



17 February 2020

Mr Paul Jubb
President, Tasmanian Hospitality Association
Australian Hotels Association

Dear President

Re: – Australian Hotels Association, Tasmanian Hospitality Association - financial report for year ending 30 June 2019 (FR2019/189)

I refer to the financial report of the Australian Hotels Association, Tasmanian Hospitality Association. The documents were lodged with the Registered Organisations Commission (ROC) on 16 December 2019.

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

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

Officer's declaration statement – to include nil activity disclosures not elsewhere disclosed

Item 21 of the reporting guidelines states that if any activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement included nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes, with the exception of the following (i.e. which were not duplicated):

- RG14(h) - pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- RG17(b) - transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- RG19 - have another entity administer the financial affairs of the reporting unit

Please note that nil activities only need to be disclosed once.

Nil activity disclosure inconsistency

The following nil activity disclosure in the officer's declaration statement was not consistent with information elsewhere disclosed in the notes:

- RG14(c) - incur expenses due to holding a meeting as required under the rules of the organisation [compare \$2,178 meeting expenses at Note 4(d)]

Nil activity disclosure – general fund

The officer declaration statement included a nil activity disclosure in respect of reporting guideline RG 17(d) – have a balance within the general fund. Having regard to the definition of general fund in the glossary on page 11/13 of the reporting guidelines, it would appear that the equity of \$539,751 is the balance of the general fund and no nil activity disclosure was applicable.

Difference in figure reporting in LGD statement and financial report

The figure for donations that exceeded \$1,000 disclosed in the financial report differed from the total of the amounts disclosed in the loans, grants and donations statement lodged on 20 September 2019. Advice received confirmed that the difference was due to the latter amounts being inclusive of GST. Future loans, grants and donations statements should disclose the relevant amounts exclusive of GST consistently with the financial report.

Reporting Requirements

The ROC website provides several factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

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

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission



TASMANIAN HOSPITALITY ASSOCIATION

25/93 Salamanca Place, Hobart TAS 7000 T: 03 6220 7300 F: 03 6220 7317

PO Box 191, Battery Point TAS 7004

E: enquiries@tha.asn.au W: www.tha.asn.au

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 15th November 2019; and
- That the full report was presented to a general meeting of members of the reporting unit on 10th December 2019; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:

A handwritten signature in black ink that reads 'P Jubb'.

Paul Jubb

Date: 10th December, 2019

INDEPENDENT AUDITOR'S REPORT

Members of the Australian Hotels Association Tasmanian Branch

Report on the Audit of the Financial Report

Opinion

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

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

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

Basis for Opinion

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

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

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

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

Liability limited by a scheme approved under Professional Standards Legislation.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.

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

I declare that I am an auditor registered under the RO Act.



JOANNE DOYLE

Partner

Wise Lord & Ferguson

Fellow of Institute of Chartered Accountants Australia & New Zealand CAANZ

Registered Company Auditor: 217468

Registered Organisation Auditor no. AA2017/121

Holder of Public Practice Certificate

1/160 Collins Street

HOBART TAS 7000

Date: 15 November 2019

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

In relation to our audit of the financial report of the Australian Hotels Association Tasmanian Branch for the financial year ended 30 June 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements as set out in the *Fair Work (Registered Organisations) Act 2009*; and any applicable code of professional conduct.



JOANNE DOYLE

Partner

Wise Lord & Ferguson

Chartered Accountants

1/160 Collins Street
HOBART TAS 7000

Dated: 15 November 2019



Australian Hotels
Association Tasmanian
Branch
Financial Statements
30 June 2019

Australian Hotels Association Tasmanian Branch

OPERATING REPORT

For the period ended 30 June 2019

The Committee of Management presents its report on the Australian Hotels Association Tasmanian Branch for the financial year ended 30 June 2019.

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; and
- 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 profit from ordinary activities amounted to \$33,075 for the year ended 30 June 2019 (2018: loss \$4,448).

Financial Affairs

No significant changes were noted to the financial affairs of the Association 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 Secretary of the Branch to which the member is attached.

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.

Australian Hotels Association Tasmanian Branch

OPERATING REPORT

For the period ended 30 June 2019

Number of members

The Association had 419 members at the end of the reporting period (2018: 397).

Number of employees

The Association employed 15 staff, expressed as 13.00 FTE, as at 30 June 2019 (2018: 12 employees, expressed as 11.00 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.

Names of committee of management members and period positions held during the financial year

Names and positions of the Committee of Management for the financial year 1 July 2018 to 30 June 2019 were:

BRANCH PRESIDENT

JUBB, Paul

COMMITTEE OF MANAGEMENT

KELLY, Martin (Vice President) (Appointed 3/12/2018 AGM)

FUGLSANG, Philip (Treasurer)

BURT, Margaret (Councillor, North)

DABNER, John (Councillor, North West & Division President)

BAKER, Dominic (Councillor, South)

BROWN, Darren (Councillor, South) (Appointed 3/12/2018 AGM)

FRARACCIO, Angelo (Councillor, South & Division President)

RICHARDS, Shelley (Councillor, South)

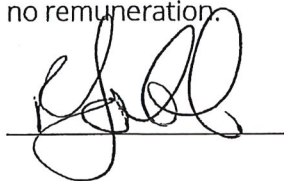
CARPENTER, Ben (Councillor, North West) (Appointed 3/12/2018 AGM)

WALSH, Naomi (Councillor, North) (Ceased 15/02/2019)

MCGILLIVRAY, Colin (Councillor, North) (Ceased 15/02/2019)

JACOBS, Julian (Councillor, North West) (Ceased 15/02/2019)

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



Paul Jubb
Branch President

Dated: 15.11.19

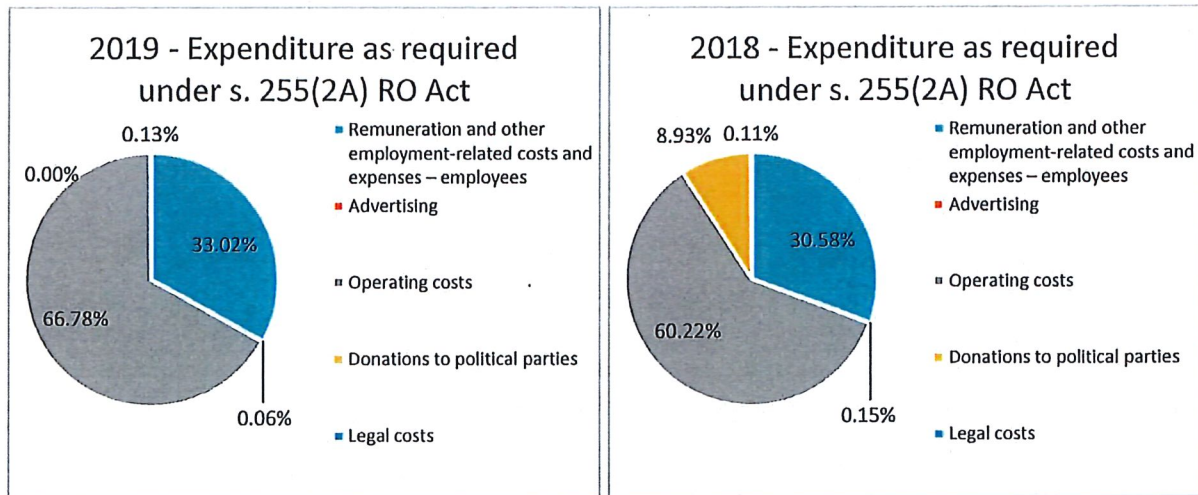
Australian Hotels Association Tasmanian Branch


SUBSECTION 255(2A) REPORT

For the period ended 30 June 2019

The Branch Executive presents the expenditure report as required under subsection 255(2A) of the Australian Hotels Association Tasmanian Branch for the financial year ended 30 June 2019.

	2019 \$	2018 \$
Categories of expenditures		
Remuneration and other employment-related costs and expenses – employees	739,557	905,996
Advertising	1,316	4,506
Operating costs	1,495,606	1,783,985
Donations to political parties	-	264,398
Legal Costs	2,989	138
	2,239,468	2,959,023




 Paul Jubb
 Branch President

Dated: 15.11.19

Australian Hotels Association Tasmanian Branch

OFFICER DECLARATION STATEMENT

For the period ended 30 June 2019

I, Paul Jubb, being the Branch President of the Australian Hotels Association Tasmanian Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- pay affiliation fees to other entity
- pay compulsory levies
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office

Australian Hotels Association Tasmanian Branch

OFFICER DECLARATION STATEMENT

For the period ended 30 June 2019

- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer: 

Dated: 15.11.19

Australian Hotels Association Tasmanian Branch

BRANCH EXECUTIVE DECLARATION

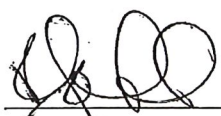
For the period ended 30 June 2019

On the 15 / 11 / 2019 the Branch Executive of the Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The Branch Executive of the Association declares that in its opinion:

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

This declaration is made in accordance with a resolution of the committee of management.



Paul Jubb
Branch President

Dated: 15.11.19

Australian Hotels Association Tasmanian Branch

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue	3	<u>2,322,813</u>	<u>3,008,084</u>
Expenses			
Employee expenses	4(a)	739,557	905,996
Capitation fees and other expense paid to another reporting unit	4(b)	22,258	27,421
Affiliation fees	4(c)	300	300
Administration expenses	4(d)	1,495,606	1,783,985
Grants or donations	4(e)	16,345	284,342
Depreciation and amortisation	4(f)	12,683	10,350
Legal costs	4(g)	2,989	138
Other expenses	4(h)	-	-
Total expenses		<u>2,289,738</u>	<u>3,012,532</u>
Surplus / (deficit) for the year		<u>33,075</u>	<u>(4,448)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>33,075</u></u>	<u><u>(4,448)</u></u>

The accompanying notes form part of these financial statements.

Australian Hotels Association Tasmanian Branch

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5(a)	616,665	228,941
Trade and other receivables	5(b)	267,040	350,508
Inventory		1,067	1,916
Total current assets		884,772	581,365
Non-Current Assets			
Plant and equipment	6(a)	29,616	30,989
Loan to Tasmanian Hospitality Property Association		793,092	793,092
Total non-current assets		822,708	824,081
Total assets		1,707,480	1,405,446
LIABILITIES			
Current Liabilities			
Trade payables	7(a)	945,706	656,814
Other payables	7(b)	106,367	121,920
Employee provisions	8	108,301	117,349
Total current liabilities		1,160,374	896,083
Non-Current Liabilities			
Employee provisions	8	7,355	2,687
Total non-current liabilities		7,355	2,687
Total liabilities		1,167,729	898,770
Net assets		539,751	506,676
EQUITY			
Retained profits	9(a)	539,751	506,676
Total equity		539,751	506,676

The accompanying notes form part of these financial statements.

Australian Hotels Association Tasmanian Branch

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2019

	Retained Earnings \$	Total Equity \$
Closing Balance as at 30 June 2017	511,124	511,124
Surplus / (deficit) for the year	(4,448)	(4,448)
	<hr/>	<hr/>
Closing balance as at 30 June 2018	506,676	506,676
Surplus / (deficit) for the year	33,075	33,075
	<hr/>	<hr/>
Closing balance as at 30 June 2019	539,751	539,751

The accompanying notes form part of these financial statements.

Australian Hotels Association Tasmanian Branch

STATEMENT OF CASH FLOWS

For the period ended 30 June 2019

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and customers		1,321,474	2,197,945
Grants received		1,391,891	694,097
Interest income		1,177	546
Cash used			
Suppliers and employees		(2,315,508)	(2,992,432)
Net cash from / (used by) operating activities	10	<u>399,034</u>	<u>(99,844)</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		<u>(11,310)</u>	<u>(7,392)</u>
Net cash from / (used by) investing activities		<u>(11,310)</u>	<u>(7,392)</u>
Net increase / (decrease) in cash held		<u>387,724</u>	<u>(107,236)</u>
Cash and cash equivalents at the beginning of the period		<u>228,941</u>	<u>336,177</u>
Cash and cash equivalents at the end of the period	5(a)	<u>616,665</u>	<u>228,941</u>

The accompanying notes form part of these financial statements.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Hotels Association Tasmanian Branch is a not-for-profit entity. Disclosures made in the financial statements with zero values in both financial years are disclosed only due to the mandatory requirements of the Registered Organisations Commission.

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

The financial statements have been prepared on an accrual basis and are based on 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.

(b) Comparative Amounts

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

(c) Accounting Judgements and Estimates

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.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) 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.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Association include:

AASB 16 Leases (AASB 16)

AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Association plans to adopt AASB 16 on the required effective date 1 July 2019 using the modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments).

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) New Australian Accounting Standards (continued)

The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

During the financial year ended 30 June 2019, the Association performed a preliminary assessment of AASB 16.

The Association's preliminary assessment has indicated that a number of leases will be brought on to the balance sheet at 1 July 2019. Application of the Standard is not expected to create a material change to the financial statements.

AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

For NFP entities, both AASB 1058 and AASB 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Association plans to adopt AASB 15 on the required effective date 1 July 2019 using a modified retrospective method.

During the financial year ended 30 June 2019, the Association performed a preliminary assessment of AASB 1058 and AASB 15.

The Association has assessed there will not be a material impact on how revenue is recognised on application of AASB 1058 and AASB 15.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue

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

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

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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

(e) Gains

Sales of Assets

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

(f) Government Grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Association recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Association should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss when the asset is available for use.

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

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Capitation Fees and Levies

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

(h) Cash and Cash Equivalents

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

(i) Trade Debtors and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(j) Inventory

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

(k) Financial Instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial Assets

i) Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Association initially measures a financial asset at its fair value.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

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

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

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

ii) Subsequent measurement

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

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

Financial assets at amortised cost

The Association measures financial assets at amortised cost if both of the following conditions are met:

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

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

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

The Association's financial assets at amortised cost includes trade receivables and loans to other entities.

iii) Derecognition

A financial asset is derecognised when:

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

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

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

iv) Impairment

Trade receivables

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

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Debt instruments other than trade receivables

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

The Association considers a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

i) Initial recognition and measurement

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

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

The Association's financial liabilities include trade and other payables.

ii) Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

Derecognition

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

(m) Contingent Liabilities and Contingent Assets

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

(n) Plant and Equipment

Asset Recognition

Purchases of plant and equipment are recognised at cost in the Statement of Financial Position. The initial cost of an asset does not include an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Any such costs would be insignificant.

Recoverable Amount

Non-current assets measured using the cost basis are not carried at an amount above their recoverable amount, and where a carrying value exceeds this recoverable amount, the asset is written down.

Depreciation

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

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Plant and Equipment (continued)

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

	2019	2018
Plant and equipment	1 to 13 years	1 to 13 years

Derecognition

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

(o) Impairment of Non-Financial Assets

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

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

(p) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

(q) Employee Benefits

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

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Employee Benefits (continued)

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

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

(r) Leases

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

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

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

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

(s) Taxation

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

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

- where the amount of GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- for receivables and payables.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Taxation (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to, the taxation authority.

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

(t) Going Concern

The Association is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

(u) Information to be Provided to Members or Commissioner

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 subsection (1), (2) and (3) of section 272 which reads as follows:

- i) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- ii) 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.
- iii) A reporting unit must comply with an application made under subsection (1).

NOTE 2 EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2019, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019 \$	2018 \$
NOTE 3 REVENUE		
Revenue from Operating Activities		
AHA NSW Funding	-	25,000
Capitation fees and other revenue from another reporting unit	-	-
Commissions	3,441	1,774
Donations received	-	208,545
Levies	-	-
Membership subscription	1,008,976	917,610
Other functions and events	46,588	46,321
Promotions – Awards for Excellence	107,051	117,354
State Conference	-	95,770
THAT Foundation funding	28,625	25,906
Total Revenue from Operating Activities	1,194,681	1,438,280
Revenue from Non-Operating Activities		
Corporate sponsorship	141,136	247,455
Grant income	984,045	694,097
Interest revenue	1,177	546
Love Your Local Campaign	-	619,380
Other	1,774	8,326
Revenue from recovery of wages activity	-	-
Total Revenue from Non-Operating Activities	1,128,132	1,569,804
Total Revenue	2,322,813	3,008,084

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019	2018
	\$	\$
NOTE 4 EXPENSES		
(a) Employee expenses		
Holders of office		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Executive expenses	-	-
Employee expenses - holders of office	-	-
Employees other than office holders		
Wages and salaries	666,565	813,348
Superannuation	60,317	59,046
Leave and other entitlements	(2,409)	15,831
Separation and redundancies	-	-
Executive expenses	15,084	17,771
Employee expenses - employees other than office holders	<u>739,557</u>	<u>905,996</u>
Total employee expenses	<u>739,557</u>	<u>905,996</u>
<p>There are no other expenses relating to redundancies or other liabilities for office holders and other employees of the Association. No fees have been incurred as consideration for employers making payroll deductions for membership subscriptions.</p>		
(b) Capitation fees		
Australian Hotels Association	<u>22,258</u>	<u>27,421</u>
Total capitation fees	<u>22,258</u>	<u>27,421</u>
(c) Affiliation fees		
Australian Hotels Association	<u>300</u>	<u>300</u>
Total affiliation fees	<u>300</u>	<u>300</u>

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019	2018
	\$	\$
NOTE 4 EXPENSES (continued)		
(d) Administration expenses		
Accounting and bookkeeping services	51,834	49,580
Auditing services	10,600	11,050
Awards for Excellence expenses	134,331	120,841
Bad debts expense	-	10,505
Bank charges	1,972	1,060
Client entertainment expenses	41,143	38,726
Cowards Punch Program expenses	55,131	-
Great Customer Experience (GCE) expenses	381,348	179,254
Hospitality Awareness expenses	-	34,271
Interest expense	2,332	-
Insurance expense	10,837	9,624
IT expenses	6,318	4,506
Love Your Local Campaign expenses	5,291	619,380
Meeting expenses	2,178	1,637
Motor vehicle expenses	63,075	51,209
Other expenses	26,673	28,863
Other functions and events	58,067	55,445
Postage, printing & stationary expenses	8,303	8,628
Property expenses	35,763	26,074
Publications	1,323	2,834
Subscription expenses	1,199	-
Strategic planning expenses	524,877	236,977
State Budget expenses	-	66,844
State conference expenses	-	82,734
Telephone and internet expenses	17,619	2,756
THAT Foundation expenses	16,118	25,906
Training expenses	25	145
Travel expenses	39,249	27,698
Workforce Development KPI's expenses	-	87,438
Total administration expenses	1,495,606	1,783,985

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019	2018
	\$	\$
NOTE 4 EXPENSES (continued)		
(e) Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	4,758	4,537
Total paid that exceeded \$1,000	11,587	279,805
Total grants or donations	16,345	284,342

In the 2018 financial year, the Association received a substantial amount of donations in order to support the Liberal Party of Tasmania's poker machine policy. Monies received were remitted to the Liberal Party of Tasmania.

Donations are recognised net of GST.

(f) Depreciation and amortisation		
Plant and equipment	12,683	10,350
Total depreciation and amortisation	12,683	10,350
(g) Legal costs		
Litigation	-	-
Other legal costs	2,989	138
Total legal costs	2,989	138
(h) Other expenses		
Bad debts expense	-	-
Penalties – via RO Act or <i>Fair Work Act 2009</i>	-	-
Total other expenses	-	-

NOTE 5 CURRENT ASSETS

(a) Cash and cash equivalents		
Cash at bank	616,455	228,731
Cash on hand	210	210
Total cash and cash equivalents	616,665	228,941

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019	2018
	\$	\$
NOTE 5 CURRENT ASSETS (continued)		
(b) Trade and other receivables		
Trade debtors	221,433	322,047
Prepayments	10,299	26,291
Other receivables	35,308	2,170
Total current receivables	267,040	350,508
Less allowance for expected credit losses	-	-
Total current receivables (net)	267,040	350,508

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

The Australian Hotels Association Tasmanian Branch does not have monies receivable from other reporting units at 30 June 2019.

NOTE 6 NON-CURRENT ASSETS

(a) Plant and equipment		
At cost	136,551	125,241
Accumulated depreciation	(106,935)	(94,252)
Total plant and equipment	29,616	30,989

Reconciliation of the opening and closing balances of plant and equipment

Net book value 1 July	30,989	33,947
Additions	11,310	7,392
Disposals	-	-
Depreciation expense	(12,683)	(10,350)
Net book value 30 June	29,616	30,989
Net book value as of 30 June represented by		
Gross book value	136,551	125,241
Accumulated depreciation and impairment	(106,935)	(94,252)
Net book value 30 June	29,616	30,989

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019	2018
	\$	\$
NOTE 7 CURRENT LIABILITIES		
(a) Trade payables		
Trade creditors	24,049	64,371
Income received in advance	907,912	583,659
Accrued expenses	13,745	8,784
Total trade payables	945,706	656,814

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 \$27,000.

The Australian Hotels Association Tasmanian Branch does not have monies payable to other reporting units at 30 June 2019.

(b) Other payables		
GST payable	13,300	65,866
PAYG withholding tax	60,148	16,184
Sundry creditors	16,496	25,393
Superannuation payable	12,806	10,364
FBT instalment	3,617	4,113
Consideration to employers for payroll deduction	-	-
Legal costs	-	-
Total other payables	106,367	121,920

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019 \$	2018 \$
NOTE 8 EMPLOYEE PROVISIONS		
 Holders of office		
Annual leave	-	-
Long service leave	-	-
Employee provisions - holders of office	-	-
Employees other than office holders		
Annual leave	56,385	68,120
Long service leave	59,271	51,916
Employee provisions - employees other than office holders	115,656	120,036
Total employee provisions	115,656	120,036
Current	108,301	117,349
Non-current	7,355	2,687
Total employee provisions	115,656	120,036

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	506,676	511,124
Surplus / (deficit) for the year	33,075	(4,448)
Balance at end of year	539,751	506,676
(b) Other specific disclosures - funds		
Compulsory levy / voluntary contribution fund – if invested in assets	-	-
Other fund(s) required by rules	-	-
Balance at end of year	-	-
Total reserves	539,751	506,676

There are no other funds relating to compulsory levies or voluntary contributions maintained by the Association.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019	2018
	\$	\$
NOTE 10 CASH FLOW		
CASH FLOW RECONCILIATION		
Surplus / (deficit) for the year	33,075	(4,448)
Adjustments for non-cash items		
Depreciation and amortisation	12,683	10,350
Changes in assets and liabilities		
(Increase) / decrease in trade and other receivables	83,468	(218,131)
(Increase) / decrease in inventory	849	(1,586)
(Decrease) / increase in trade payables	288,892	35,202
(Decrease) / increase in other payables	(15,553)	63,837
(Decrease) / increase in employee provisions	(4,380)	14,932
Net cash from / (used by) operating activities	399,034	(99,844)
 (a) CASH FLOW INFORMATION		
Cash inflows		
Operating activities	2,714,542	2,892,588
Investing activities	-	-
Total cash inflows	2,714,542	2,892,588
 Cash outflows		
Operating activities	2,315,508	2,992,432
Investing activities	11,310	7,392
Total cash outflows	2,326,818	2,999,824

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 11 RELATED PARTY DISCLOSURES

(a) Related Parties

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

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

JUBB, Paul (President)
KELLY, Martin (Vice President) (Appointed 3/12/2018 AGM)
FUGLSANG, Philip (Treasurer)
BURT, Margaret (Councillor, North)
DABNER, John (Councillor, North West & Division President)
BAKER, Dominic (Councillor, South)
BROWN, Darren (Councillor, South) (Appointed 3/12/2018 AGM)
FRARACCIO, Angelo (Councillor, South & Division President)
RICHARDS, Shelley (Councillor, South)
CARPENTER, Ben (Councillor, North West) (Appointed 3/12/2018 AGM)
WALSH, Naomi (Councillor, North) (Ceased 15/02/2019)
MCGILLIVRAY, Colin (Councillor, North) (Ceased 15/02/2019)
JACOBS, Julian (Councillor, North West) (Ceased 15/02/2019)

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:

	2019	2018
	\$	\$
Beach Hotel Burnie	1,094	-
Customs House Hotel	3,185	1,614
Da' Angelos Ristorante	575	620
Grape	2,510	46
Rosevears Tavern	1,276	620
Salamanca Inn	2,751	2,154
Shoreline Hotel	3,286	-
Stanley Hotel	900	830
Starbar	649	420
Tall Timbers Hotel / Motel	3,598	2,275
Vantage Group	-	280
Wrest Point Hotel Casino	13,069	1,900

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019	2018
	\$	\$
NOTE 11 RELATED PARTY DISCLOSURES (continued)		
The following cash flows occurred between the Australian Hotels Association – Tasmanian Branch and other related reporting units for the period.		
Net Cash flows (to) / from other reporting units		
Australian Hotels Association	1,845	-
Australian Hotels Association - ACT	(22,326)	(24,398)
Australian Hotels Association – NSW	-	-
Australian Hotels Association – NT	-	-
Australian Hotels Association – SA	-	-
Australian Hotels Association – VIC	(933)	-
Australian Hotels Association - WA	(4,900)	(2,420)
Queensland Hotels Association	-	-

The Association did not make a payment to a former related party of the Association.

NOTE 12 REMUNERATION OF AUDITORS

Value of the services provided by WLF Accounting & Advisory

Financial statement audit services	10,600	10,350
Total remuneration of auditors	10,600	10,350

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

NOTE 13 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

Operating lease commitments – as lessee

The lease commitments of the Association relate to five motor vehicle leases which began in 2018 and 2019.

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

Within one year	65,783	39,854
After one year but not more than five years	100,754	88,625
More than five years	-	-
	<u>166,537</u>	<u>128,479</u>

There are no other contingent liabilities or assets for the Association present at 30 June 2019.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 14 FINANCIAL INSTRUMENTS

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

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

(a) Credit risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Associations receivables from customers.

The entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the balance sheet.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

(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 Associations 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 \$6,167 (2018: \$2,289).

(c) Liquidity Risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities.

The tables below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Association does not hold any derivative financial liabilities directly.

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 14 FINANCIAL INSTRUMENTS (continued)

Cash flows realised from financial assets reflect management's expectations as to timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

2019

	0-6 months	6-12 months	1-5 years	>5 years	Total
Financial assets:					
Cash and cash equivalents	616,665	-	-	-	616,665
Trade debtors	221,433	-	-	-	221,433
Loan to Tasmanian Hospitality Property Association	-	-	-	793,092	793,092
Total financial assets	838,098	-	-	793,092	1,631,190
Financial liabilities:					
Trade creditors	24,049	-	-	-	24,049
Total financial liabilities	24,049	-	-	-	24,049

2018

	0-6 Months	6-12 months	1-5 years	>5 years	Total
Financial assets:					
Cash and cash equivalents	228,941	-	-	-	228,941
Trade debtors	322,047	-	-	-	322,047
Loan to Tasmanian Hospitality Property Association	-	-	-	793,092	793,092
Total financial assets	550,988	-	-	793,092	1,344,080
Financial liabilities:					
Trade creditors	64,371	-	-	-	64,371
Total financial liabilities	64,371	-	-	-	64,371

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

	2019	2018
	\$	\$
NOTE 15 KEY MANAGEMENT PERSONNEL REMUNERATION		
Short-term employee benefits		
Salary (including annual leave taken)	230,018	210,808
Annual leave accrued	17,692	17,692
Total short-term employee benefits	247,710	228,500
Post-employment benefits		
Superannuation	21,850	20,027
Total post-employment benefits	21,850	20,027
Other long-term benefits		
Long service leave accrued	3,835	3,835
Total other long-term benefits	3,835	3,835
Termination benefits	-	-
Total benefits	273,395	252,362

NOTE 16 ASSOCIATION DETAILS

The principal place of business of the Association is:

25/93 Salamanca Place
HOBART TAS 7000

NOTE 17 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, the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Australian Hotels Association Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2019

NOTE 18 SEGMENT REPORTING

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

NOTE 19 RELIANCE AND PROVISION OF FINANCIAL SUPPORT

The Australian Hotels Association Tasmanian Branch does not place any reliance on the agreed financial support of another reporting unit of the organisation to operate as a going concern. No financial support 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.

NOTE 20 RECOVERY OF WAGES

There was no recovery of wages activity for the 2018 or 2019 financial years.

NOTE 21 ACQUISITION OF ASSETS AND/OR LIABILITIES THAT DO NOT CONSTITUTE A BUSINESS COMBINATION

There were not assets or liabilities acquired during the 2018 or 2019 financial years as a result of an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches or the branches of the Association, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.