

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Financial Statements

For the Year Ended 30 June 2020

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

Report on the Audit of the Financial Report
For the year ended 30 June 2020

Opinion

We have audited the financial report of Australian Hotels Association Northern Territory Branch (the Branch), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of management Statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2020, and its financial performance and its cash flows for the year then ended on that date in accordance with:

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

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

Basis for Opinion

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

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

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

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

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

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Perks & Associates Pty Ltd

ACN 008 053 576 / ABN 50 507 079 554
Liability limited by a scheme approved
under Professional Standards Legislation.
Australian Financial Services
Licence No. 488997

Audit
Perks Audit Pty Ltd

ACN 109 602 100 / ABN 20 173 474 661
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under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd

ACN 086 643 058 / ABN 88 086 643 058
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Licence No. 236 551

Finance
Perks Finance Pty Ltd

ACN 101 919 537 / ABN 76 533 199 660
Australian Credit Licence No. 378241

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2020

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

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

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Branch 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 Branch'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 Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Australian Hotels Association Northern Territory Branch

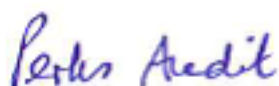
ABN 48 911 463 427

For the Year Ended 30 June 2020

- conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Branch audit. I remain solely responsible for my audit opinion.

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

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



PERKS AUDIT PTY LTD

84 Smith Street

Darwin

Northern Territory 0800



PETER J HILL

Director

Registered Company Auditor

Registration number: AA2017/25

Dated this 28 day of October 2020

Australian Hotels Association Northern Territory Branch

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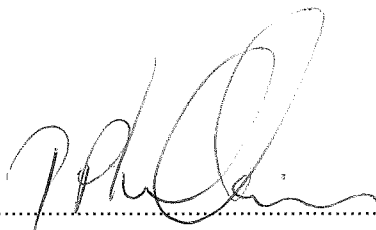
For the Year Ended 30 June 2020

Expenditure Report Required Under Subsection 255(2A)

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Australian Hotels Association Northern Territory Branch for the year ended 30 June 2020.

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses - employees	490,777	553,835
Advertising	2,554	2,393
Operating costs	413,387	431,190
Donations to political parties	-	-
Legal costs	2,781	5,629

Signature of prescribed designated officer:



Name of prescribed designated officer: Penny Phillips

Title of prescribed designated officer: Treasurer

Dated this 28 day of October 2020

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2020

Operating Report

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2020.

Principal Activities

The principal activities of branch during the financial year were:

- The Australian Hotels Association Northern Territory Branch ("AHA") is an employers' branch representing the rights and interests of licensees particularly in relation to liquor licensing, gaming, small business, tourism, industrial relations and health.
- The AHA considers all political developments both Commonwealth and in the Northern Territory affecting the AHA and takes steps to initiate, promote, amend, modify or reject, as the case may be, all or any of such political measure. The AHA regularly meets with Members of Parliament and key Government representatives to consult key issues.
- There were no significant changes in the nature of these activities during the year under review.
- The President and Chief Executive Officer attended several National Executive meetings throughout the year.

Significant Changes in Financial Affairs

There were significant changes to the profit/loss for the year (2019 Profit \$14,974; 2020 Profit \$147,784).

These changes were partially due to increased Government Grant income providing additional revenue not known at the time of budgeting, in addition to temporary government cash flow boosts received in support of not-for-profit organisations during the economic downturn associated with Covid-19.

Members advice

- under section 174 of the Fair Work (Registered Organisations) Act 2009 ("RO Act"), a member may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which he is a member (see rule 32, Australian Hotels Association Rules);
- the register of members of the AHA was maintained in accordance with the RO Act; and

Trustee of superannuation entity

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

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Prescribed and other information

As at 30 June 2020 to which this report relates, the number of members of the AHA was 155 including 4 Honorary Life members (151 are voting members);

As at 30 June 2020, the total number of employees employed by the reporting entity was 4;

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

Paul Palmer	President
Michael Burns	Senior Vice President
Frank Dalton	Vice President
Jason Hanna	Secretary
Penny Phillips	Treasurer
Justin Coleman	Board Member
Doug Sallis	Board Member
Russell Reid	Board Member
Matt Hwer	Board Member
Ray Loechel	Board Member
Ian McCormack	Board Member
Craig Jervis	Board Member
Jon Jenkins	Board Member
Amy McArdle	Board Member
David Robinson	Board Member
Matthew Hutcheon	Board Member (appointed 2 July 2020)
Todd Grierson	Board Member (appointed 19 November 2019)
Joshua Aburrow-Newman	Board Member (resigned 9 March 2020)
Greg Targett	Board Member (resigned 18 April 2020)

Treasurer
Penny Phillips

Dated this 28 day of October 2020

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2020

Committee of Management Statement

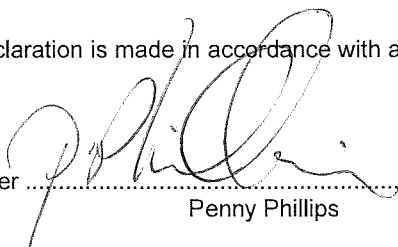
On 28 October 2020, the Committee of Management of the Australian Hotels Association Northern Territory Branch ("the Branch") passed the following resolution in relation to the general purpose financial report ("GPFR") of the Branch for the financial year ended 30 June 2020:

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 Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch 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 Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the Branch 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 Branch or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.

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

Treasurer


Penny Phillips

Dated this 28 day of October 2020

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2020

Statement of Profit and Loss

	Note	2020 \$	2019 \$
Revenue from contracts with customers			
Membership subscriptions	3	168,937	169,643
Capitation fees and other revenue from another reporting unit	3	261,431	235,303
Levies	3	-	-
Total revenue from contracts with customers		430,368	404,946
Income for furthering objectives			
Grants and/or Donations	3	384,436	325,564
Conference and Trade Expo	3	-	40,403
Corporate Sponsorship	3	-	-
Functions	3	75,806	160,504
Total income for furthering objectives		460,242	526,471
Other income			
Revenue from recovery of wages activity		-	-
Interest received	3	650	924
Other income	3	166,025	128,733
Total other income		166,675	129,657
Total Income		1,057,285	1,061,074
Expenditure			
Accounting fees		2,090	2,477
Employee benefits expense	4	490,777	558,347
Depreciation	4	1,670	1,631
Conference/seminar costs	4	170,884	236,655
Rent	4	22,456	26,830
Insurance		5,605	5,765
Travel		31,689	48,888
Publications		23,878	27,019
Consulting and professional fees		18,054	39,862
Capitation fees and other expense to another reporting unit	4	-	-
Other expenses	4	142,398	98,626
		909,501	1,046,100
Profit before tax		147,784	14,974
Income tax expense	1.22	-	-
Profit for the year		147,784	14,974

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

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For the Year Ended 30 June 2020

Other Comprehensive Income

	2020	2019
	\$	\$
Profit for the year	147,784	14,974
Other comprehensive income:	-	-
Total comprehensive Income for the year	<u>147,784</u>	<u>14,974</u>

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

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For the Year Ended 30 June 2020

Statement of Financial Position

as at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5A	465,160	140,402
Trade and other receivables	5B	107,373	146,865
TOTAL CURRENT ASSETS		572,533	287,267
NON-CURRENT ASSETS			
Property, plant and equipment	6	7,774	7,096
TOTAL NON-CURRENT ASSETS		7,774	7,096
TOTAL ASSETS		580,307	294,363
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7A	10,369	11,299
Other payables	7B	238,125	102,857
Short-term provisions	8A	11,833	24,006
TOTAL CURRENT LIABILITIES		260,327	138,162
NON-CURRENT LIABILITIES			
Long-term provisions	8A	15,995	-
TOTAL NON-CURRENT LIABILITIES		15,995	
TOTAL LIABILITIES		276,322	138,162
NET ASSETS		303,985	156,201
EQUITY			
Retained earnings		303,985	156,201
TOTAL EQUITY		303,985	156,201

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

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For the Year Ended 30 June 2020

Statement of Changes in Equity

2020

	Retained Earnings	Total
	\$	\$
Balance at 01 July 2019	156,201	156,201
Profit for the year	147,784	147,784
Closing Balance at June 30 2020	303,985	303,985

2019

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

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Statement of Cash Flows

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,096,126	1,207,513
Payments to suppliers	(278,893)	(748,302)
Payments to employees	(490,777)	(569,976)
Interest received	650	924
Net cash provided by / (used in) operating activities	9 327,106	(109,841)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(2,348)	(1,314)
Net cash (used in) investing activities	(2,348)	(1,314)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase / (decrease) in cash and cash equivalents held	324,758	(111,155)
Cash and cash equivalents at beginning of year	140,402	251,557
Cash and cash equivalents at end of financial year	5 465,160	140,402

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For the Year Ended 30 June 2020

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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:

- AASB 16 Leases and amending standards, which replaces AASB117 Leases.

Impact on adoption of AASB 16 Leases

The committee has determined that the only lease held by Australian Hotels Association Northern Territory Branch is a short-term lease and therefore has been recognised on a straight-line basis as an expense. Therefore no impact has been felt as a result of AASB 16.

Future Australian Accounting Standards Requirements

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

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1.5 Investment in associates and joint arrangements

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

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

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

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

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

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

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

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

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For the Year Ended 30 June 2020

1.7 Revenue

The Australian Hotels Association Northern Territory 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 Australian Hotels Association Northern Territory Branch has a contract with a customer, the Australian Hotels Association Northern Territory Branch recognises revenue when or as it transfers control of goods or services to the customer. The Australian Hotels Association Northern Territory Branch 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 Northern Territory Branch.

If there is only one distinct membership service promised in the arrangement, the Australian Hotels Association Northern Territory 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 Northern Territory 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 Northern Territory 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 Australian Hotels Association Northern Territory Branch 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 Northern Territory 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 Australian Hotels Association Northern Territory Branch 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.

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1.7 Revenue (*continued*)

Membership subscriptions (*continued*)

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

Capitation fees

Where the Australian Hotels Association Northern Territory Branch arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Australian Hotels Association Northern Territory Branch recognises the capitation fees promised under that arrangement when or as it transfers the services.

In circumstances where the criteria for a contract with a customer are not met, the Australian Hotels Association Northern Territory Branch will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Australian Hotels Association Northern Territory Branch transfers the goods or services.

In circumstances where the criteria for a contract with a customer are not met, the Australian Hotels Association Northern Territory Branch will recognise levies as income upon receipt (as specified in the income recognition policy below).

Income recognised from transfers

Where, as part of an enforceable agreement, the Australian Hotels Association Northern Territory Branch receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Australian Hotels Association Northern Territory Branch own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

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.

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For the Year Ended 30 June 2020

1.7 Revenue (*continued*)

Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Australian Hotels Association Northern Territory Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Australian Hotels Association Northern Territory Branch should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

1.8 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 Northern Territory 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 Australian Hotels Association Northern Territory Branch recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

The Australian Hotels Association Northern Territory 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.

Australian Hotels Association Northern Territory Branch

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1.9 Leases (continued)

Australian Hotels Association Northern Territory Branch as a lessee

The Australian Hotels Association Northern Territory Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Australian Hotels Association Northern Territory recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Australian Hotels Association Northern Territory Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2020	2019
Land & buildings	N/A	N/A
Plant and equipment	N/A	N/A

If ownership of the leased asset transfers to the Australian Hotels Association Northern Territory at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Australian Hotels Association Northern Territory Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Australian Hotels Association Northern Territory Branch and payments of penalties for terminating the lease, if the lease term reflects the Australian Hotels Association Northern Territory Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Australian Hotels Association Northern Territory Branch uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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1.10 Borrowing costs

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

1.11 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.

1.12 Financial instruments

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

1.13 Financial assets

Contract assets and receivables

A contract asset is recognised when the Australian Hotels Association Northern Territory Branch's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Australian Hotels Association Northern Territory Branch 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 Australian Hotels Association Northern Territory Branch business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Australian Hotels Association Northern Territory Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

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

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1.13 Financial assets (continued)

Initial recognition and measurement (continued)

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

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

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

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

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1.13 Financial assets (*continued*)

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

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.

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1.13 Financial assets (*continued*)

Expected credit losses (*continued*)

(i) Trade receivables

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

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

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

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

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1.14 Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

Financial liabilities at amortised cost

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

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

Derecognition

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

1.15 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 Northern Territory Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Australian Hotels Association Northern Territory Branch performs under the contract (i.e., transfers control of the related goods or services).

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1.15 Liabilities relating to contracts with customers (continued)

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 Northern Territory Branch's refund liabilities arise from customers' right of return. The liability is measured at the amount the Australian Hotels Association Northern Territory Branch ultimately expects it will have to return to the customer. The Australian Hotels Association Northern Territory Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.16 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.

1.17 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

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

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

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1.17 Land, Buildings, Plant and Equipment (*continued*)

Depreciation

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

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

	2020	2019
Plant and equipment	15%	15%
Motor vehicles	20%	20%

Derecognition

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

1.18 Investment property

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

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

1.19 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.

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1.20 Impairment of non-financial assets (*continued*)

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

1.21 Non-current assets held for sale

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

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

1.22 Taxation

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

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

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

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

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

1.23 Fair value measurement

The Australian Hotels Association Northern Territory Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14A.

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1.23 Fair value measurement (*continued*)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Australian Hotels Association Northern Territory Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Australian Hotels Association Northern Territory Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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1.24 Going concern

The Committee of Management have resolved that the Australian Hotels Association Northern Territory Branch is a going concern.

As a result, going concern financial support was not required to be received from another reporting unit during the financial year.

Additionally, going concern financial support was not required to be provided to another reporting unit during the financial year.

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 Northern Territory 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 Northern Territory 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 Northern Territory Branch, the results of those operations, or the state of affairs of the Australian Hotels Association Northern Territory Branch in subsequent financial periods.

Note 3 Revenue and Income

Disaggregation of revenue from contracts with customers

A disaggregation of the Australian Hotels Association Northern Territory Branch revenue by type of arrangements is provided on the face of the Statement of Profit and Loss. The table below also sets out a disaggregation of revenue by type of customer.

Membership service is provided over 12 months to offer assistance and support to the member as required.

Sponsorship arrangements are provided over 12 months with performance obligations based on individual agreements.

	2020	2019
	\$	\$
Type of customer		
Members' subscriptions	168,937	169,643
Other reporting units sponsorship arrangements	261,431	-
Government	-	-
Other parties	-	-
Total revenue from contracts with customers	430,368	169,643

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Note 3 Revenue and Income (continued)

Disaggregation of income for furthering activities

A disaggregation of the Australian Hotels Association Northern Territory Branch income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

Government Grants are for the goods and services delivered during the financial year in accordance with the Government deeds as per AASB1058.

Other parties include revenue from events held and / or other miscellaneous revenue.

	2020	2019
	\$	\$
Income funding sources		
Members	-	-
Other reporting units	-	-
Government	384,436	325,564
Other parties	75,806	436,210
Total income for furthering activities	460,242	761,774

	2020	2019
	\$	\$
Note 3A: Capitation Fees		
Capitation fees	-	-
Total capitation fees	-	-

Note 3B: Levies

Levies	-	-
Total levies	-	-

Note 3C: Grants and/or donations

Grants	374,436	325,564
Donations	10,000	-
Total grants and donations	384,436	324,564

Note 3D: Income recognised from transfers to enable Australian Hotels Association Northern Territory Branch to acquire or construct a recognisable non-financial asset to be controlled by Australian Hotels Association Northern Territory Branch

Amount recognised from financial asset transfers	-	-
Total income recognised from transfers	-	-

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Note 3E: Net gains from sale of assets

Land and buildings	-	-
Plant and equipment	5,000	-
Other	-	-
Total net gain from sale of assets	5,000	-

Note 3F: Investment Income

Interest		
Deposits	650	924
Loans	-	-
Debt instruments at fair value through OCI	-	-
Dividends	-	-
Total Investment Income	650	924

Note 3G: Rental Income

Properties	-	-
Other	-	-
Total rental income	-	-

Note 3H: Other Income

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Other income	161,025	128,733
Total revenue from other income	161,025	128,733

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Note 4	Expenses	2019	2018
		\$	\$
Note 4A: Employee benefits expense			
Holders of office:			
	- wages and salaries	-	-
	- superannuation	-	-
	- leave and other entitlements	-	-
	- separation and redundancies	-	-
	- other employee expenses	-	-
	Subtotal employee expenses holders of office	-	-
Employees other than office holders			
	- wages and salaries	442,974	517,187
	- superannuation	40,796	49,133
	- leave and other entitlements	3,822	(16,141)
	- separation and redundancies	-	-
	- other employee expenses	3,185	8,168
	Subtotal employee expenses employees other than office holders	490,777	558,347
	Total employee benefits expense	490,777	558,347
Note 4B: Capitation fees			
	Capitation fees	-	-
	Total capitation fees	-	-
Note 4C: Affiliation fees			
	Affiliation fees paid to National AHA	9,859	9,859
	Total affiliation fees/subscriptions	9,859	9,859
Note 4D: Administration expenses			
	Consideration to employers for payroll deductions	-	-
	Compulsory levies	-	-
	Fees/allowances - meeting and conferences	-	-
	Conference and meeting expenses	170,884	236,655
	Contractors/consultants	-	-
	Property expenses	22,456	26,830
	Office expenses	-	-
	Information communications technology	-	-
	Other	-	-
	Subtotal administration expense	193,340	263,485

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	2019	2018
	\$	\$
Note 4D: Administration expenses (continued)		
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	193,340	263,485
Note 4E: Grants or Donations		
<i>Grants:</i>		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<i>Donations:</i>		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	10,000	-
Total grants or donations	10,000	-
Note 4F: Depreciation and Amortisation		
Depreciation		
Land & buildings	-	-
Property, plant and equipment	1,670	1,631
Total depreciation	1,670	1,631
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	1,670	1,631
Note 4G: Finance Costs		
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	-	-
Note 4H: Legal Costs		
Litigation	-	-
Other legal costs	2,781	5,629
Total legal costs	2,781	5,629
Note 4I: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant & equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	-	-

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Note 4J: Net losses from sale of assets

Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-

Note 4K: Other expenses

Penalties - via RO Act or RO Regulations	-	-
Total other expenses	-	-

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	2020	2019
Note 5 Current Assets	\$	\$
Note 5A: Cash and Cash Equivalents		
Cash on hand	342	129
Cash at bank	464,818	140,273
Total cash and cash equivalents	465,160	140,402
Note 5B: Trade and Other Receivables		
Receivables from other reporting unit		
AHA National Office	-	-
Total receivables from other reporting unit	-	-
Less provision for doubtful debts		
AHA National Office	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit (net)	-	-
Other receivables:		
GST receivable	-	-
Other trade receivables (net)	107,373	146,865
Total other receivables	107,373	146,865
Total trade and other receivables (net)	107,373	146,865

The movement in the provision for doubtful debts is as follows:

At 1 July 2019	989	989
Provision for doubtful debts	-	-
Write-off	-	-
At 30 June 2020	989	989

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Note 5 Current Assets (continued)

The Australian Hotels Association Northern Territory Branch has recognised the following assets and liabilities related to contracts with customers:

	2020 \$	2019 \$
Receivables		
Receivables – current	83,762	146,865
Receivables – non-current	-	-
	<hr/> 83,762	<hr/> 146,865
Contract assets		
Contract assets – current	-	-
Contract assets – non-current	-	-
	<hr/> -	<hr/> -
Other contract liabilities		
Contract liabilities – current	195,382	51,957
Contract liabilities – non-current	-	-
	<hr/> 195,382	<hr/> 51,957

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2020 is \$83,762. The Australian Hotels Association Northern Territory Branch expects that 100% of the transaction price allocated to remaining performance obligations is expected to be recognised as revenue within one year. These performance obligations primarily relate to member subscription contracts and grants provided by government organisations.

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Note 6 Non-current Assets

Note 6A: Plant and equipment	2020	2019
	\$	\$
Plant and equipment:		
at cost	64,261	91,709
accumulated depreciation	(56,487)	(84,613)
Total plant and equipment	7,774	7,096

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 July 2019		
Gross book value	91,709	90,395
Accumulated depreciation and impairment	(84,613)	(82,982)
Net book value 1 July 2019	7,096	7,413
Additions:		
By purchase	2,348	1,314
Depreciation expense	(1,670)	(1,631)
Disposals:	(29,796)	-
Other	-	-
Depreciation on disposal	29,796	-
Net book value 30 June 2020	7,774	7,096
Net book value as of 30 June represented by:		
Gross book value	64,261	91,709
Accumulated depreciation and impairment	(56,487)	(84,613)
Net book value 30 June 2020	7,774	7,096

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2020

Note 6B: Leases

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Nil	Total
	\$	\$
As at 1 July 2018 (restated)	-	-
Additions	-	-
Depreciation expense	-	-
Impairment	-	-
Disposal	-	-
Other movement	-	-
As at 30 June 2019 (restated)	-	-
Additions	-	-
Depreciation expense	-	-
Impairment	-	-
Disposal	-	-
Other movement	-	-
As at 30 June 2020	-	-

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2020	2019
	\$	\$
		Restated
As at 1 July	-	-
Additions	-	-
Accretion of interest	-	-
Payments	-	-
As at 30 June 2020	-	-
Current	-	-
Non-current	-	-

Australian Hotels Association Northern Territory Branch

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Note 6B: Leases (Continued)

The following are the amounts recognised in profit or loss:

	2020	2019
	\$	\$
Depreciation expense of right-of-use assets	-	-
Interest expense on lease liabilities	-	-
Expense relating to short-term leases	16,800	16,800
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	16,800	16,800

The following provides information on the Australian Hotels Association Northern Territory Branch variable lease payments, including the magnitude in relation to fixed payments:

	Fixed payments	Variable payments	Total
	\$	\$	\$
2019			
Fixed rent	-	-	-
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	-	-	-
2020			
Fixed rent	-	-	-
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	-	-	-

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For the Year Ended 30 June 2020

Note 6B: Leases (Continued)

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within five years	More than five years	Total
	\$	\$	\$
2020			
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
	-	-	-
2019			
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
	-	-	-

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For the Year Ended 30 June 2020

Note 7 Current Liabilities

	2020	2019
	\$	\$
Note 7A: Trade payables		
Trade creditors and accruals	10,369	11,299
Subtotal trade creditors and accruals	10,369	11,299
Payables to other reporting unit[s]		
AHANT WA Branch	-	-
Subtotal payables to other reporting unit	-	-
Total trade payables	10,369	11,299

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	9,233	12,282
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	195,382	51,957
GST payable	36	10,539
Other	33,474	28,079
Total other payables	238,125	102,857

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2020

Note 8 Provisions

Note 8A: Employee Provisions

	2020	2019
	\$	\$
Office Holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	-	-
Employees other than office holders:		
Annual leave	11,833	24,006
Long service leave	15,995	-
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	27,828	24,006
Total employee provisions	27,828	24,006
Current	11,833	24,006
Non-Current	15,995	-
Total employee provisions	27,828	24,006

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For the Year Ended 30 June 2020

Note 9 Cash Flow

	2020 \$	2019 \$
Note 9A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	465,160	140,402
Balance sheet	465,160	140,402
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	147,784	14,974
Adjustments for non-cash items		
Depreciation/amortisation	1,670	1,631
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
Decrease/(increase) in net receivables	39,492	147,363
(Increase)/decrease in prepayments	-	-
(Decrease)/increase in supplier payables	(930)	(44,300)
(Decrease) in other payables	135,267	(213,360)
(Decrease)/increase in employee provisions	3,823	(16,141)
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	<u>327,106</u>	<u>(109,841)</u>
Note 9B: Cash flow information*		
Cash inflows		
AHA National Office	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
AHA National Office	9,559	9,559
Total cash outflows	<u>9,559</u>	<u>9,559</u>

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For the Year Ended 30 June 2020

Note 10 Contingent Liabilities, Assets and Commitments

Other contingent assets or liabilities

At 30 June 2020 the entity has no contingent assets or liabilities (2019: \$nil).

Note 11 Related Party Disclosures

Note 11A: Related Party Transactions for the Reporting Period

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

Revenue received from AHANT Inc includes the following:	2020	2019
Interest	-	-
Administration Fee	14,000	15,000
	<hr/>	
Expenses paid to AHANT Inc includes the following:		
Rent	16,800	16,800
	<hr/>	
Amounts owed by AHANT Inc include the following:		
Accounts receivable	3,850	85,764
	<hr/>	
Amounts owed to AHANT Inc include the following:		
Trade Payables	2,750	-
Other Payables	-	-
	<hr/>	
Loans from AHANT Inc includes the following:		
Loan	-	-
	<hr/>	

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2020, the Australian Hotels Association Northern Territory Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2019: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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For the Year Ended 30 June 2020

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

	2020	2019
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	214,821	195,530
Annual leave accrued	-	8,000
Performance bonus	-	-
Total short-term employee benefits	<u>214,821</u>	<u>203,530</u>
Post-employment benefits:		
Superannuation	20,543	18,576
Total post-employment benefits	<u>20,543</u>	<u>18,576</u>
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	-	-
Total	<u><u>235,364</u></u>	<u><u>222,106</u></u>

Note 12 Remuneration of Auditors

Value of the services provided

Financial statement audit services	8,611	10,630
Other services	-	-
Total remuneration of auditors	<u>8,611</u>	<u>10,630</u>

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

Note 13 Financial Instruments

The main risks Australian Hotels Association Northern Territory Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The branch's financial instruments consist mainly of deposits with banks, accounts receivable and payable and bank overdrafts.

The totals for each category of financial instruments as detailed in the accounting policies to these financial statements, are as follows:

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2020

Note 13A: Categories of Financial Instruments

	2020 \$	2019 \$
Financial Assets		
Cash and cash equivalents	465,160	140,402
Trade receivables	107,373	146,865
Total	572,533	287,267
<i>Carrying amount of financial assets</i>	<i>572,533</i>	<i>287,267</i>
Financial Liabilities		
Trade and other payables	248,494	114,156
Total	248,494	114,156
<i>Carrying amount of financial liabilities</i>	<i>248,494</i>	<i>114,156</i>

Note 13B: Net income and expense from financial assets

Held-to-maturity

Interest revenue	650	924
Net gain/(loss) held-to-maturity	650	924

Loans and receivables

Interest revenue	-	-
Net gain/(loss) from loans and receivables	-	-
Net gain/(loss) from financial assets	650	924

Note 13C: Credit Risk

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

Financial assets

Trade receivables	83,763	146,865
Other receivables	24,600	-
Total	107,373	146,865

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2020

Note 13C: Credit Risk (continued)

30 June 2020	Trade and other receivables					
	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
\$	\$	\$	\$	\$	\$	
Expected credit loss rate	33.3%	33.3%	0%	0%	66.7%	
Estimate total gross carrying amount at default	27,900	27,900	-	-	55,862	83,762
Expected credit loss	-	-	-	-	-	-

30 June 2019	Trade and other receivables					
	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
\$	\$	\$	\$	\$	\$	
Expected credit loss rate	65.2%	65.2%	23.7%	0%	11.1%	
Estimate total gross carrying amount at default	96,363	96,363	35,090	-	16,400	147,853
Expected credit loss	-	-	-	-	-	-

Note 13D: Liquidity risk

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

The branch's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The branch maintains cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

At the reporting date, these reports indicate that the branch expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2020

Note 13D: Liquidity risk (continued)

Contractual maturities for financial liabilities 2020

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	10,369	-	-	-	10,369
Other payables	-	238,125	-	-	-	238,125
Total	-	248,494	-	-	-	248,494

Contractual maturities for financial liabilities 2019

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

Note 13E: Market Risk

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

Interest rate risk

The branch is exposed to interest rate risk on financial assets and financial liabilities whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial instruments that primarily expose the Association to interest rate risk are cash and cash equivalents.

The Association's policy is to minimise interest rate cash flow risk exposure by using a mix of fixed and floating rates for cash and cash equivalents.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonable change in interest rates of +0.5% and -0.5% (2019: +0.5% and -0.5%). These changes are considered to be reasonably possible based on observations of current market conditions and economic reports.

Australian Hotels Association Northern Territory Branch

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For the Year Ended 30 June 2020

Note 13E: Market Risk (continued)

Sensitivity analysis of the risk that the entity is exposed to for 2020

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	Cash	+0.5%	2,326	2,326
Interest rate risk	Cash	-0.5%	(2,326)	(2,326)

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

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

Note 14 Fair Value Measurement

Note 14A: Financial Assets and Liabilities

Management of the Australian Hotels Association Northern Territory Branch assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table contains the carrying amounts and related fair values for the Australian Hotels Association NT Branch's financial assets and liabilities:

	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	465,160	465,160	140,402	140,402
Trade and other receivables	107,373	107,373	146,865	146,865
Financial Liabilities				
Trade and other payables	249,494	249,494	114,156	114,156
Total	323,039	323,039	173,111	173,111

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2020

Note 14B: Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2020

	Level 1	Level 2	Level 3
	\$	\$	\$
Assets measured at fair value			
Cash and cash equivalents	465,160	-	-
Trade and other receivables	107,373	-	-
Total	572,533	-	-
Liabilities measured at fair value			
Trade and other payables	248,494	-	-
Total	249,494	-	-

Fair value hierarchy – 30 June 2019

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

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).

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2020

Additional Information

Disclaimer

The additional financial data presented on page 52 is in accordance with the books and records of the branch which have been subjected to the auditing procedures applied in our statutory audit of the branch for the year ended 30 June 2020. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Hotels Association Northern Territory Branch) in respect of such data, including any errors or omissions therein however caused.



PERKS AUDIT PTY LTD

84 Smith Street

Darwin

Northern Territory 0800



PETER J HILL

Director

Registered Company Auditor

Registration number: AA2017/25

Dated this 28 day of October 2020

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2020

Profit and Loss Account

	2020	2019
Income	\$	\$
Grants and Funding	384,436	325,564
Corporate sponsorship	261,431	235,303
Administration and management fees	168,937	169,643
Other income	161,025	128,733
Functions income - dinners and lunches	75,806	160,504
Gain on sale of asset	5,000	-
Interest income	650	924
Conference and Trade Expo	-	40,403
Total income	1,057,285	1,061,074
Less: Expenses		
Salaries - Employees	442,974	517,187
Conference/seminar costs	170,884	236,655
Superannuation contributions	40,796	49,132
Travel	31,689	48,888
Subscriptions	25,928	25,912
Other Expenses	22,819	9,713
Rent	22,456	26,830
Consulting and professional fees	18,054	29,233
Worker attraction expenses	15,570	-
Public relations	12,279	3,268
Entertainment	11,637	7,711
Workforce development expenses	11,468	4,513
Publications	11,014	9,869
AHA National Affiliation fees and levies	9,859	9,859
Magazine - Hospitality Outlook	9,005	11,661
Auditors remuneration	8,611	10,630
Computer expenses	6,063	7,436
Insurance	5,605	5,765
Telephone and fax	5,604	7,561
Printing and stationery	4,655	6,711
Movement in leave provisions	3,822	(16,141)
Cleaning	3,276	2,918
Electricity and water	3,217	3,587
Workers compensation insurance	3,185	3,655
Postage	2,339	1,852
Accounting fees	2,090	2,476
Motor vehicle expenses	1,771	4,229
Depreciation	1,670	1,631
Bank charges	1,138	1,437
Sundry expenses	22	11,922
Total Expenses	909,501	1,046,100
Profit before income tax	147,784	14,974

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2020

OFFICER DECLARATION STATEMENT

I, Penny Phillips, being the designated officer of the Australian Hotels Association Northern Territory Branch, declare that the following activities did not occur during the reporting period ending 30 June 2020.

The Australian Hotels Association Northern Territory Branch did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission;
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch;
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity;
- have a balance within the general fund;
- have another entity administer the financial affairs of the Australian Hotels Association Northern Territory Branch;
- make a payment to a former related party of the Australian Hotels Association Northern Territory Branch; or
- derive any revenue from undertaking recovery of wages activity

Treasurer
Penny Phillips

Dated this 28 day of October 2020