



30 October 2020

Paddy O'Sullivan  
Chief Executive Officer  
Australian Hotels Association - Victorian Branch

Sent via email: [p.osullivan@ahavic.com.au](mailto:p.osullivan@ahavic.com.au)  
CC: [mark@charmanpartners.com.au](mailto:mark@charmanpartners.com.au)

Dear Paddy O'Sullivan,

**Australian Hotels Association - Victorian Branch  
Financial Report for the year ended 30 June 2020 – (FR2020/178)**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Australian Hotels Association - Victorian Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 26 October 2020.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

**Registered auditor's details**

Item 29(b) of the RGs state that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the registration number granted by the ROC.

Please ensure that in future years the auditor's statement includes both the name and registration number of the registered auditor.

**Reporting Requirements**

The ROC website provides 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 s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie Ngo', written over a horizontal line.

**Kylie Ngo**  
**Registered Organisations Commission**

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**

# AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN 052 166 015

Financial Statements 2019–20

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## **Independent Audit Report to the Members of Australian Hotels Association (Victoria Branch)**

### **Report on the Audit of the Financial Report**

#### **Opinion**

I have audited the financial report of Australian Hotels Association (Victoria Branch) (the reporting unit), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 2020, 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 my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Hotels Association (Victoria Branch) as at 30 June 2020, 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).

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

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter – Subsequent Event**

Without modifying my opinion, I draw attention to Note 2 of the financial reports, which describes the impact on global financial markets of the COVID-19 virus and therefore the current market value of the Association assets.

#### **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.

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10-12 Chapel Street  
Blackburn Vic 3130

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Directors  
M.P. Barson, FCA  
D.M. Gow, CPA  
C.G. Liggins, CA  
Consultant  
W.C. Goodwin, CA

My 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 my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my 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**

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

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

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

No matters requiring disclosure in accordance with these sections of the RO Act were identified.

Name of Firm: Charman Partners



.....  
Mark Barson

Date: 14 September 2020  
Address: 10-12 Chapel Street  
Blackburn, Victoria 3130

Registered Auditor No: 9213

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

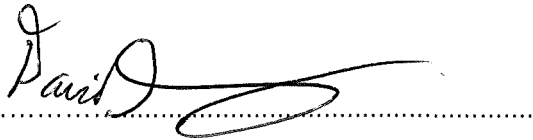
**ACN: 052 166 015**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER FOR THE  
YEAR ENDED 30 JUNE 2020**

I, David Canny, being the President of the Australian Hotels Association (Victoria Branch) certify:

- that the documents lodged herewith are copies of the full report for the Australian Hotels Association (Victoria Branch) for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- Approval of the full report by the Committee of Management occurred on 11 September 2020.
- that the full report was provided to members of the reporting unit on 18 September 2020; and
- that the full report was presented to a general meeting of members of the reporting unit on 13 October 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

President:



David Canny

Date:

.....13th October 2020.....



# AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

## EXPENDITURE REPORT FOR THE YEAR ENDED 30 JUNE 2020

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2020.

Categories of expenditures	2020 (\$)	2019 (\$)
Remuneration and other employment-related costs and expenses – employees	–	–
Advertising	–	–
Operating costs	1,208,470	1,192,265
Donations to political parties	–	–
Legal costs	–	–

President: *David Conny* .....

Treasurer: *P. L. Stokes* .....

Dated this 11 day of September 2020

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

**OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2020**

**Your committee members present their report on the Association for the financial year ended 30 June 2020**

**The names of the Executive Committee Members in office from 1 July 2019 to 30 June 2020 were:**

David Canny	President
Alan Andrew Clark	Country Vice President
Mark Robertson OAM	Metropolitan Vice President
David Curry	Honorary Minute Secretary
Paul Stocks	Honorary Treasurer
Matt Mullins	Executive Board Member
Matthew Nikakis	Executive Board Member
Mark O'Reilly	Executive Board Member
Peter Williams	Executive Board Member
Rachel Checinski	Executive Board Member
Ray Sharawara	Executive Board Member
Tracy Atherton	Executive Board Member – Accommodation Division

**The names of the Council members in office from 1 July 2019 to 30 June 2020 were:**

Melanie Aldred	Bailey Hunter	Bob O'Kane
Peter Appleby	Paul Hunter	Mark O'Reilly
Peter Archbold	Rachel Jones	Troy Patterson
Tracy Atherton	Garry Kirwan	John Payne
Keith Barrett	Mitchell Koroneos	Cameron Price
Robbie Beaton	Duncan Laidlaw	Daniel Quinlan
Bill Bell	Andrew Lethlean	Michael Robertson
Sam Benjamin	Garry Lewis	David Shannon
Ross Blair-Holt	Dennis Madden	Ray Sharawara
Jackie Booth	Mark Marantelli	Patrick Sheehan
Andrew Brown	Bruce J Mathieson	Jonathan Sherren
Michael Burke	Anthony Molan	Ben Sington
David Canny	Matt Mullins	Antony Spielvogel
Rachel Checinski	Paul Mulquiny	Stuart Steele
Alan Andrew Clark	Nick Murray	Paul Stocks
Dan Cronin	Stewart Naismith	John Taylor
Chelton Crow	Ros Newsham	Darren Thomas
David Curry	John Nicholson	David Tomsic
Matthew Darcy	Andrew Nikakis	Sam Tresise
Richard Davis	Matthew Nikakis	John Upham
Mark Ellis	Con Nikitas	Annette Verhoeff
Sally Gebert	Mark Robertson OAM	Mario Volpe
Pat Glenane	Tom Payne OAM	Peter Williams
Michael Hickey	Paul O'Brien	Gary Wilson
Peter Houghton	Russell O'Brien	Nick Zurcas

## **OPERATING REPORT (continued)**

Committee members have been in office since the start of the financial year to the date of this report, unless otherwise stated.

The number of Branch members as at 30 June 2020 was 878.

The number of Branch employees as at 30 June 2020 was nil.

Under rule 9, any member owing any fees, fines, levies or dues longer than two months after they first become due shall be unfinancial. No unfinancial member shall be eligible to nominate or be nominated for any office, vote in any election or plebiscite, attend or vote at any meeting of members and by resolution of the Council may be refused entry to the Association's premises.

Under rule 32 of the Association's federal rules, a Member of the Association may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which they are a member.

Mark Robertson OAM holds a position of Director of HostPlus Pty Ltd, a superannuation entity. Mark Robertson OAM was a committee member of the Association.

The surplus of the year amounted to \$NIL (2019: NIL). During the period total subscription revenue remained consistent with the prior year.

The financial records of the reporting unit have been kept, as far as possible, in a consistent manner to each of the other reporting units of the organisation.

The Association undertook a revaluation of the Building and Refurbishment, which has affected the financial state of affairs during the financial year. The Association intends to review the valuation of the Building and Refurbishment annually.

The principal activity of the Association during the financial year was to provide membership services to members of the Association. An administration levy is paid to the Australian Hotels and Hospitality Association Inc. This levy represents the surplus funds received from members' subscriptions available to fund the activities of the Australian Hotels and Hospitality Association Inc.

## **OPERATING REPORT (continued)**

### **AHA (Vic) Statement of Performance 2019/20**

#### **Overview**

The 2019/20 Business Plan approved by the Executive Committee and Council provided that the overarching performance priority for the Australian Hotels Association (Victoria) was the delivery of professional administration to effectively service and advance the interests of members whilst operating in accordance with the Fair Work (Registered Organisations) Act 2009.

However, the onset of the Covid-19 crisis from March 2020 and the temporary closing of pubs and hotels from 23 March resulted in a radical recasting of the priorities during this period.

The December/January 2020 bushfire crisis across Victoria similarly impacted on priorities.

#### **Strategic Objectives**

In accord with the approved 2019/20 Business Plan, the strategic objectives of AHA (Vic) were to:

1. Protect, promote and advance the interests and rights of members;
2. Uphold and promote the quality, integrity and reputation of the hotel industry;
3. Provide timely, effective and value-adding services to members;
4. Create a supportive forum for the new generation of publicans to network, discuss challenges and voice concerns which may inform specific lobbying efforts;
5. Enhance the diversity of the AHA(Vic) Executive Committee and Council by creating and maintaining an environment that values a varied range of views, knowledge and experiences that can be leveraged to maximise service delivery capabilities;
6. Develop and maintain value-adding commercial partnerships with key industry stakeholders to the benefit of members and such partners;
7. As an organisation, achieve best practice in administration within the industry association sector;
8. Maintain a position of relevance to forward-thinking non-members, the next generation of AHA members;
9. Pursue targeted initiatives to actively support members impacted by the December/January bushfire crisis across Victoria, and
10. In effectively responding to the Covid-19 crisis, AHA (Vic) engaged in high level advocacy at a State and Federal level seeking to ensure that appropriate regard was had to pub and hotel interests in relevant Government decision-making and initiatives, and also sought to ensure that members were fully informed on issues, obligations, available financial support options and reopening strategies.

The 2019/20 strategic objectives were pursued and achieved through:

1. Maintaining effective working relationships with the State Labor Government and the Coalition State Opposition to ensure that appropriate attention and regard was paid to pub and hotel interests in policy development, legislation and program implementation;

2. Establishing and maintaining appropriate working relationships across all relevant Ministerial offices, Government Departments, regulatory agencies and enforcement bodies to enable and facilitate effective advocacy in the interests of pubs and hotels;
3. Continuing promotion of the need for a policy and program agenda by the State Government that facilitates responsible innovation and growth with a particular focus on regulatory reform and "red-tape" reduction;
4. Active pursuit of reasonable workplace relations reforms in conjunction with the AHA National program for on-going reform of the Hospitality Industry (General) Award;
5. Provision of representation and advocacy services on behalf of Victoria's accommodation hotels through Tourism Accommodation Australia (Vic) – TAA(Vic) – directed to issues management and initiatives to advance the interests of member hotels;
6. Conducting a program of contemporary and relevant AHA (Vic) member events to enhance business development and performance at a venue level and to provide networking opportunities for commercial partners;
7. Undertaking measured engagement with various media representatives and outlets to promote pubs and hotels as safe, affordable and first-class licensed hospitality venues and destinations and, when appropriate, to respond to topical issues;
8. Developing and implementing a suite of outreach initiatives to support members impacted by the December/January bushfire crisis;
9. Implementing the AHA (Vic) Covid-19 crisis response strategy through:
  - 9.1. ensuring that members were fully informed on Government trading cessation requirements;
  - 9.2. participating in various State Government Covid-19 crisis-related working parties, committees etc.
  - 9.3. advising and assisting members in understanding and utilising available financial support packages, including JobKeeper, lease management options, Business Support Package grants etc.;
  - 9.4. assisting members in continuing to apply and comply with the relevant provisions of the Work Place Relations Act, and
  - 9.5. lobbying the Victorian Government and the Federal Government (in partnership with AHA National and other State and Territory Branches) seeking to ensure that full and proper regard was had to members' interests during the crisis and in developing and implementing the "reopening".

President: David Canny

David Canny

Date this 11 day of September 2020

# AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

## COMMITTEE OF MANAGEMENT STATEMENT

### FOR THE YEAR ENDED 30 JUNE 2020

On the 11 September 2020 the Committee of Management of the Australian Hotels Association (Victoria Branch) passed the following resolution in relation to the general purpose financial report (**GPFR**) for the year ended 30 June 2020:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the **RO Act**);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the 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.

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

President: David Canny

Treasurer: Paul Stork

Dated this: 11 day of September 2020

# AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>Revenue from contracts with customers</b>	3		
Membership subscriptions		<b>1,208,470</b>	1,192,265
Capitation fees and other revenue from another reporting unit	3A	-	-
<b>Total revenue from contracts with customers</b>		-	-
<b>Income for furthering objectives</b>	3		
Grants and/or donations*	3C	-	-
<b>Total income for furthering objectives</b>		-	-
<b>Other Income</b>			
<b>Total other income</b>		-	-
<b>Total income</b>		-	-
<b>Expenses</b>			
Employee expenses	4A	-	-
Capitation fees and other expense to another reporting unit – AHA National Office contributions	4B	<b>239,276</b>	239,276
Affiliation fees	4C	-	-
Administration expenses	4D	<b>944,452</b>	886,289
Audit fees	14	<b>1,700</b>	1,700
Honorariums	4A	<b>23,042</b>	65,000
<b>Total expenses</b>		<b>1,208,470</b>	1,192,265
<b>Surplus (deficit) for the year</b>		-	-
<b>Other comprehensive income</b>			
Items that will be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		-	-

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



# AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
Current Assets			
Trade and other receivables*	5B	-	-
<b>Total current assets</b>		<u>-</u>	<u>-</u>
Non-current Assets			
<b>Total non-current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets</b>		<u><u>-</u></u>	<u><u>-</u></u>
<b>LIABILITIES</b>			
Current Liabilities			
Trade payables*	7A	-	-
Other payables*	7B	-	-
<b>Total current liabilities</b>		<u>-</u>	<u>-</u>
Non-current Liabilities			
<b>Total non-current liabilities</b>		<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u><u>-</u></u>	<u><u>-</u></u>
<b>EQUITY</b>			
<b>Total equity</b>		<u><u>-</u></u>	<u><u>-</u></u>

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

# AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 30 JUNE 2020

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2018</b>		-	-	-
Surplus / (deficit)		-	-	-
Other comprehensive income		-	-	-
<b>Closing balance as at 30 June 2019</b>		-	-	-
Effect of adoption of AASB 15				
Revenue from Contracts with Customers		-	-	-
Effect of adoption of AASB 1058				
Income of Not-for-Profit Entities		-	-	-
Effect of adoption of AASB 16 <i>Leases</i>		-	-	-
<b>Adjusted balance as at 1 July 2019</b>		-	-	-
Surplus / (deficit)		-	-	-
Other comprehensive income		-	-	-
<b>Closing balance as at 30 June 2020</b>		-	-	-

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

# AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)

ACN: 052 166 015

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting unit/controlled entity(s)	11B	1,327,013	1,304,992
Interest		-	-
Other		-	-
<b>Cash used</b>			
Honorariums		23,042	65,000
Suppliers		1,870	1,870
Payment to other reporting units/controlled entity(s)	11B	1,302,101	1,238,121
<b>Net cash from (used by) operating activities</b>	11A	-	-
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		-	-
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		-	-
Repayment of lease liabilities		-	-
Other		-	-
<b>Net cash from (used by) financing activities</b>		-	-
<b>Net increase (decrease) in cash held</b>			
Cash & cash equivalents at the beginning of the reporting period		-	-
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	-	-

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

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

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

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

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

### **1.2 Comparative amounts**

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

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

There are no accounting assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

## 1.4 New Australian Accounting Standards

### Adoption of New Australian Accounting Standard requirements

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

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions
- AASB 16 Leases and amending standards, which replaces AASB117 Leases.
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement

None of these standards have had a significant impact upon the financial statements of Australian Hotels Association (Victoria Branch).

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

## **Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)**

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the [reporting unit]. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The Australian Hotels Association (Victoria Branch) adopted AASB 15 and AASB 1058 using the modified retrospective<sup>1</sup> method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, Australian Hotels Association (Victoria Branch) recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, Australian Hotels Association (Victoria Branch) has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 July 2019.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the Australian Hotels Association (Victoria Branch) financial statements

<sup>1</sup> The reporting unit may elect to transition to AASB 15 by adopting either a full retrospective or modified retrospective transition method. This financial report illustrates the modified retrospective method only.

## **Impact on adoption of AASB 16 Leases**

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Australian Hotels Association (Victoria Branch) has no leases that this standard applies to.

### **1.5 Investment in associates and joint arrangements**

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

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

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

The Australian Hotels Association (Victoria Branch) has no such investments or arrangements.

### **1.6 Revenue**

The Australian Hotels Association (Victoria Branch) enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

#### **Revenue from contracts with customers**

Where the reporting unit has a contract with a customer, the reporting unit recognises revenue when or as it transfers control of goods or services to the customer. The reporting unit accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other



parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

### **Membership subscriptions**

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Australian Hotels Association (Victoria Branch).

If there is only one distinct membership service promised in the arrangement, the Australian Hotels Association (Victoria Branch) recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Australian Hotels Association (Victoria Branch) promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Australian Hotels Association (Victoria Branch) allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the [reporting unit] charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Australian Hotels Association (Victoria Branch) recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the [reporting unit] has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Australian Hotels Association (Victoria Branch) at their standalone selling price, the Australian Hotels Association (Victoria Branch) accounts for those sales as a separate contract with a customer.

### **Gains from sale of assets**

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

### **Interest income**

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

## **1.7 Employee benefits**

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

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

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

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

## **1.8 Leases**

The Australian Hotels Association (Victoria Branch) assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Australian Hotels Association (Victoria Branch) is not a party to any leases.

## **1.9 Borrowing costs**

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

## **1.10 Cash**

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

## 1.11 Financial instruments

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

## 1.12 Financial assets

### Contract assets and receivables

A contract asset is recognised when the reporting unit's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the reporting unit's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

### Initial recognition and measurement

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

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

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

The Australian Hotels Association (Victoria Branch)'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 reporting unit commits to purchase or sell the asset.

### Subsequent measurement

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

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

## **Derecognition**

A financial asset is derecognised when:

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

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

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

## **Offsetting**

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

## **Impairment**

### **Expected credit losses**

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.

## **(i) Trade receivables**

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

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

### **Debt instruments other than trade receivables**

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

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Australian Hotels Association (Victoria Branch) considers a financial asset in default when contractual payments are 90<sup>2</sup> days past due. However, in certain cases, the Australian Hotels Association (Victoria Branch) may also consider a financial asset to be in default when internal or external information indicates that the Australian Hotels Association (Victoria Branch) is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **1.13 Financial Liabilities**

### **Initial recognition and measurement**

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

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

<sup>2</sup> Note: Reporting unit to update as applicable.

The Australian Hotels Association (Victoria Branch) financial liabilities include trade and other payables.

## **Subsequent measurement**

### **Financial liabilities at amortised cost**

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

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

### **Derecognition**

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

## **1.14 Liabilities relating to contracts with customers**

### **Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Australian Hotels Association (Victoria Branch) transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the [reporting unit] performs under the contract (i.e., transfers control of the related goods or services to the customer).

### **Refund liabilities**

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Australian Hotels Association (Victoria Branch) refund liabilities arise from customers' right of return. The liability is measured at the amount the Australian Hotels Association (Victoria Branch) ultimately expects it will have to return to the customer. The Australian Hotels Association (Victoria Branch) updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

## **1.15 Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets

are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

## 1.16 Taxation

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

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

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

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

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

## 1.17 Going concern

Australian Hotels Association (Victoria Branch) is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis<sup>3</sup>.

Australian Hotels Association (Victoria Branch) has not agreed to provide financial support to another [reporting unit] to ensure they can continue on a going concern basis<sup>4</sup>.

## Note 2 Events after the reporting period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Australian Hotels Association (Victoria Branch) is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Australian Hotels Association (Victoria Branch). Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Australian Hotels Association (Victoria Branch), the results of those operations, or the state of affairs of the Australian Hotels Association (Victoria Branch) in subsequent financial periods.

<sup>3</sup> Note: if the fact that the reporting unit is not reliant on agreed financial support from another reporting unit or entity is disclosed in the officer declaration statement, it is not necessary to make such disclosure here.

<sup>4</sup> Note: if the fact that the reporting unit has not agreed to provide financial support to another reporting unit or entity is disclosed in the officer declaration statement, it is not necessary to make such disclosure here.

### Note 3 Revenue and income

#### Disaggregation of revenue from contracts with customers

A disaggregation of the Australian Hotels Association (Victoria Branch) revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	<b>2020</b>	2019
	<b>\$</b>	\$
<b>Type of customer</b>		
Members	<b>1,208,470</b>	1,192,265
Other reporting units	-	-
Government	-	-
Other parties	-	-
<b>Total revenue from contracts with customers</b>	<b>1,208,470</b>	1,192,265

#### Note 3A: Capitation fees and other revenue from another reporting unit \*

##### Capitation fees:

<b>Subtotal capitation fees</b>	-	-
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##### Other revenue from another reporting unit:

<b>Subtotal other revenue from another reporting unit</b>	-	-
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**Total capitation fees and other revenue from another reporting unit**

-	-
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#### Note 3B: Levies\*

	<b>2020</b>	2019
	<b>\$</b>	\$
<b>Total levies</b>	-	-

#### Note 3C: Grants and/or donations\*

Grants	-	-
Donations	-	-
<b>Total grants and donations</b>	-	-



**Note 3F: Net gains from sale of assets**

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

**Note 3G: Revenue from recovery of wages activity\***

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	<b>-</b>	<b>-</b>

**Note 3H: Investment income**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Interest		
Deposits	-	-
Loans	-	-
Debt instruments at fair value through OCI	-	-
Dividends	-	-
<b>Total investment income</b>	<b>-</b>	<b>-</b>

**Note 3I: Revenue**

Membership contributions	<b>1,208,470</b>	1,192,265
<b>Total income</b>	<b>1,208,470</b>	1,192,265

<b>2020</b>	2019
\$	\$

**Note 4 Expenses**

**Note 4A: Employee expenses\***

**Holders of office:**

Wages and salaries	-	-
Honorariums	<b>23,042</b>	65,000
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>23,042</b>	65,000

**Employees other than office holders:**

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	-	-
<b>Total employee expenses</b>	<b>23,042</b>	65,000

**Note 4B: Capitation fees and other expense to another reporting unit \***

**Capitation fees**

AHA National Office	<b>239,276</b>	239,276
<b>Subtotal capitation fees</b>	-	-

**Other expense to another reporting unit**

<b>Subtotal other expense to another reporting unit</b>	-	-
<b>Total capitation fees and other expense to another reporting unit</b>	-	-

**Note 4C: Affiliation fees**

<b>Total affiliation fees/subscriptions</b>	-	-
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	2020	2019
	\$	\$
<b>Note 4D: Administration expenses</b>		
Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	-	-
Contractors/consultants	-	-
Property expenses	-	-
Office expenses	-	-
Information communications technology	-	-
Administration Fees – Australian Hotels and Hospitality Association Inc.	<b>944,452</b>	886,289
<b>Subtotal administration expense</b>	<b>944,452</b>	<b>886,289</b>

The Australian Hotels and Hospitality Association Incorporated (AHHA Inc.) being an entity to the *Associations Incorporation Reform Act 2012*, is contracted by the Australian Hotels Association (Victoria Branch) (AHA Vic) to provided services to its members.

The administration fees represent the surplus funds received from member's subscriptions available to fund the activities of the AHHA Inc.

Members of the AHA Vic are eligible for membership of AHHA Inc.

AHA Vic did not incur any of the specified expenditure detailed in item 11 of the Reporting Guidelines for Section 253 of Schedule 1 of the Fair Work (Registered Organisations) Act 2009 except as specified above.

Office holders are only paid honorarium and do not receive wages, salary, leave, super or other entitlements or provisions.

Operating lease rentals:

Minimum lease payments

**Total administration expenses**

-	-
<b>-</b>	<b>-</b>

**Note 4E: Grants or donations\***

## Grants:

Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-

## Donations:

Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-

<b>Total grants or donations</b>	<b>-</b>	<b>-</b>
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**Note 4F: Depreciation and amortisation**

## Depreciation

Land & buildings	-	-
Property, plant and equipment	-	-

<b>Total depreciation</b>	<b>-</b>	<b>-</b>
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## Amortisation

Intangibles	-	-
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<b>Total amortisation</b>	<b>-</b>	<b>-</b>
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<b>Total depreciation and amortisation</b>	<b>-</b>	<b>-</b>
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\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

	2020	2019
	\$	\$
<b>Note 4G: Finance costs</b>		
Overdrafts/loans	-	-
Unwinding of discount	-	-
<b>Total finance costs</b>	<u>-</u>	<u>-</u>
<b>Note 4H: Legal costs*</b>		
Litigation	-	-
Other legal costs	-	-
<b>Total legal costs</b>	<u>-</u>	<u>-</u>
<b>Note 4I: Write-down and impairment of assets</b>		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
<b>Total write-down and impairment of assets</b>	<u>-</u>	<u>-</u>
<b>Note 4J: Net losses from sale of assets</b>		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
<b>Total net losses from asset sales</b>	<u>-</u>	<u>-</u>
<b>Note 4K: Other expenses</b>		
Penalties - via RO Act or the Fair Work Act 2009*	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

	2020	2019
	\$	\$
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and cash equivalents</b>		
Cash at bank	-	-
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Note 5B: Trade and other receivables</b>		
Receivables from other reporting unit*		
<b>Total receivables from other reporting unit</b>	<b>-</b>	<b>-</b>
Less allowance for expected credit losses*		
<b>Total allowance for expected credit losses</b>	<b>-</b>	<b>-</b>
<b>Receivable from other reporting unit (net)</b>	<b>-</b>	<b>-</b>
<b>Other receivables:</b>		
GST receivable	-	-
Other	-	-
<b>Total other receivables</b>	<b>-</b>	<b>-</b>
<b>Total trade and other receivables (net)</b>	<b>-</b>	<b>-</b>
The movement in the allowance for expected credit losses of trade and other receivables is as follows:		
At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
<b>At 30 June</b>	<b>-</b>	<b>-</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
The Australian Hotels Association (Victoria Branch) has recognised the following assets and liabilities related to contracts with customers:		
Receivables	—	—
<b>Receivables - current</b>	<u>—</u>	<u>—</u>
<b>Receivables – non-current</b>	—	—
Contract assets	—	—
<b>Contract assets - current</b>	<u>—</u>	<u>—</u>
<b>Contract assets – non-current</b>	—	—
Other contract liabilities	—	—
<b>Contract liabilities - current</b>	<u>—</u>	<u>—</u>
<b>Contract liabilities – non-current</b>	—	—

**Note 5C: Inventory**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Held for distribution	—	—
<b>Total current inventories</b>	<u>—</u>	<u>—</u>
<b>Non-current</b>		
Held for distribution	—	—
Total non-current inventories	<u>—</u>	<u>—</u>
<b>Total inventories</b>	<u>—</u>	<u>—</u>

**Note 5D: Other current assets**

<b>Total other current assets</b>	<u>—</u>	<u>—</u>
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Note 6	Non-current Assets	2020	2019
		\$	\$

**Note 6A Other financial assets**

**Financial assets designated at fair value through other comprehensive income**

Non-listed equity investments [provide details of each investment]	-	-
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**Financial assets at fair value through profit or loss**

Quoted equity shares	-	-
Debt securities	-	-
Available for sale investments	-	-

<b>Total other financial assets</b>	-	-
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**Note 6B: Other non-current assets**

Loan to a related party	-	-
Prepayments	-	-
Other	-	-
<b>Total other non-current assets</b>	-	-

The movement in the allowance for expected credit losses of the loan to a related party is as follows:

At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
<b>At 30 June</b>	-	-



2020	2019
\$	\$

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	-	-
Operating lease rentals	-	-
<b>Subtotal trade creditors</b>	<b>-</b>	<b>-</b>
<b>Payables to other reporting unit*</b>		
<b>Subtotal payables to other reporting unit</b>	<b>-</b>	<b>-</b>
<b>Total trade payables</b>	<b>-</b>	<b>-</b>

Settlement is usually made within 30 days.

### Note 7B: Other payables

Wages and salaries	-	-
Superannuation	-	-
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*		
Litigation	-	-
Other legal costs	-	-
GST payable	-	-
Other	-	-
<b>Total other payables</b>	<b>-</b>	<b>-</b>

Total other payables are expected to be settled in:

No more than 12 months	-	-
More than 12 months	-	-
<b>Total other payables</b>	<b>-</b>	<b>-</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

	2020	2019
	\$	\$
<b>Note 8</b>		
<b>Provisions</b>		
<b>Note 8A: Employee provisions*</b>		
<b>Office holders:</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<hr/> -	<hr/> -
<b>Employees other than office holders:</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<hr/> -	<hr/> -
<b>Total employee provisions</b>	<hr/> <hr/> -	<hr/> <hr/> -
Current	-	-
Non-current	-	-
<b>Total employee provisions</b>	<hr/> <hr/> -	<hr/> <hr/> -
<b>Note 9</b>		
<b>Non-current Liabilities</b>		
<b>Note 9A: Other non-current liabilities</b>		
<b>Total other non-current liabilities</b>	<hr/> -	<hr/> -

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2020	2019
\$	\$

**Note 10      Equity**

**Note 10A: General funds**

<b>Balance as at start of year</b>	-	-
<b>Balance as at end of year</b>	-	-
<b>Total reserves</b>	-	-

**Note 10B: Other specific disclosures - funds\***

**Compulsory levy/voluntary contribution  
fund – if invested in assets**

**Other fund(s) required by rules**

<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	-	-

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

<b>2020</b>	2019
<b>\$</b>	<b>\$</b>

## Note 11 Cash Flow

### Note 11A: Cash flow reconciliation

#### Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

##### Cash and cash equivalents as per:

Cash flow statement	-	-
Balance sheet	-	-
<b>Difference</b>	<b>-</b>	<b>-</b>

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

Profit/(deficit) for the year	-	-
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##### Adjustments for non-cash items

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

##### Changes in assets/liabilities

(Increase)/decrease in net receivables	-	-
(Increase)/decrease in prepayments	-	-
Increase/(decrease) in supplier payables	-	-
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	-	-
Increase/(decrease) in other provisions	-	-

#### Net cash from (used by) operating activities

### Note 11B: Cash flow information\*

Cash inflows	<b>1,327,013</b>	1,304,992
<b>Total cash inflows</b>	<b>1,327,013</b>	1,304,992
Cash outflows	<b>1,327,013</b>	1,304,992
<b>Total cash outflows</b>	<b>1,327,013</b>	1,304,992

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

<b>2020</b>	2019
<b>\$</b>	<b>\$</b>

**Note 12      Related Party Disclosures**

**Note 12A: Related party transactions for the reporting period**

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

**Expenses paid to Australian Hotels and Hospitality Association Incorporated (AHHA Inc.) includes the following:**

<b>944,452</b>	886,289
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<b>2020</b>	2019
<b>\$</b>	<b>\$</b>

**Note 12B: Key management personnel remuneration for the reporting period**

**Short-term employee benefits**

Salary (including annual leave taken)	-	-
Annual leave accrued	-	-
Performance bonus	-	-
[other major categories]	-	-

<b>Total short-term employee benefits</b>	<b>-</b>	<b>-</b>
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**Post-employment benefits:**

Superannuation	-	-
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<b>Total post-employment benefits</b>	<b>-</b>	<b>-</b>
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**Other long-term benefits:**

Long-service leave	-	-
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<b>Total other long-term benefits</b>	<b>-</b>	<b>-</b>
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<b>Termination benefits</b>	<b>-</b>	<b>-</b>
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<b>Total</b>	<b>-</b>	<b>-</b>
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**Note 12C: Transactions with key management personnel and their close family members**

<b>Loans to/from key management personnel</b>	<b>-</b>	<b>-</b>
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Other transactions with key management personnel - -

### Note 13 Remuneration of Auditors

#### Value of the services provided

Financial statement audit services	1,700	1,700
<b>Total remuneration of auditors</b>	<b>-</b>	<b>-</b>
	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>

### Note 14 Administration of financial affairs by a third party<sup>5</sup>

**Name of entity providing service:** Australian Hotels and Hospitality Association Inc.

**Terms and conditions:** The services are provided on a cost recovery basis.

**Nature of expenses/consultancy service:** The Australian Hotels and Hospitality Association Inc. provides AHA (Victoria Branch) with all administrative and advocacy services.

#### Detailed breakdown of revenues collected and/or expenses incurred

##### Revenue

Membership Subscription	2,367,906	2,390,666
Capitation Fees	944,452	886,290
Levies	-	777,159
Interest	8,006	11,314
Rental Income	-	10,356
Events	274,006	520,982
Stimulus – Cash Flow Boost	62,500	-
Stimulus – Job Keeper	60,000	-
Other Revenue	41,176	14,495
<b>Total revenue</b>	<b>3,758,046</b>	<b>4,611,442</b>

##### Expenses

Employee expense	1,412,566	1,388,779
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
State Election Levy	-	784,749
Annual General Meeting & Council	111,186	188,819
Travel expenses	29,150	40,684
Administration expenses	-	-
Grants or donations greater than \$1,000	11,209	16,464
Grants or donations less than \$1,000	2,155	3,023

<sup>5</sup> Refer to item 31 in the Reporting guidelines.

Events and Functions expense	<b>540,356</b>	814,632
Depreciation	<b>247,649</b>	142,463
Amortisation	<b>9,203</b>	7,468
Finance costs	<b>26,981</b>	39,395
Outsourced Services	<b>285,016</b>	338,405
Occupancy Expenses	<b>199,412</b>	198,001
Public Affairs Costs	<b>15,909</b>	367,977
Legal costs	<b>3,660</b>	809
Audit fees	<b>32,050</b>	29,215
COVID-19	<b>550,000</b>	-
Penalties - via RO Act or the Fair Work Act 2009	-	-
Other expenses	<b>259,879</b>	241,132
<b>Total expenses</b>	<b>3,736,381</b>	<b>4,602,015</b>

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

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

Information to be provided to members or Commissioner:

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

## **Note 16 Association details**

The registered office of the association is:

Australian Hotels Association (Victoria Branch)

Level 1, 1 Little Collins Street, Melbourne, VIC 3000

The principal place of business is:

Australian Hotels Association (Victoria Branch)

Level 1, 1 Little Collins Street, Melbourne, VIC 3000

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

**OFFICER DECLARATION STATEMENT FOR THE YEAR ENDED**

**30 JUNE 2020**

I, David Canny, being the President of the Australian Hotels Association (Victoria Branch), declare that the following activities did not occur during the reporting period ending 30 June 2020.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue via compulsory levies
- 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
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer: ..... *David Canny* .....

Dated: .....11 September 2020.....



**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH) ACN 052 166 015  
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF  
THE CORPORATIONS ACT 2001 TO THE MEMBERS OF THE AUSTRALIAN HOTELS ASSOCIATION  
(VICTORIA BRANCH)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Date ..... 11th September 2020 .....

Name of Partner .....  .....

MARK P BARSON

Name of Firm Charman Partners

Address Suite 4  
10 - 12 Chapel Street  
Blackburn VIC 3130