



21 December 2017

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

Sent via email

cc. Mr Bruno Palermo, Ms Joanne Doyle

Dear Mr Old

Re: – Australian Hotels Association, Tasmanian Hospitality Association - financial report for year ending 30 June 2017 (FR2017/172)

I refer to the financial report of the Tasmanian Hospitality Association Branch of the Australian Hotels Association. The documents were lodged with the Registered Organisations Commission ('the ROC') on 15 December 2017.

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

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next report. Please note the financial report for the period ending 30 June 2018 may be subject to an advanced compliance review.

Donations expense disclosure

For the second year in succession, a total figure for donations expense was disclosed as a total figure for grants. Advice subsequently received today indicated a correct breakdown of that figure into donations \$1,000 or less, and donations exceeding \$1,000.

Please ensure that next year's report correctly discloses donations expense by the category breakdown required by Reporting Guidelines 16(e)(iii) and (iv).

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires any payables in relation to legal costs to be disclosed by the categories "litigation" and "other legal matters". Note 7(b) discloses a liability of \$5,266 but does not distinguish based on the categories indicated above.¹

Please ensure that next year's report identifies legal cost disclosures by the appropriate category. The model financial statements illustrate this (please see attached).

¹ A similar category breakdown applies to legal costs *expense* disclosure, in accordance with reporting Guideline 16(j). The figure at Note 5(g) should also have distinguished between each category, as applicable.

New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*. A ['Guidance Note'](#) is available on the ROC website to help Registered Organisations understand the new auditing requirements.

Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. 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](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission



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 Tuesday 14th November 2017; and
- That the full report was presented to a general meeting of members of the reporting unit on Wednesday 13th December 2017; 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: 13th December 2017



Australian Hotels
Association
Tasmanian Branch
Financials
30 June 2017

Australian Hotels Association Tasmanian Branch
OPERATING REPORT
For the period ended 30 June 2017

The Committee of Management presents its report of the Australian Hotels Association Tasmanian Branch for the financial year ended 30 June 2017.

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 \$68,571 for the period ending 30 June 2017 (2016: loss \$84,627).

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 424 members at the end of the reporting period (2016: 417).

Number of employees

The Association employed 12 staff, expressed as 10.00 FTE, as at 30 June 2017 (2016: 13 employees, expressed as 10.00 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 2017**

**Names and positions of the Committee of Management for the financial year
1 July 2016 to 30 June 2017 were:**

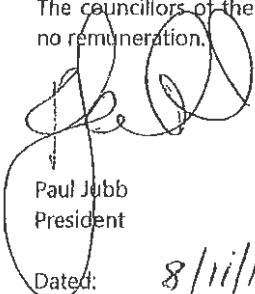
PRESIDENT

Paul Jubb

COMMITTEE OF MANAGEMENT

Mr Colin McGillivray (*Vice President*)
Mr Phil Fuglsang (*Treasurer*)
Mr Michael Acquarola (*Councillor, North*)
Mr John Dabner (*Councillor, North West & Division President*)
Mr Dominic Baker (*Councillor, South*)
Mr Angelo Fraraccio (*Councillor, South & Division President*)
Mr Martin Kelly (*Councillor, South*)
Mr Peter Scollard (*Councillor, South*)
Ms Shelly Richards (*Councillor, South*)
Mr Darren Brown (*Councillor, South*)
Ms Naomi Walsh (*Councillor, North*)
Mr Dave Gunton (*Councillor, South*)
Mr Frank Morgan (*resigned December 2016*)
Mr Nick Daking (*resigned March 2017*)
Mr Andrew Stack (*resigned March 2017*)
Mr Adrian Simpson (*resigned June 2017*)

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



Paul Jubb
President

Dated:

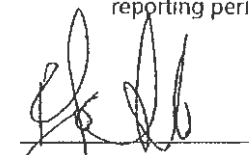
8/11/17

**Australian Hotels Association Tasmanian Branch
BRANCH EXECUTIVE DECLARATION
For the period ended 30 June 2017**

On the 25/7/2017 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 2017:

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: 8/11/17

Auditor's Independence Declaration to the Branch Executive of Australian Hotels Association

In relation to our audit of the financial report of Australian Hotels Association for the financial year ended 30 June 2017, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



JOANNE DOYLE
Partner
Wise Lord & Ferguson

Date: 8 November 2017

Australian Hotels Association Tasmanian Branch
 STATEMENT OF COMPREHENSIVE INCOME
 For the period ended 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|---|-------|------------------|------------------|
| Income | 3 | 1,504,388 | 1,397,128 |
| | | <u>1,504,388</u> | <u>1,397,128</u> |
| Expenses | | | |
| Employee expenses | 4(a) | 572,511 | 814,569 |
| Capitation fees | 4(b) | 22,808 | 22,662 |
| Affiliation fees | 4(c) | 3,133 | 10,477 |
| Administration expenses | 4(d) | 949,516 | 602,307 |
| Grants or donations | 4(e) | 5,005 | 18,480 |
| Depreciation and amortisation | 4(f) | 12,760 | 12,711 |
| Legal costs | 4(g) | 7,226 | - |
| Other expenses | 4(h) | - | 549 |
| Total expenses | | <u>1,572,959</u> | <u>1,481,755</u> |
| Profit/(Loss) for the year | | <u>(68,571)</u> | <u>(84,627)</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>(68,571)</u> | <u>(84,627)</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 2017

| | Notes | 2017 \$ | 2016 \$ |
|---|-------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5(a) | 336,177 | 252,343 |
| Trade and other receivables | 5(b) | 132,377 | 184,442 |
| Inventory | | 330 | 2,480 |
| Total Current Assets | | 468,884 | 439,265 |
| Non-Current Assets | | | |
| Plant and equipment | 6 | 33,947 | 40,103 |
| Loan Tasmanian Hospitality Property Association | | 793,092 | 792,987 |
| Total Non-Current Assets | | 827,039 | 833,090 |
| Total Assets | | 1,295,923 | 1,272,355 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade payables | 7(a) | 621,612 | 567,293 |
| Other payables | 7(b) | 58,083 | 33,690 |
| Employee provisions | 8 | 57,357 | 91,002 |
| Total Current Liabilities | | 737,052 | 691,985 |
| Non-Current Liabilities | | | |
| Employee provisions | 8 | 47,747 | 675 |
| Total Non-Current Liabilities | | 47,747 | 675 |
| Total Liabilities | | 784,799 | 692,660 |
| Net Assets | | 511,124 | 579,695 |
| EQUITY | | | |
| Retained profits | 9(a) | 511,124 | 579,695 |
| Total Equity | | 511,124 | 579,695 |

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 2017

| | Retained Profits | Total Equity |
|------------------------------------|------------------|----------------|
| | \$ | \$ |
| Closing balance as at 30 June 2015 | 664,322 | 664,322 |
| Profit / (loss) for the year | (84,627) | (84,627) |
| <hr/> | | |
| Closing balance as at 30 June 2016 | 579,695 | 579,695 |
| Profit / (loss) for the year | (68,571) | (68,571) |
| <hr/> | | |
| Closing balance as at 30 June 2017 | <u>511,124</u> | <u>511,124</u> |

The accompanying notes form part of this Financial Report

Australian Hotels Association Tasmanian Branch
CASH FLOW STATEMENT
For the period ended 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|--|-------|--------------------|--------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Receipts from members and customers | | 1,169,804 | 1,146,749 |
| Grants received | | 532,296 | 352,144 |
| Interest | | 1,505 | 3,835 |
| Cash used | | | |
| Suppliers and employees | | <u>(1,613,062)</u> | <u>(1,565,301)</u> |
| Net cash from / (used by) operating activities | 10 | <u>90,543</u> | <u>(62,573)</u> |
| INVESTING ACTIVITIES | | | |
| Cash used | | | |
| Purchase of plant and equipment | | (6,604) | (11,276) |
| Loan / (increase to Tasmanian Hospitality Property Association | | <u>(105)</u> | <u>-</u> |
| Net cash from / (used by) investing activities | | <u>(6,709)</u> | <u>(11,276)</u> |
| Net increase / (decrease) in cash held | | | |
| Cash & cash equivalents at the beginning of the period | | | |
| | | <u>252,343</u> | <u>326,192</u> |
| Cash & cash equivalents at the end of the period | 5(a) | <u>336,177</u> | <u>252,343</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 2017

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 historical cost, except for certain assets and liabilities 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.

Certain new accounting standards and Australian Accounting Interpretations have been published that are not mandatory for the 30 June 2017 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.

Australian Hotels Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2017

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 Committee of Management 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 a 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 2017

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 Statement of Financial Position 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 2017

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 1997*.

(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 expensed to the Statement of Comprehensive Income.

Australian Hotels Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2017

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

(n) 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).

(o) 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 2017, 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 2017

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| NOTE 3 REVENUE | | |
| Revenue from Operating Activity | | |
| Membership revenue | 755,649 | 815,353 |
| Commissions | 1,999 | 22,660 |
| Promotions – Awards for Excellence | 128,692 | 122,716 |
| THAT Foundation funding | 38,482 | 28,489 |
| Other functions | 43,254 | 47,864 |
| Total Revenue from Operating Activities | 968,076 | 1,037,082 |
| Revenues from Non-Operating Activities | | |
| Interest revenue | 1,505 | 3,835 |
| Other | 2,511 | 4,067 |
| Grant income | 532,296 | 352,144 |
| Total Revenues from Non-Operating Activities | 536,312 | 360,046 |
| Total Revenue | 1,504,388 | 1,397,128 |

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 | 499,263 | 708,825 |
| Superannuation | 45,169 | 64,990 |
| Leave and other entitlements | 14,335 | 20,550 |
| Executive expenses | 13,744 | 20,204 |
| Separation and redundancies | - | - |
| Subtotal Employee Expenses Other than Office Holders | 572,511 | 814,569 |
| Total Employee Expenses | 572,511 | 814,569 |

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2017

| | 2017 | 2016 |
|---|----------------|----------------|
| | \$ | \$ |
| NOTE 4 EXPENSES CONT. | | |
| (b) Capitation Fees | | |
| Australian Hotels Association | 22,808 | 22,662 |
| Total Capitation Fees | 22,808 | 22,662 |
| (c) Affiliation Fees | | |
| Australian Hotels Association | 3,133 | 10,477 |
| Total Affiliation Fees | 3,133 | 10,477 |
| (d) Administration Expenses | | |
| Accounting services | 12,335 | 4,788 |
| Auditing services | 10,750 | 10,009 |
| Award for Excellence expenses | 131,241 | 130,052 |
| Bank charges | 2,866 | 1,562 |
| Client entertainment expenses | 24,624 | 32,314 |
| IT expense | 7,762 | 3,429 |
| Great Customer Experience expenses | 117,425 | 11,082 |
| Insurance | 10,458 | 11,674 |
| Meeting expense | 947 | 1,450 |
| Motor vehicle expenses | 39,595 | 67,413 |
| Other expenses | 84,819 | 71,381 |
| Other functions and events | 66,339 | 72,559 |
| Postage, printing & stationery | 12,189 | 25,216 |
| Property expenses | 23,302 | 26,516 |
| Publications | 4,868 | 14,754 |
| Skills Tasmania expenses | - | 400 |
| Strategic planning expenditure | 265,194 | 59,238 |
| Telephone and internet | 1,636 | 2,954 |
| Training | 572 | 2,253 |
| Travel | 20,978 | 22,186 |
| THAT Foundation expenses | 16,563 | 18,494 |
| Workforce Futures expenses | 95,053 | 12,583 |
| Fair Work Disclosures: | | |
| Compulsory levies | - | - |
| Fees/allowances – meeting and conferences | - | - |
| Total Administration Expenses | 949,516 | 602,307 |

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2017

| | 2017 | 2016 |
|--|----------------|----------------|
| | \$ | \$ |
| NOTE 4 EXPENSES CONT. | | |
| (e) Grants and Donations | | |
| Grants: | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceed \$1,000 | 5,005 | 18,480 |
| Donations: | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceed \$1,000 | - | - |
| Total Grants and Donations | 5,005 | 18,480 |
| (f) Depreciation and Amortisation | | |
| Plant and equipment | 12,760 | 12,711 |
| Total Depreciation and Amortisation | 12,760 | 12,711 |
| (g) Legal Costs | | |
| Legal and consulting fees | 7,226 | - |
| Total Legal Costs | 7,226 | - |
| (h) Other Expenses | | |
| Bad debts | - | 549 |
| Penalties – via RO Act or RO Regulations | - | - |
| Total Other Expenses | - | 549 |
| NOTE 5 CURRENT ASSETS | | |
| (a) Cash and Cash Equivalents | | |
| WBC trading account | 205,822 | 3,249 |
| WBC cash reserve | 130,145 | 248,794 |
| Cash on hand | 210 | 300 |
| Total Cash and Cash Equivalents | 336,177 | 252,343 |
| (b) Trade and Other Receivables | | |
| Trade debtors | 118,903 | 147,211 |
| Prepayments | 13,118 | 28,334 |
| Other receivables | 356 | 8,897 |
| Receivables from other reporting units | - | - |
| Total Trade and Other Receivables | 132,377 | 184,442 |
| Less provision for doubtful debts | - | - |
| Total Trade and Other Receivables (net) | 132,377 | 184,442 |

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 2017

| | 2017 | 2016 |
|--|---------------|---------------|
| | \$ | \$ |
| NOTE 6 NON-CURRENT ASSETS | | |
| Plant & Equipment | | |
| Plant & equipment at cost | 117,849 | 111,245 |
| Less provision for depreciation | (83,902) | (71,142) |
| Total Plant & Equipment | 33,947 | 40,103 |
| <i>Reconciliation of the opening and closing balances of plant and equipment</i> | | |
| Net Book Value 1 July | 40,103 | 41,538 |
| Additions | 6,604 | 11,276 |
| Disposals | - | - |
| Depreciation expense | (12,760) | (12,711) |
| Net Book Value 30 June | 33,947 | 40,103 |

NOTE 7 CURRENT LIABILITIES

| | | |
|-----------------------------------|----------------|----------------|
| (a) Trade Payables | | |
| Trade creditors | 72,806 | 13,058 |
| Income received in advance | 541,390 | 546,035 |
| Accrued expenses | 7,416 | 8,200 |
| Payables to other reporting units | - | - |
| Total Trade Payables | 621,622 | 567,293 |

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.

| | | |
|---|---------------|---------------|
| (b) Other Payables | | |
| GST payable | 18,673 | 13,954 |
| Consideration to employers for payroll deductions | - | - |
| PAYG withholding tax | 34,144 | 19,736 |
| Legal costs | 5,266 | - |
| Total Other Payables | 58,083 | 33,690 |

Australian Hotel Association Tasmanian Branch
 NOTES TO THE FINANCIAL STATEMENTS
 For the period ended 30 June 2017

| | 2017 | 2016 |
|--|--------|--------|
| | \$ | \$ |
| NOTE 8 EMPLOYEE PROVISIONS | | |
| Office Holders | | |
| Current | | |
| Annual leave | - | - |
| Long service leave | - | - |
| | <hr/> | <hr/> |
| | - | - |
| Non-Current | | |
| Long service leave | - | - |
| | <hr/> | <hr/> |
| | - | - |
| Employees Other than Office Holders | | |
| Current | | |
| Annual leave | 57,357 | 45,638 |
| Long service leave | - | 45,364 |
| | <hr/> | <hr/> |
| | 57,357 | 91,002 |
| Non-Current | | |
| Long service leave | 47,747 | 675 |
| | <hr/> | <hr/> |
| | 47,747 | 675 |

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 | 579,695 | 664,322 |
| Net profit/(loss) attributable to members | (68,571) | (84,627) |
| | <hr/> | <hr/> |
| Balance at End of Year | 511,124 | 579,695 |

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2017

| | 2017 | 2016 |
|--|----------|----------|
| | \$ | \$ |
| NOTE 10 CASH FLOW RECONCILIATION | | |
| Profit for the Year | (68,571) | (84,627) |
| Adjustments for Non-Cash Items | | |
| Depreciation | 12,760 | 12,711 |
| Changes in Assets and Liabilities | | |
| (Increase) / decrease in trade and other receivables | 52,065 | (69,820) |
| (Increase) / decrease in inventory | 2,150 | (1,565) |
| Increase / (decrease) in trade payables | 54,319 | 49,424 |
| Increase / (decrease) in other payables | 24,393 | (6,678) |
| Increase / (decrease) in provisions | 13,427 | 37,982 |
| Net Cash from / (used by) Operating Activities | 90,543 | (62,573) |

Australian Hotel Association Tasmanian Branch
 NOTES TO THE FINANCIAL STATEMENTS
 For the period ended 30 June 2017

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 Colin McGilivray (*Vice President*)
- Mr Philip Fuglsang (*Treasurer*)
- Mr Michael Acquarola (*Councillor, North*)
- Mr John Dabner (*Councillor, North West & Division President*)
- Mr Dominic Baker (*Vice President*)
- Mr Angelo Fraraccio (*Councillor, South & Division President*)
- Mr Martin Kelly (*Councillor, South*)
- Mr Peter Scollard (*Councillor, South*)
- Ms Shelly Richards (*Councillor, South*)
- Mr Darren Brown (*Councillor, South*)
- Ms Naomi Walsh (*Councillor, North*)
- Mr Dave Gunton (*Councillor, South*)
- Mr Frank Morgan (resigned December 2016)
- Mr Nick Daking (resigned March 2017)
- Mr Andrew Stack (resigned March 2017)
- Mr Adrian Simpson (resigned June 2017)

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 transactions were at normal commercial terms.

| | 2017 | 2016 |
|------------------|-------|-------|
| | \$ | \$ |
| Customs Hotel | 1,183 | 887 |
| Rosevears Tavern | 555 | 1,507 |
| Grape | 672 | 12 |
| Starbar | 672 | 3,037 |
| Tall Timbers | 2,035 | 1,241 |
| RACT Strahan | - | 1,467 |
| Da Angelo | 555 | 500 |
| Gateway | 1,200 | 3,992 |
| Salamanca Inn | 1,927 | 608 |
| RACT Hobart | - | 250 |

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2017

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.

| | 2017 | 2016 |
|--|----------|----------|
| | \$ | \$ |
| Net Cash Flows (to) / from Other Reporting Units | | |
| Australian Hotels Association | - | - |
| Australian Hotels Association – ACT | (24,137) | (29,923) |
| Australian Hotels Association – SA | - | - |
| Australian Hotels Association – NSW | - | 211 |
| Australian Hotels Association – NT | - | - |
| Australian Hotels Association – VIC | 1,636 | 1,591 |
| Queensland Hotels Association | - | - |
| Australian Hotels Association – WA | (4,546) | (4,133) |

NOTE 12 REMUNERATION OF AUDITORS

| | | |
|---|--------------|--------------|
| Value of the Services Provided by WLF Accounting & Advisory | | |
| Audit service and financial statement preparation | 9,950 | 9,570 |
| Total Remuneration of Auditors | <u>9,950</u> | <u>9,570</u> |

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 2017

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

2017

| | 0-6 months | 6-12 months | 1-5 years | > 5 years | Total |
|---|----------------|----------------|--------------|----------------|------------------|
| Financial Assets: | | | | | |
| Cash and cash equivalents | 336,177 | - | - | - | 336,177 |
| Trade debtors and receivables from other reporting units | 118,903 | - | - | - | 118,903 |
| Loan to Tasmanian Hospitality Property Association | - | - | - | 793,092 | 793,092 |
| Total Financial Assets | 455,080 | - | - | 793,092 | 1,248,172 |
| Financial Liabilities: | | | | | |
| Trade creditors, accruals, other payables and payables to other reporting units | 117,911 | - | - | - | 117,911 |
| Total Financial Liabilities | 117,911 | - | - | - | 117,911 |

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 |

Australian Hotel Association Tasmanian Branch
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2017

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 \$3,362 (2016: \$2,523).

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 2017

| | 2017 | 2016 |
|--|---------|--------|
| | \$ | \$ |
| NOTE 16 CAPITAL AND LEASING COMMITMENTS | | |
| Lease Expenditure Commitments | | |
| Minimum lease payments not later than one year | 41,174 | 47,286 |
| Later than one year and not later than five years | 130,091 | 31,723 |
| Aggregate lease expenditure contracted at reporting date | 171,265 | 79,009 |

The commitment relates to the Association's four motor vehicle leases which began in 2016 and 2017.

NOTE 17 KEY MANAGEMENT PERSONNEL REMUNERATION

| | Short-term employee benefits | Post- employment benefits | Long term benefits | Other | Total |
|---|------------------------------------|---------------------------------|-----------------------|-------|---------|
| 2017 | | | | | |
| Total Income paid or payable to all Executives of the Association | 180,100 | - | - | - | 180,100 |
| 2016 | | | | | |
| Total Income paid or payable to all Executives of the Association | 179,642 | - | - | - | 179,642 |

NOTE 18 SEGMENT REPORTING

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

NOTE 19 EVENTS SUBSEQUENT TO REPORTING DATE

The Committee of Management are not aware of any significant events since the end of the reporting period.

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 2017

NOTE 21 RECOVERY OF WAGES

There was no recovery of wages activity for the 2016 or 2017 financial year.

NOTE 22 ACQUISITION OF ASSETS AND LIABILITIES

There were no assets or liabilities acquired either during the 2016 or 2017 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 2017, 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.

Liability limited by a scheme approved under Professional Standards Legislation.



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.



JOANNE DOYLE

Partner

Wise Lord & Ferguson

Registered Company Auditor Number 217468

Fellow of the Institute of Chartered Accountants in Australia and New Zealand

Holder of Public Practice Certificate

160 Collins Street

Hobart TAS 7001

Date: 8 November 2017