as amended, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of section 272 which reads as follows:

- (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).

(p) Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in note 8 where judgements have been made in relation to the value of employee entitlements.

NOTE 2 EVENTS AFTER THE REPORTING PERIOD

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

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

	2016	2015
	\$	\$
NOTE 3 REVENUE		
Revenue from Operating Activity		
Membership revenue	815,353	728,675
Commissions	22,660	65,109
Promotions – Awards for Excellence	122,716	93,480
Corporate sponsorship	-	3,763
THAT Foundation funding	28,489	25,989
Other functions	47,864	40,609
Total Revenue from Operating Activities	1,037,082	957,625
Revenues from Non-Operating Activities		
Interest revenue	3,835	4,037
Other	4,067	3,815
Grant Income	352,144	355,698
Total Revenues from Non-Operating Activities	360,046	363,550
Total Revenue	1,397,128	1,321,175

There has been no revenue received relating to capitation fees, donations or compulsory levies in the current or prior period which require disclosure in accordance with the Fair Work (Registered Organisations) Act 2009.

NOTE 4 EXPENSES

(a) Employee expenses		
Holders of office		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Executive expenses	-	-
Separation and redundancies	-	-
Subtotal employee expenses holders of office	-	-
Employees other than office holders		
Wages and salaries	708,825	587,826
Superannuation	64,990	52,662
Leave and other entitlements	20,550	1,835
Executive expenses	20,204	11,022
Separation and redundancies	-	-
Subtotal employee expenses other than office holders	814,569	653,345
Total employee expenses	814,569	653,345

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

	2016	2015
	\$	\$
NOTE 4 EXPENSES CONT.		
(b) Capitation fees		
Australian Hotels Association	22,662	18,493
Total capitation fees	22,662	18,493
(c) Affiliation fees		
Australian Hotels Association	10,477	3,052
Total affiliation fees	10,477	3,052
(d) Administration expenses		
Accounting services	4,788	4,560
Auditing services	10,009	7,727
Award for Excellence expenses	130,052	95,055
Bank charges	1,562	4,086
Client entertainment expenses	32,314	-
IT expense	3,429	6,934
DED Benchmarking expenses	-	2,821
Great Customer Experience expenses	11,082	-
Insurance	11,674	9,029
Meeting expense	1,450	825
Motor vehicle expenses	67,413	51,166
Other expenses	71,381	30,203
Other functions and events	72,559	59,708
Postage, printing & stationery	25,216	30,760
Property expenses	26,516	37,213
Publications	14,754	14,735
Skills Tasmania expenses	400	57,387
Strategic Planning Expenditure	59,238	44,510
Telephone and Internet	2,954	3,722
Training	2,253	82
Travel	22,186	19,454
THAT Foundation expenses	18,494	25,988
UTAS APIS expenses	-	68,240
Workforce Futures expenses	12,583	10,523
Fair Work Disclosures:		
Compulsory Levies	-	-
Fees/allowances – meeting and conferences	-	-
Total administration expenses	602,307	584,728

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

	2016	2015
	\$	\$
NOTE 4 EXPENSES CONT.		
(e) Grants and donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceed \$1,000	18,480	18,218
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceed \$1,000	-	-
Total grants and donations	18,480	18,218
(f) Depreciation and amortisation		
Plant and equipment	12,711	6,827
Total depreciation and amortisation	12,711	6,827
(g) Legal costs		
Legal and consulting fees	-	9,657
Total legal costs	-	9,657
(h) Other expenses		
Bad debts	549	487
Penalties – via RO Act or RO Regulations	-	-
Total other expenses	549	487
NOTE 5 CURRENT ASSETS		
(a) Cash and cash equivalents		
WBC trading account	3,249	15,887
WBC cash reserve	248,794	310,005
Cash on hand	300	300
Total cash and cash equivalents	252,343	326,192
(b) Trade and other receivables		
Trade debtors	147,211	103,116
Prepayments	28,334	11,506
Other receivables	8,897	-
Receivables from other reporting units	-	-
Total current receivables	184,442	114,622
Less provision for doubtful debts	-	-
Total current receivables (net)	184,442	114,622

Trade debtors are non-interest bearing and generally on 30 day terms.

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

	2016	2015
	\$	\$
NOTE 6 NON-CURRENT ASSETS		
Plant & equipment		
Plant & equipment at cost	111,245	99,969
Less provision for depreciation	(71,142)	(58,431)
Total plant & equipment	40,103	41,538
 <i>Reconciliation of the opening and closing balances of plant and equipment</i>		
Net book value 1 July	41,538	16,577
Additions	11,276	32,334
Disposals	-	(546)
Depreciation expense	(12,711)	(6,827)
Net book value 30 June	40,103	41,538

NOTE 7 CURRENT LIABILITIES

(a) Trade payables		
Trade creditors	13,058	53,241
Income received in advance	546,035	438,631
Accrued expenses	8,200	25,633
Payables to other reporting units	-	364
Total trade payables	567,293	517,869
 (b) Other payables		
Superannuation	-	3,340
GST payable	13,954	27,600
Consideration to employers for payroll deductions	-	468
PAYG withholding tax	19,736	8,960
Legal costs	-	-
Total other payables	33,690	40,368

Trade payables are non-interest bearing and are usually settled within 30 days. The Association has a credit card facility with a credit card limit of \$30,000.

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

	2016	2015
	\$	\$
NOTE 8 EMPLOYEE PROVISIONS		
Office holders		
Current		
Annual leave	-	-
Long service leave	-	-
	-	-
Non-Current		
Long service leave	-	-
	-	-
Employees other than office holders		
Current		
Annual leave	45,638	31,381
Long service leave	45,364	-
	91,002	31,381
Non-Current		
Long service leave	675	22,314
	675	22,314

There are no other provisions relating to redundancies or other liabilities for Office holders and other employees of the Association.

NOTE 9 EQUITY

(a) Retained Profits		
Balance at the beginning of the year	664,322	637,954
Net profit/(loss) attributable to members	(84,627)	26,368
	579,695	664,322

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 10 CASH FLOW RECONCILIATION

Profit for the year	(84,627)	26,368
Adjustments for non-cash items		
Depreciation	12,711	6,827
Loss on sale of plant and equipment	-	546
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(69,820)	103,761
(Increase)/decrease in inventory	(1,565)	(254)
Increase/(decrease) in trade payables	49,424	70,486
Increase/(decrease) in other payables	(6,678)	14,445
Increase/(decrease) in provisions	37,982	(163)
Net cash from (used by) operating activities	(62,573)	222,016

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 11 RELATED PARTY DISCLOSURES

The Australian Hotels Association – National is a related entity. Affiliation fees paid by the Australian Hotels Association – Tasmania Branch were on normal commercial terms. There were no loans during the year to Councillors of the Association or to the Councillors Related Entities.

The Branch Executive of the Australian Hotel Association Tasmanian Branch during the financial year were:

Mr Paul Jubb (*President*)
Mr Dominic Baker (*Vice President*)
Mr Frank Morgan (*Treasurer*)
Mr Michael Acquarola (*Councillor, North*)
Mr Nick Daking (*Councillor, North*)
Mr Colin McGilvary (*Councillor, North*)
Mr Philip Fuglsang (*Councillor, South*)
Mr Peter Scollard (*Councillor, South*) *resigned 8/12/15*
Mr Adrian Sampson (*Councillor, North West*)
Mr Angelo Fraraccio (*Councillor, South & Division President*)
Mr Rohan Birchmore (*Councillor, North*) *resigned 10/9/15*
Mr John Dabner (*Councillor, North West & Division President*)
Ms Shelly Richards (*Councillor, South*)
Mr Andrew Stack (*Councillor, South*) *appointed 8/12/15*

The councillors of the Committee of Management who held office during the financial year received no remuneration.

The following related party transactions occurred during the reporting period. All transaction were at normal commercial terms.

	2016	2015
	\$	\$
Customs Hotel	887	1,025
Rosevears Tavern	1,507	8,745
Grape	12	-
Starbar	3,037	-
Tall Timbers	1,241	-
RACT Strahan	1,467	-
Da Angelo	500	-
Gateway	3,992	-
Salamanca Inn	608	-
RACT Hobart	250	-

**Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016**

NOTE 11 RELATED PARTY DISCLOSURES CONT.

The following cash flows occurred between the Australian Hotels Association – Tasmanian Branch and other related reporting units for the period.

	2016	2015
	\$	\$
Net Cash flows (to)/from other reporting units		
Australian Hotels Association	-	-
Australian Hotels Association - ACT	(29,923)	(14,040)
Australian Hotels Association - SA	-	-
Australian Hotels Association - NSW	211	1,650
Australian Hotels Association - NT	-	-
Australian Hotels Association - VIC	1,591	1,650
Queensland Hotels Association	-	-
Australian Hotels Association - WA	(4,133)	(307)

NOTE 12 REMUNERATION OF AUDITORS

Value of the services provided by Wise Lord & Ferguson		
Audit service and financial statement preparation	9,570	9,200
Total remuneration of auditors	9,570	9,200

Other services relates to the preparation of the financial statements in the Fair Work Australia model financial statements format.

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 13 FINANCIAL INSTRUMENTS

The entity's principle financial assets comprise cash, trade debtors and loans whilst its principle financial liabilities comprise trade payables and Income received in advance.

The entity has exposure to the following risks from its use of financial instruments:

(a) Liquidity risk and maturity analysis

2016

	0-6 months	6-12 months	1-5 years	> 5 years	Total
Financial Assets:					
Cash and cash equivalents	252,343	-	-	-	252,343
Trade debtors and receivables from other reporting units	147,211	-	-	-	147,211
Loan to Tasmanian Hospitality Property Association	-	-	-	792,987	792,987
Total Financial Assets	399,554			792,987	1,192,541
Financial Liabilities:					
Trade creditors, accruals, other payables and payables to other reporting units	35,212	-	-	-	35,212
Total Financial Liabilities	35,212				35,212

2015

	0-6 months	6-12 months	1-5 years	> 5 years	Total
Financial Assets:					
Cash and cash equivalents	326,192	-	-	-	326,192
Trade debtors and receivables from other reporting units	103,116	-	-	-	103,116
Loan to Tasmanian Hospitality Property Association	-	-	-	792,987	792,987
Total Financial Assets	429,308			792,987	1,222,295
Financial Liabilities:					
Trade creditors, accruals, other payables and payables to other reporting units	106,838	-	-	-	106,838
Total Financial Liabilities	106,838				106,838

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 13 FINANCIAL INSTRUMENTS CONT.

(b) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The majority of the Association's financial assets are held in interest bearing assets that are expected to mature within three months or in financial assets that reset to the prevalent market interest rate on a monthly or quarterly basis. As a result the Association is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

An increase / (decrease) in interest rates of 1% will have a corresponding effect on revenue of \$2,523 (2015, \$3,262).

NOTE 14 ASSOCIATION DETAILS

The principal place of business of the Association is:

25/93 Salamanca Place
Hobart TAS 7000

NOTE 15 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

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

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

	2016	2015
	\$	\$
NOTE 16 CAPITAL AND LEASING COMMITMENTS		
Lease Expenditure Commitments		
Minimum lease payments not later than one year	47,286	47,286
Later than one year and not later than five years	31,723	79,811
Aggregate lease expenditure contracted at reporting date	79,009	127,097

The commitment relates to the Association's two motor vehicle leases which began in 2015. The motor vehicle lease from prior years has been fully expended.

NOTE 17 KEY MANAGEMENT PERSONNEL REMUNERATION

	Short-term employee benefits	Post- employment benefits	Long term benefits	Other	Total
2016					
Total Income paid or payable to all Executives of the Association	179,642	-	-	-	179,642
2015					
Total Income paid or payable to all Executives of the Association	160,100	-	-	-	160,100

NOTE 18 SEGMENT REPORTING

Australian Hotels Association – Tasmanian Branch operates in one geographical segment being Tasmania.

NOTE 19 EVENTS SUBSEQUENT TO REPORTING DATE

No significant subsequent events are noted

NOTE 20 RELIANCE AND PROVISION OF FINANCIAL SUPPORT

The Australian Hotels Association – Tasmanian Branch does not place any reliance on financial support from another reporting unit of the organisation to operate as a going concern. No financial report was received from another reporting unit during the financial period.

The Australian Hotels Association – Tasmanian Branch has not entered into any agreement to provide financial support to another reporting unit of the organisation to assist it to operate as a going concern.

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2016

NOTE 21 RECOVERY OF WAGES

There was no recovery of wages activity for the 2016 or 2015 financial year.

NOTE 22 ACQUISITION OF ASSETS AND LIABILITIES

There were no assets or liabilities acquired either during the 2015 or 2016 financial years as a result of a business combination or due to either a restructure, an amalgamation or from a determination or revocation of the General Manager under the *Fair Work (Register Organisations) Regulations*.

Independent auditor's report to the members of the Australian Hotels Association Tasmanian Branch

We have audited the accompanying financial report of the Australian Hotels Association Tasmanian Branch, which comprises the Statement of Financial Position as at 30 June 2016, and the 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, operating report and the Committee of Management declaration.

The Committee of Management's Responsibility for the Financial Report

The Association's Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and 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. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 and International Standards on Auditing. 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 met the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion:

- a) the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the *Fair Work (Registered Organisations) Act 2009*.
- b) there are reasonable grounds to believe that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.



J DOYLE
PARTNER
WISE LORD & FERGUSON
Registered Company Auditor Number 217468
Fellow of the Institute of Chartered Accountants in Australia
Holder of Public Practice Certificate

160 Collins Street
Hobart TAS 7001

Date: 10 November 2016