

**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 2019

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Officers' report
30 June 2019**

The officers present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2019.

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
Simon McGrath - Deputy President
Bruce Copland - Treasurer
Trent Fraser - Director
Col Hughes - Director
Barry Robinson - Director
Dino Mezzatesta - Director
Christopher Sedgwick – Director (Appointed 21 August 2018)
Ramy Filo – Director (Appointed 20 November 2018)
Leanne Harwood – Director (Appointed 5 April 2019)
Heidi Kunkel – Director (Appointed 31 May 2019)
Dean Long – Secretary (Appointed 11 June 2019)

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Officers' report
30 June 2019**

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.

**Accommodation Association of Australia Inc
and its Subsidiary
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Principal activities

During the financial year the continuing activities of the incorporated association were to execute the agenda of the Board of the Association to gain a better outcome for Members.

The Advocacy agenda focused on four distinct areas of Taxation, Regulation, Employment Conditions and Demand Drivers for the industry.

Benefits and services were negotiated and delivered exclusively for members.

Communications to and on behalf of members for the financial year included nine (7) Key News Updates digital newsletters, 20 Media releases, five (5) submission to Government/s and or statutory authorities followed up by numerous meetings and events with State and Federal government representatives, Ministers, statutory authorities as well as shadow government representatives.

Six (6) Board Meetings in total with four (4) of them face-to-face and the remaining two (2) via teleconference.

Member's equity grew substantially ahead of budget to \$160,749 and revenue was up 22%.

Member Engagement by Purpose - Top Ten (phone / email)

Workplace Relations General	7,159
Membership General	2,329
Member Renewal	1,671
MIMAA Australia	662
Wage Rates	158
Termination	157
Membership Enquiry Incoming	98
AAoA Event	75
Corporate Partner Communication	60
Public Holidays	48

Top Ten Press Release Issues - open rates

August 2018	Unethical, Unlawful Behaviour Must Not Be Tolerated
November 2018	Andrews Government must continue to support local accommodation industry
April 2019	ANNOUNCEMENT FROM THE PRESIDENT OF THE AAoA
March 2019	Labor to ban price parity clauses
August 2018	Accommodation Industry Welcomes New Ministry
November 2018	Launch of the NSW State Advisory Board
May 2019	New Leadership for the AAoA
October 2018	Hollow Spin on Airbnb Should Be Disregarded
May 2019	Further Expansion of Leadership for the AAoA
April 2019	AAoA officially launches National Advisory Board for Employment

**Accommodation Association of Australia Inc
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30 June 2019**

Top Ten Website Pages visited

News
Events Calendar
Events
CBA Merchant Rate
Relief Management
Home Page
Member Login
Insurance
Rostering & Payroll System
Consumer Complaints



Bruce Copland
Treasurer

04 November 2019
Sydney

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Contents
30 June 2019**

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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 04 November 2019.

**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 2019**

		Consolidated	
	Note	2019 \$	2018 \$
Revenue	3	1,509,569	1,238,566
Expenses			
Academy and project expenses		(86,057)	(80,243)
Accountancy expenses		(40,900)	(40,900)
Auditors remuneration	11	(31,095)	(22,575)
Bank charges and credit card commissions		(2,155)	(3,041)
Consultants fees		(38,595)	(92,403)
Depreciation expense	4	-	(8,954)
Employment expenses		(716,311)	(615,807)
Events and awards for excellence		(48,633)	(16,198)
Insurance expenses		(5,827)	(4,096)
Legal fees		(5,515)	(14,018)
Office expenses		(162,199)	(170,796)
Operational expenses		(44,161)	(23,449)
Service fees - MIMAA		(50,000)	-
Subscriptions		(36,962)	(31,946)
Travelling expenses		(93,663)	(101,224)
Profit before income tax expense		147,496	12,916
Income tax expense		(2,800)	(2,098)
Profit after income tax expense for the year attributable to the members of Accommodation Association of Australia Inc		144,696	10,818
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Accommodation Association of Australia Inc		<u>144,696</u>	<u>10,818</u>

Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Statement of financial position
As at 30 June 2019

		Consolidated	
	Note	2019	2018
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	857,556	643,148
Trade and other receivables	6	103,136	107,229
Other current assets	7	51,529	46,301
Total current assets		<u>1,012,221</u>	<u>796,678</u>
Total assets		<u>1,012,221</u>	<u>796,678</u>
Liabilities			
Current liabilities			
Trade and other payables	8	147,724	60,457
Employee benefits	9	26,700	48,141
Other current liabilities	10	677,048	645,820
Total current liabilities		<u>851,472</u>	<u>754,418</u>
Non-current liabilities			
Employee benefits	9	-	26,207
Total non-current liabilities		<u>-</u>	<u>26,207</u>
Total liabilities		<u>851,472</u>	<u>780,625</u>
Net assets		<u>160,749</u>	<u>16,053</u>
Equity			
Retained surplus		<u>160,749</u>	<u>16,053</u>
Total equity		<u>160,749</u>	<u>16,053</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 2019**

	Retained surplus \$	Total equity \$
Balance at 1 July 2017	5,235	5,235
Profit after income tax expense for the year	10,818	10,818
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	10,818	10,818
	<hr/>	<hr/>
Balance at 30 June 2018	16,053	16,053
	<hr/> <hr/>	<hr/> <hr/>
	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	160,749	160,749
	<hr/> <hr/>	<hr/> <hr/>

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Notes to the financial statements
30 June 2019**

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 the service is rendered.

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.

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.

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Notes to the financial statements
30 June 2019**

Note 1. Significant accounting policies (continued)

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.

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.

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Notes to the financial statements
30 June 2019**

Note 1. Significant accounting policies (continued)

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.

The Association has adopted AASB 9 from 1 July 2018. AASB 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities,
- 2) Impairment of financial assets, and
- 3) General hedge accounting.

Impact of adoption

AASB 9 did not have any impact on the Association's accounting policies. The effect of adopting AASB 9 on the carrying amounts of financial assets at 1 July 2018 relates solely to the new impairment requirements applying the ECL model with the primary input of the ECL model comprising the historical write offs of bad debts. Since the Company has incurred nil write offs in previous financials years, the ECL assessment has resulted in an immaterial credit loss and no additional impairment allowance has been recognised by the Association.

The Association has applied the modified retrospective approach to the adoption of the new standard. In line with the assessment above, no adjustment has been made to opening retained earnings on adoption.

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 2019. 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
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Notes to the financial statements
30 June 2019

Note 3. Revenue

	Consolidated	
	2019	2018
	\$	\$
Subscription revenue	1,278,221	1,102,058
Interest received	10,314	7,916
Academy revenue	66,934	84,370
Government contract revenue	67,033	-
	<u>1,422,502</u>	<u>1,194,344</u>
<i>Other revenue</i>		
Industrial relations revenue	4,250	17,308
Awards revenue	21,528	16,419
Commissions received	9,085	6,859
MIMAA membership fees	50,000	-
Sundry revenue	2,204	3,636
	<u>87,067</u>	<u>44,222</u>
Total Revenue	<u><u>1,509,569</u></u>	<u><u>1,238,566</u></u>

Note 4. Expenses

	2019	2018
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Office equipment	-	8,954
Total depreciation	<u>-</u>	<u>8,954</u>

Note 5. Current assets - cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand	207	141
Cash at bank	857,349	83,509
Cash on deposit	-	559,498
	<u>857,556</u>	<u>643,148</u>

Note 6. Current assets - trade and other receivables

	2019	2018
	\$	\$
Trade debtors	103,136	106,444
Other receivables	-	785
	<u>103,136</u>	<u>107,229</u>

Accommodation Association of Australia Inc
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Accommodation Association of Australia Pty Ltd
Notes to the financial statements
30 June 2019

Note 7. Current assets - other

	Consolidated	
	2019	2018
	\$	\$
Prepayments	21,236	16,008
Security deposits & bonds	30,293	30,293
	<u>51,529</u>	<u>46,301</u>

Note 8. Current liabilities - trade and other payables

	2019	2018
	\$	\$
Trade payables	28,992	12,285
Other payables	118,732	48,172
	<u>147,724</u>	<u>60,457</u>

Note 9. Current and non-current liabilities - employee benefits

	2019	2018
	\$	\$
Employee benefits - current	26,700	48,141
Employee benefits – non current	-	26,207
	<u>26,700</u>	<u>74,348</u>

Note 10. Current liabilities - other

	2019	2018
	\$	\$
Subscriptions in advance	677,048	645,820
	<u>677,048</u>	<u>645,820</u>

**Accommodation Association of Australia Inc
and its Subsidiary
Accommodation Association of Australia Pty Ltd
Notes to the financial statements
30 June 2019**

Note 11. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO East Coast Partnership the auditors of the incorporated association:

	2019	2018
	\$	\$
<i>Audit services</i>		
Audit of the financial statements	31,095	22,575

Note 12. Parent entity information

	Parent Entity	
	2019	2018
	\$	\$
Profit after income tax	130,304	67,140
Total comprehensive income	130,304	67,140
Total current assets	1,105,514	923,505
Total assets	1,105,514	923,605
Total current liabilities	682,354	630,649
Total liabilities	682,354	630,649
Equity - retained surplus	423,260	292,956

Contingent Liability

The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital Commitment – Property, plant & equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Note 13. Contingent liabilities

The incorporated association had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Note 14. Commitments

The incorporated association had no commitments for expenditure as at 30 June 2019 and 30 June 2018.

Note 15. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 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 2019**

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 2019 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

04 November 2019
Sydney

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 2019, 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 2019 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 East Coast Partnership

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

Clayton Eveleigh
Partner

Sydney, 4 November 2019