

**ACCOMMODATION ASSOCIATION OF AUSTRALIA INC (REGN: IA01767)
AND ITS SUBSIDIARY
ACCOMMODATION ASSOCIATION OF AUSTRALIA PTY LTD (ABN: 32 088 943 239)**

Annual Report - 30 June 2020

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Officers' report
30 June 2020**

The officers present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2020.

Officers

The following persons were officers of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Julian Clark – President CEO Lancemore Group	Simon McGrath – Deputy President Chief Operating Officer Accor Hotels
Bruce Copland – Treasurer Independent Director	Leanne Harwood – Director Managing Director IHG Australasia & Japan
Barry Robinson – Director President and Managing Director, International Operations Wyndham Vacation Clubs, Wyndham Destinations	Heidi Kunkel – Director Vice President of Operations, Australasia Hilton
Ramy Filo – Director Chief Executive Officer Classic Holidays	Christopher Sedgwick – Director Chief Operating Officer TFE Hotels
Damian Quayle – Director Chief Operating Officer The Star Sydney Appointed 12 December 2019	Trent Fraser (MAICD) – Director Chief Executive Officer, Choice Hotels Asia Pacific
Col Hughes (MAICD) – Director Independent Director	Dino Mezzatesta (MAICD) – Director CEO Cronulla Sharks Leagues Club Limited
Dean Long – Company Secretary Chief Executive Officer Accommodation Association of Australia	

**Accommodation Association of Australia Inc
and its Subsidiary
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Objectives

The objectives for which the Association is established are:

- a) to promote the interests of persons or entities whose business activities generate income from the provision of accommodation and related or ancillary services;
- b) to promote the welfare of the short-term accommodation industry throughout Australia and to foster professionalism and integrity throughout the industry;
- c) to act as a national association providing representation and services to Members across Australia;
- d) to promote and advance the interests of Members;
- e) to assist and give advice to Members on any matters affecting employers and their relationships with employees and to represent Members in proceedings before Federal and State Industrial Tribunals, where such matters are of common interest;
- f) to lobby local, State, Territory and Commonwealth government on behalf of Members;
- g) to cooperate or act in conjunction with any person or persons, firm, company, corporation, public body, or association in respect of any matter in accordance with the objects of the Association, and to appoint representatives from time to time as may be necessary for such purpose;
- h) to establish State and Territory Divisions and regions and to provide for the appointment of state consultative committees to deal with local matters or matters of general interest to the Association which may require local attention;
- i) to admit Full Members, Associate Members, Corporate Members and Honorary Members as hereinafter provided and arrange at the direction of the Board such activities as shall be of mutual benefit to Full Members, Associate Members, Corporate Members and Honorary Members.

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State of Affairs

During the financial year the Accommodation Association of Australia has undertaken a significant investment into services and products to assist each of our members and the tourism industry at large to navigate the impacts of bushfires and COVID-19. Importantly the decision to modernise our communication assets through a new brand, trading name and website meant our members had easier access to member only material and offers to support their businesses.

Board operations and end of year result

The Board meet formally four times throughout the last financial year

Director	Attended	Entitled
Julian Clark	3	4
Simon McGrath	3	4
Bruce Copland	3	4
Barry Robinson	3	4
Col Hughes	4	4
Leanne Harwood	3	4
Chris Sedgwick	4	4
Trent Fraser	3	4
Dino Mezzatesta	4	4
Ramy Filo	4	4
Heidi Kunkel	4	4
Damian Quayle	2	2

The CEO of the Association successfully executed the Strategic Plan as established and approved by the Board of the Association to gain a better outcome for Members and enhance the position of the Australian accommodation sector. Member's equity grew substantially ahead of budget from \$160,749 to \$432,783 and revenue was up 35.7%. Importantly revenue from membership grew at a rate of 11.9% reflecting the renewed investment into services and products throughout the year. A strong cost control program was successfully implemented throughout the year contributing to the strong performance of the Association.

Market impacts on the Australian Accommodation Sector:

2020 has seen a series of environmental impacts which has produced the most challenging market conditions since the great depression. The summer bush fire season impacted accommodation operators across the eastern seaboard and saw global coverage of this natural disaster subsequently negative impacting Australia's tourism brand. During this time international bookings slowed, and many domestic summer holidays were cancelled, and several businesses provided credits to encourage guests to return within the next twelve months. While February saw a strong recovery, this was cut short by the global pandemic COVID-19 and subsequent lock downs of the community.

In March 2020 the Federal Government closed the international boarder due to international spread of COVID-19 which overnight saw an average of 40% drop of demand for a typical city hotel. In the following four weeks corporate travel ceased and country wide lock downs and state borders closures resulted in occupancy and revenue drops of more than 85%. However, as the first wave was suppressed there was significant demand for travel particularly short trips out of cities in all states except for Victoria. Regional centres (within 3 hours of major cities) have recovered some of the lost business, many hotels in cities continue to experience falls of revenue of more than 60%.

Member Services:

- Member interaction increased from 3,106 to 9,444 a 204% increase in the first half of 2020.
 - All members proactively contacted a minimum of 2 occasions during COVID-19
- COVID-19 Support Program developed and successfully implemented
 - 400 members attending webinar support webinar on COVID-19
 - Downloaded and utilised by over 1,800 hotels and members to manage the impact of COVID19. During this time the website averaged 4,000 visits per week
- Market8 Reports – a new product providing timely information on market performance for BNE, SYD, GSYD and MEL
- Monthly Sentiment Survey (BNE, SYD, MEL) – providing insights to Government on the state of our industry
- New event platform and comprehensive webinar series created to provide member value

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- 12 In-Person Member Forums with almost 500 attendees
- 6 Boardroom Events (5 in-person and 1 virtual) with 120 attendees
- 15 Webinars with 1915 registrations covering the issues of Jobkeeper, Industry insights and improving technology post COVID-19
- Developed comprehensive industry, consumer and business events calendars for BNE, SYD and MEL with over 1,000 entries across the three calendars
- LinkedIn followers increased by 1,095 (46% increase)
- We issued 199 EDM's up from 108 in 2019. Importantly we increased our *open rate* by 6% which is 19% above industry standards and *click through* by 15% which is 13% above industry standards
- Created a corporate partner activation page and increase in corporate partners including Bunnings, STR, 13Cabs, Nine Papers leading to an increased return on membership investment

New website and member portal

The Association launched a new website to ensure members could maximise the value of their membership. The previous website was over 10 years old and did not provide the ideal member experience. With the launch of the new website on 1 January 2020 in six months the website had over 72,000 hits with our COVID-19 resources and training options our most visited pages:

- Coronavirus Hub
- About Us – The Association
- Online Training Courses
- COVID Safe Hotel Recovery Guide
- Member Portal

Advocacy

The Accommodation Association enhanced our approach building significant assets in terms of data and relationships across the Federal and state jurisdictions in the first six months of the year. This activity meant the Association was well positioned to advocate for the sector support packages during COVID-19.

- Strong links have been established with key political offices across State and Federal Government's
- The Association have lodged 10 Government submissions which is more than double the yearly number since 2018. These include:
 - JobKeeper (establishment and maintenance of program)
 - Physical Distancing (need for reduction of 4sqm rule)
 - Franchise arrangements
 - Victorian Regional Tourism Review
 - Pre Budget submissions
 - Commercial disclosure
 - Short Term Letting – Unregulated accommodation
- Established the NSW leaders round table chaired by the NSW Premier and including NSW Deputy Premier, Treasurer, Minister for Transport and Minister for Tourism
- Established the Accommodation advisory committee with the National COVID Coordination Commission
- New Government committee member representation on Federal Visa Advisory Panel, QLD Short Term Letting Committee, QLD Tourism and Events Economic Recovery Group, National Tourism Communication Incident Group, Commercial Buildings Disclosure Program review Reference Group, Pyrmont Peninsula Bounce Group and TAFE NSW Hospitality Industry Skills Reference Group.
- Continued a strong media presence with interviews across traditional media of radio, print and TV representing members' interests



**Julian Clark
President
28 October 2020**



**Bruce Copland
Treasurer
28 October 2020**

**Accommodation Association of Australia Inc
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Officers' report
30 June 2020**

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General information

The financial statements cover Accommodation Association of Australia Inc as a consolidated entity. The financial statements are presented in Australian dollars, which is Accommodation Association of Australia Inc's functional and presentation currency.

The financial statements were authorised for issue on 28 October 2020.

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020**

		Consolidated	
	Note	2020	2019
		\$	\$
Revenue	3	2,048,152	1,509,569
Expenses			
Academy and project expenses		(105,261)	(86,057)
Accountancy expenses		(44,350)	(40,900)
Auditors remuneration	10	(29,332)	(31,095)
Bank charges and credit card commissions		(2,448)	(2,155)
Consultants fees		-	(38,595)
Depreciation expense		-	-
Employment expenses		(1,204,213)	(716,311)
Events and awards for excellence		(45,497)	(48,633)
Insurance expenses		(6,101)	(5,827)
Legal fees		(14,776)	(5,515)
Office expenses		(161,542)	(162,199)
Operational expenses		(42,653)	(44,161)
Service fees - MIMAA		(50,000)	(50,000)
Subscriptions		-	(36,962)
Travelling expenses		(67,446)	(93,663)
		<hr/>	<hr/>
Profit before income tax expense		274,533	147,496
Income tax expense		(2,499)	(2,800)
		<hr/>	<hr/>
Profit after income tax expense for the year attributable to the members of Accommodation Association of Australia Inc		272,034	144,696
Other comprehensive income for the year, net of tax		<hr/>	<hr/>
		-	-
Total comprehensive income for the year attributable to the members of Accommodation Association of Australia Inc		<hr/> <hr/>	<hr/> <hr/>
		272,034	144,696

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Statement of financial position
As at 30 June 2020**

		Consolidated	
	Note	2020	2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	4	1,561,223	857,556
Trade and other receivables	5	278,180	103,136
Other current assets	6	97,024	51,529
Total current assets		<u>1,936,427</u>	<u>1,012,221</u>
Total assets		<u>1,936,427</u>	<u>1,012,221</u>
Liabilities			
Current liabilities			
Trade and other payables	7	764,006	147,724
Employee benefits	8	59,638	26,700
Other current liabilities	9	680,000	677,048
Total current liabilities		<u>1,503,644</u>	<u>851,472</u>
Total liabilities		<u>1,503,644</u>	<u>851,472</u>
Net assets		<u>432,783</u>	<u>160,749</u>
Equity			
Retained surplus		<u>432,783</u>	<u>160,749</u>
Total equity		<u>432,783</u>	<u>160,749</u>

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Statement of changes in equity
For the year ended 30 June 2020**

	Retained surplus \$	Total equity \$
Balance at 1 July 2018	16,053	16,053
Profit after income tax expense for the year	144,696	144,696
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	144,696	144,696
	<hr/>	<hr/>
Balance at 30 June 2019	<u>160,749</u>	<u>160,749</u>
	 Retained surplus \$	 Total equity \$
Balance at 1 July 2019	160,749	160,749
Profit after income tax expense for the year	272,034	272,034
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	272,034	272,034
	<hr/>	<hr/>
Balance at 30 June 2020	<u>432,783</u>	<u>432,783</u>

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Notes to the financial statements
30 June 2020**

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

In the officers' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the *Associations Incorporation Act QLD*. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of Accommodation Association of Australia Inc.

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical cost.

Going concern basis

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following significant accounting policies, which are consistent with the previous periods unless stated otherwise, have been adopted in the preparation of these financial statements

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Academy revenue

Academy revenues are recognised when training is complete and performance obligations are satisfied.

Grants

Revenue from government grants received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipt.

Subscription revenue

Subscription revenue is measured at the fair value of the consideration received or receivable in the period to which membership relates. Revenue is reduced for estimated subscription cancellations and on similar allowances. Deferred revenue is where amounts have been received but performance obligations have not been met.

**Accommodation Association of Australia Inc
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Notes to the financial statements
30 June 2020**

Note 1. Significant accounting policies (continued)

Interest

Interest revenue is recognised when received or receivable.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The entity is taxed applying the 'mutuality principle' whereby it is liable for tax only on non-member income. Tax effect accounting has been adopted. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised gain and losses or income and expenses arising from intra-group transaction, are eliminated in preparing the financial report of the Consolidated Entity.

Principal of consolidation

The consolidated financial statements incorporate the asset and liabilities of all controlled entities of the Consolidated Entity.

Controlled entities

Controlled entities are entities controlled by the Consolidated Entity. Control is based on whether the Consolidated Entity has power over an entity, exposure or rights to variable returns from its involvement with the entity, and the ability to use its power to affect the entity's returns. All three of these criteria must be met for a consolidated entity to have control over an entity. Investments in controlled entities are carried at their cost of acquisition in the company's financial statements, less impairment if applicable.

**Accommodation Association of Australia Inc
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Notes to the financial statements
30 June 2020**

Note 1. Significant accounting policies (continued)

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The depreciation rates used for each class of depreciable assets are:

Office equipment	10% - 37.5%
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term and long-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Amounts expected to be settled later than 12 months of the reporting date, being accrued long service leave entitlements, have been reported as non-current liabilities.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

New or amended Accounting Standards and Interpretations adopted

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 16 Leases

This standard has been adopted from 1 July 2019. The standard replaces AASB 117 'Lease' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

**Accommodation Association of Australia Inc
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30 June 2020**

Note 1. Significant accounting policies (continued)

Impact of adoption

In applying AASB 16 for the first time, the incorporated association has used the following practical expedients permitted by the standard:

- Accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- Excluding any initial direct costs from the measurement of right-of-use assets;
- Not applying AASB 16 to contracts that were not previously identified as containing a lease.

AASB 15 Revenue from contracts with Customers

The incorporated association has adopted AASB 15 from 1 July 2019. AASB 15 establishes a comprehensive five-step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Contracts with customers are presented in an entity's statement of financial position as an accrued income, deferred revenue, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The incorporated association has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 "contributions" in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

Impact of AASB 15 & 1058 adoption

The adoption of AASB 15 & 1058 has not had an impact on the financial statements. There were no adjustments required to retained earnings.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 30 June 2020. The incorporated association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. There are no critical accounting judgements, estimates and assumptions made by management.

**Accommodation Association of Australia Inc
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Accommodation Association of Australia Pty Ltd
Notes to the financial statements
30 June 2020**

Note 3. Revenue

	Consolidated	
	2020	2019
	\$	\$
Subscription revenue	1,429,717	1,278,221
Interest received	9,220	10,314
Academy revenue	76,035	66,934
Government contract revenue	332,967	67,033
	<u>1,847,939</u>	<u>1,422,502</u>
<i>Other revenue</i>		
Industrial relations revenue	12,855	4,250
Awards revenue	7,797	21,528
Commissions received	4,568	9,085
MIMAA membership fees	45,455	50,000
JobKeeper payments (subsidy)	79,500	-
Cash flow boost	50,000	-
Sundry revenue	38	2,204
	<u>200,213</u>	<u>87,067</u>
Total Revenue	<u><u>2,048,152</u></u>	<u><u>1,509,569</u></u>

Note 4. Current assets - cash and cash equivalents

	2020	2019
	\$	\$
Cash on hand	-	207
Cash at bank	411,223	857,349
Cash on deposit	1,150,000	-
	<u>1,561,223</u>	<u>857,556</u>

Note 5. Current assets - trade and other receivables

	2020	2019
	\$	\$
Trade debtors	231,725	103,136
Loan to related party	1,000	-
Other receivables	45,455	-
	<u>278,180</u>	<u>103,136</u>

**Accommodation Association of Australia Inc
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Note 6. Current assets - other

	Consolidated	
	2020	2019
	\$	\$
Prepayments	45,129	21,236
Accruals	25,500	-
Security deposits & bonds	26,395	30,293
	<u>97,024</u>	<u>51,529</u>

Note 7. Current liabilities - trade and other payables

	2020	2019
	\$	\$
Trade payables	79,531	28,992
Other payables	111,375	118,732
Deferred revenue	573,100	-
	<u>764,006</u>	<u>147,724</u>

Note 8. Current and non-current liabilities - employee benefits

	2020	2019
	\$	\$
Employee benefits - current	59,638	26,700
Employee benefits – non current	-	-
	<u>59,638</u>	<u>26,700</u>

Note 9. Current liabilities - other

	2020	2019
	\$	\$
Subscriptions in advance	680,000	677,048
	<u>680,000</u>	<u>677,048</u>

**Accommodation Association of Australia Inc
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Accommodation Association of Australia Pty Ltd
Notes to the financial statements
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Note 10. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd the auditors of the incorporated association.

	2020	2019
	\$	\$
<i>Audit services</i>		
Audit of the financial statements	29,332	31,095

Note 11. Parent entity information

	Parent Entity	
	2020	2019
	\$	\$
Profit after income tax	297,424	130,304
Total comprehensive income	297,424	130,304
Total current assets	1,970,576	1,105,514
Total assets	1,970,676	1,105,514
Total current liabilities	1,249,993	682,354
Total liabilities	1,249,993	682,354
Equity - retained surplus	720,683	423,260

Contingent Liability

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital Commitment – Property, plant & equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Note 12. Contingent liabilities

The incorporated association had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Note 13. Commitments

The incorporated association had no commitments for expenditure as at 30 June 2020 and 30 June 2019.

Note 14. Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
30 June 2020**

In the officers' opinion:

- the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the requirements of the Associations Incorporation Act QLD;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the association's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the officers



**Bruce Copland
Treasurer**

28 October 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Accommodation Association of Australia Inc. and its subsidiary Accommodation Association of Australia Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Accommodation Association of Australia Inc. and its subsidiaries the Accommodation Association of Australia Pty Ltd (“the Association”), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income and the statement of changes in equity for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the officer’s report.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2020 and of its financial performance for the year then ended in accordance with the basis of accounting described in note 1.

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 Association in accordance with 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.

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of *Associations Incorporations Act QLD*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Officer’s Responsibilities for the Financial Report

The Officers are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of *Associations Incorporations Act QLD* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.



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

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Clayton Eveleigh'. Above the signature, the letters 'BDO' are written in a similar handwritten style.

Clayton Eveleigh
Partner

Sydney, 28 October 2020