



The Australian Federation of Travel Agents Ltd



ANNUAL REPORT 2020

ATAS
travel accredited


afta
AUSTRALIAN FEDERATION
OF TRAVEL AGENTS


afta
CHARGEBACK SCHEME
ACS

“We are member driven, outcome focused and strive to elevate travel industry standards by advocating, representing and collaborating with stakeholders and consumers in Australia and around the world”



COMPANY DETAILS

Registered Office

Suite 3, Level 31
31 Market Street
Sydney NSW 2000
ABN: 72 001 444 275

Auditor

DFK Laurence Varnay Audit Pty Ltd
Steven Heller
Level 12
222 Pitt Street
Sydney NSW 2000

Legal Representation

Withers SBL
319 George Street
Sydney NSW 2000

Smythe Wozniak Lawyers
42 Gidley Street
St Marys NSW 2760

Allens
Deutsche Bank Place
Level 28, 126 Phillip Street
Sydney NSW 2000

Banking & Financial Advisors

Westpac Banking Corporation
242 Castlereagh Street
Sydney NSW 2000
(Business Accounts)

Macquarie Private Bank
1 Shelly Street
Sydney NSW 2000
(Investment Advisors)

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BOARD OF DIRECTORS

Current as at 1st June 2020



TOM MANWARING
Chairman
CEO
Express Travel Group



GRAHAM TURNER
Vice Chairman
Managing Director
Flight Centre Travel Group Limited



CHRISTIAN HUNTER
Vice Chairman
Managing Director
Travellers Choice



DAVID SMITH
Director
Company Secretary
Flight Centre Travel Group Limited



LAURA RUFFLES
Director
Global Chief Operating Officer
Corporate Travel Management



JULIE PRIMMER
Director
General Manager Brand and
Associate Networks
Helloworld Travel Limited



SPIROS ALYSANDRATOS
Director
CEO
Consolidated Travel



JOANNE SULLY
Director
GM & VP
American Express Global Business
Travel



ANDREW MACFARLANE
Director
General Manager
Magellan Travel Group



DAVID PADMAN
Director
General Manager
Corporate and Independent Networks
Helloworld Travel Limited



IAN EDWARDS
Director
General Manager
CT Partners



COURTNEY DUDDLESTON
Company Secretary
Head of Strategy and Finance
Australian Federation of Travel Agents

ANNUAL REPORT

Declaration

Presented to the 43rd Annual General Meeting of the Australian Federation of Travel Agents at Level 3, 104 Mount Street Sydney, New South Wales.

The Board of Directors has pleasure in presenting a Special Edition of the Annual Report of the Federation for the 12 months ended 31 March 2020. Whilst the Report covers the performance and financial position of the Federation for the financial year to 31 March 2020, the advent of the COVID-19 pandemic and its drastic effect on the travel and tourism industries and our members, it was decided by the then-CEO that a fuller Report including updates from all the business areas may not be as relevant to the members as the “here and now” and what the Federation is doing to support them and the Federation itself.



CHAIRMAN'S REPORT



Tom Manwaring
Chairman

We could never have imagined our current reality. The COVID-19 pandemic has up-ended our lives and our livelihoods and for that reason this Annual Report is a little different.

While we need to report to you on the past twelve months, AFTA's focus is very much on the challenges of the here and now and the challenges ahead. Consistent with that, in addition to covering the achievements of the past 12 months, I want to also focus on the future.

In April 2020, the Australian Bureau of Statistics reported a 99.7% decrease in overseas arrivals and departures on April 2019 – the largest decrease on record. Our sector, like so many others, has been devastated by COVID-19.

At the very onset of the pandemic, and government imposed travel bans, AFTA moved swiftly to implement a monitor and support framework to ensure that our members have the support you need to get through COVID-19.

Your Board acted quickly and decisively to provide very real and tangible measures to support you and your business. This included the suspension of membership fees for this financial year, changes to the annual ATAS renewal period to remove barriers to membership, mental wellbeing crisis support, and tailored advice and support. We also expanded our political lobbying activities to make sure key political and departmental decision makers understood the multiple and growing challenges our sector faces.

AFTA's extensive webinar program saw more than 35,000 members engage and benefit from 80 different webinars covering economic support packages, terms and conditions, cancellation and refunds, insurance, JobKeeper, rent relief, financial and business considerations throughout the down-turn. The weekly AFTA update also attracted strong support with members keen to stay informed of AFTA's ongoing progress.

This year saw the departure of long-standing Chief Executive Jayson Westbury.

Jayson's contribution to AFTA and to our industry at an Australian and global level was significant. Jayson led our sector for 13 years through the transformation to industry self-regulation as well as many other game-changing initiatives. His work cemented AFTA's position as the peak industry body and we thank him for that.

The AFTA Directors are pleased to welcome Darren Rudd into the CEO role. There is no doubt that, even now, the landscape we operate in is completely transformed. Darren has been recruited with this in mind. He brings the skills, expertise, networks and vision to champion AFTA and our members so that our voice is heard and our needs acknowledged. I can't and won't sugar-coat this. The reality we face right now and even more so as this pandemic continues to kneecap travel is like nothing we have ever experienced. We need to make sure that those in charge of determining how and where support flows understand the work you our members are doing to support your customers and the critical role you play in restarting one of Australia's most critical sectors, the travel and tourism sector.

AFTA like every other business has had to embrace a new cash flow conscience. The details of which are outlined in this special 'COVID-19' annual report. It is worth noting that the AFTA Pitt St sale has provided a sound financial footing for members, allowing for the decision to waive Membership Fees for 2020/21 in recognition of the impact.

Despite the many challenges bestowed upon the industry over the past 12 months (the insolvency of Tempo Holidays, Thomas Cook and Excite Holidays and now the current and unprecedented effects of the global pandemic) I am still in awe at the resounding reliance of the Australian travel and tourism sector.

The results of an *AFTA Member Sentiment Survey* conducted in May 2020, highlights this point; despite 100% of members reporting a 90% or more decline in revenue due to COVID-19, 31% of AFTA travel agency owners and managers said that they still felt positive about the future of their business. This speaks to the boldness, passion and resilience of our people and the industry.

In conclusion, I would like to thank all the members of AFTA for your continued support and belief in the importance of our industry. There are many challenges still ahead and I offer the Board's unwavering commitment to all travel agency owners, whether large multi outlets or single site businesses, that you have a strong voice through AFTA. Together we are stronger.

It isn't business as usual, but the importance of being a member of AFTA remains clear. ATAS accredited businesses are professional, reputable and credible and even in our darkest days we remain true to these values. We are the beating heart of one of the most crucial sectors driving the restart of the Australian economy and we are making sure this is heard and understood at every level of government.

Please hold this truth close – people will always want to travel. Know that even through the many, many challenges that darken our days at the moment, the work you are doing to support your clients and customers is a powerful reinforcement of the value of a travel agent. Know that everything your AFTA Board and team do is around supporting this.

Together we will get through this.

FINANCIAL RESULTS

On behalf of the Board of Directors, I report on the financial operations of the Federation for the year ended 31 March 2020.

Before the outbreak of COVID-19, the 2020 financial year provided AFTA with what looked like a solid year as the ATAS accreditation scheme has underpinned the value proposition that is provided by AFTA to its members and the broader travel industry in Australia.

The Federation ensured that it operated within its means, however as the share market severely contracted in March, AFTA's financial asset was heavily impacted, resulting an unrealised loss at year-end of \$47,940 and a net loss for the Federation of \$450,699 for the financial year.

Membership and accreditation income remained the most significant income stream for the Federation, however it should be noted that for the 2021 financial year, a decision was made by the Board to waive fees for AFTA members in light of the COVID-19 pandemic and the impact it was having on the industry.

While the sale of the property asset in 2018 realised a significant profit and has provided the organisation with a cash pool and the capacity to waive member fees, AFTA's intention going forward is to preserve these funds for as long as possible.

The Annual Report provides further in-depth analysis of the financial performance of the Federation for the reporting period.

DIRECTORS' REPORT

The Australian Federation of Travel Agents Ltd

ABN 72 001 444 275

Financial Statements for the Year Ended 31 March 2020

The Directors present their report, together with the financial statements of The Australian Federation of Travel Agents Ltd ('the Federation') for the financial year ended 31st March 2020 and the auditor's report thereon.

The names of the directors in office since the start of the financial year to the date of this report unless otherwise stated are:

Director:

- S. Alysandratos
- C. Hunter (Vice Chairman)
- A. Macfarlane
- T. Manwaring (Chairman)
- J. Pherous – Resigned as Director 19th July 2019
- J. Primmer
- D. Smith
- J. Sully
- D. Padman
- G. Wilson – Resigned as Director 5th November 2019
- G. Turner (Vice Chairman)
- L. Ruffles – Elected as Director 19th July 2019
- I. Edwards – Appointed as Director 25th November 2019

Alternate:

- M. Almeida
- A. Magoutis
- L. Ruffles – Resigned as Alternate 19th July 2019
- G. Parker
- I. Edwards – Resigned as Alternate 25th November 2019
- J. Pherous – Appointed 19th July 2019
- N. Hague – Appointed 27th November 2019
- J. Constable – Resigned 10th July 2020

Company Secretary

J. Westbury held the position of Federation Secretary at the end of the financial year.
J. Westbury resigned from the Australian Federation of Travel Agents Ltd on 13th May 2020.
C. Duddleston was appointed Secretary of the Federation on 20th May 2020.

DIRECTORS' REPORT

Principal Activities

The principal activities of the Federation during the financial year were:

- to promote and develop tourism as a key driver to the economic prosperity of Australia;
- to develop training for travel professionals throughout Australia;
- to operate as a professional association thereby representing the business interests of travel agents;
- to create a strong and cohesive relationship with federal and state government departments where applicable in education, tourism, aviation, transport and communications; and
- to increase consumer awareness and create a strong community profile about the services that our members provide, operate an industry accreditation scheme, implementation of the AFTA Chargeback Scheme managed by Gow-Gates Mutual Managers.

In addition, the Federation has maintained and is committed to promoting the benefits of using an ATAS accredited travel agent via a detailed marketing strategy that is based around the use of digital media and traditional media outlets, as reported in this annual report.

Since the outbreak of COVID-19 and the closure of our international borders, the principal activities have focused more on supporting the members of the Federation during this difficult time.

Operating Results

The Federation's operating revenue for the year (as disclosed in Note 2) was \$ 2,208,952 (2019: \$ 3,204,112).

The Federation's operations for the year resulted in a net deficit of \$450,699 (2019: Net surplus \$ 6,971).

Dividends Paid or Recommended

The Federation is a company limited by guarantee with no share capital. Rule 3 of the Federation's Constitution prohibits the Federation from paying dividends.

DIRECTORS' REPORT

Review of Operations

Whilst the operations of the Federation for the year to the end of March 2020 continued as in prior years, the COVID-19 pandemic caused a major shift in the Federation's operational activities from how the staff worked and what they were focused on. Some of these activities have already been mentioned, and below some of the operational changes that have taken place have been summarised.

Membership & Accreditation

Membership and accreditation income remained the most significant income stream for the Federation. Combined AFTA and ATAS fees of \$2,153,747 was received in 2020 (\$2,160,507 in 2019), demonstrating the ongoing support of AFTA/ATAS from the travel agency community. The slight drop in revenue is a result of further industry consolidation.

As at 31st March 2020, there were a total number of 2,738 ATAS accredited locations throughout Australia, a slight decrease from 2,804 in 2019.

Most significantly due to the crisis which has occurred within the travel industry due to the COVID-19 outbreak, the directors made the decision not to charge membership fees for the 2020-21 year. However, more time has been spent on engaging with members and providing support through updates, phone calls and various webinar presentations to support wellness. A decision was also made to withdraw all consumer marketing of ATAS, with a focus on member support.

National Awards

The National Travel Industry Awards were held at the International Convention Centre (ICC) Sydney in 2019 and delivered a net profit of \$78,578; an increase from 2018 (\$73,492). Unfortunately, this event would not be able to be held in the 2020 financial year.

Marketing Income

The Federation receives limited marketing income for advertisements in the afta@mail newsletter, website contributions and email distribution services. Marketing income in 2020 generated \$12,425 (2019: \$15,846).

Interest Income

AFTA maintained a minimal revenue stream of interest earned, with total income for 2020 \$2,707 (2019: \$36,168).

Investment Income

In line with the AFTA Investment Policy, the organisation appointed Macquarie Private Bank (MPB) to assist with the investment of funds from the sale of its strata-title business premises on Pitt Street in 2018. A comprehensive breakdown of this investment is contained within the financial statements. As a result of the contraction of the share market in March 2019 due to COVID-19, a loss of \$47,940 is reflected in the accounts.

DIRECTORS' REPORT

After Balance Date Events

The CEO, J. Westbury resigned from the Australian Federation of Travel Agents Ltd on 13th May 2020. C. Duddleston was appointed Secretary of the Federation on 20th May 2020. Darren Rudd was appointed the CEO and commenced on 29th June, 2020.

With the restriction of international travel in March 2020, and for some time domestic travel due to COVID-19, the directors took, and continue to take, active measures to a) support the member base of travel agents from corporates to sole traders, and b) consider cost cutting measures to secure the future of the Federation whose operations and future results would be significantly impacted by this pandemic.

The following is a summary of some of the actions that the Board took post year end.

- Halt all membership fees for the financial year 2021 to support the severely impacted members of the Federation;
- Expanding the focus of the AFTA website through either developing internally or partnering with other organisations to provide more targeted communication and information for members covering COVID-19 information, JobKeeper information as well as other mental health and wellness presentations to support the mental health of members during this anxious time;
- For staff safety, requested all staff to work from home only returning to the office as required while ensuring social distancing is maintained at all times, while still ensuring there was staff available to deal with member enquiries;
- On-going critical review of costs, including adopting such measures as limiting business travel, applying for JobKeeper, entering into rent relief negotiations and reducing staff working days and costs; and
- The 2020 National Travel Industry Awards was cancelled due to COVID-19 restrictions. Whilst there are associated costs the Awards normally resulted in a net surplus for the Federation.

The Federation is fortunate to have cash reserves from the sale of property in 2018 however it is critical for the future of the Federation to use this sensibly as it will take some time for the travel industry to return to some sort of normal. The Executive and the Board will be constantly monitoring the cash position of the organisation.

Environmental Issues

The Federation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the Federation were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

DIRECTORS' REPORT



BOARD OF DIRECTORS

Details of each director and their alternates and special responsibilities:

T Manwaring

Chairman
CEO
Express Travel Group

G Turner

Vice Chairman
Managing Director
Flight Centre Travel Group Limited

C Hunter

Vice Chairman
Managing Director
Travellers Choice
Member of the Audit Committee

S Alysandratos

Director
CEO
Consolidated Travel

J Primmer

Director
General Manager Brand and Associate
Networks
Helloworld Travel Limited

L Ruffles – Elected 19th July 2019

Alternate Director
Global COO
Corporate Travel Management

D Smith

Director
Company Secretary
Flight Centre Travel Group Limited
Member of the Audit Committee

A Macfarlane

Director
General Manager
Magellan Travel Group

D Padman

Director
General Manager, Corporate and Independent
Networks
Helloworld Travel Limited
Alternate to M Thompson

I Edwards- Appointed 25th November 2019

Director
General Manager
CT Partners

J Sully

Director
General Manager and VP
American Express Global Business Travel

A Magoutis

Alternate Director
Executive General Manager
Express Travel Group
Alternate to T Manwaring

G Parker

Alternate Director
Executive General Manager
Flight Centre Travel Group Limited
Alternate to G Turner

M Almeida

Alternate Director
Head of Business Development
Consolidated Travel
Alternate to S Alysandratos

J Constable – Resigned 10th July 2020

Alternate Director
GGM Retail, Commercial & Air Tickets
Helloworld Travel Limited
Alternate to J Primmer

J Pherous – Appointed 19th July 2019

Alternate Director
CEO
Corporate Travel Management
Alternate to L Ruffles

N Hague – Appointed 27th November 2019

Alternate Director
GM Strategic Partnerships
CT Partners
Alternate to I Edwards

DIRECTORS' REPORT

Meetings of Directors

During the financial year, five meetings of Directors were held. Attendance by each Director is as follows:

	Board Meetings		Audit Committee Meeting	
	Number eligible to attend	Number attended	Number eligible to attend	Number attend
T Manwaring	5	5	1	1
A Magoutis (Alternate)	0	0		
G Turner	5	0		
G Parker (Alternate)	5	2		
C Hunter	5	4	1	1
S Alysandratos	5	0		
M Almeida (Alternate)	5	4		
J Pherous	1	0		
J Pherous (Alternate)	0	0		
L Ruffles	4	4		
L Ruffles (Alternate)	1	1		
D Smith	5	3	1	1
J Primmer	5	5		
J Constable (Alternate)	0	0		
A Macfarlane	5	4		
J Sully	5	4		
D Padman	5	4		
G Wilson	3	3		
I Edwards	2	1		
N Hague (Alternate)	1	1		

DIRECTORS' REPORT

Indemnification and Insurance of Officers

Since the end of the previous financial year the Federation has paid insurance premiums of \$9,646 which incorporates Directors and Officers Liability Insurance.

Proceedings on Behalf of the Entity

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

A copy of the auditor's Independence Declaration as required under s 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the Board of Directors:



T. Marwaring
Chairman

Dated this day of 28th August 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE AUSTRALIAN FEDERATION OF TRAVEL AGENTS LTD**

Auditor's Opinion

We have audited the accompanying financial statements of The Australian Federation of Travel Agents Ltd (the Federation), which comprises the statement of financial position as at 31 March 2020 and the statement of comprehensive income, statement of changes in accumulated funds and reserves and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In our opinion, the financial statements of The Australian Federation of Travel Agents Ltd are in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Federation's financial position as at 31 March 2020, and of its performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We have conducted the audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Federation, would be in the same terms if provided to the directors as at the date of this auditor's report.

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

We make it happen!



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ABN 49 615 581 372

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN FEDERATION OF TRAVEL AGENTS LTD

The Responsibility of the Directors for the Financial Report

The directors of the Federation are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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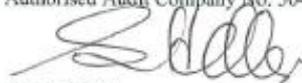
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE AUSTRALIAN FEDERATION OF TRAVEL AGENTS LTD**

- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We communicate with the directors 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.

DFK Laurence Varnay Audit Pty Ltd
Authorised Audit Company No. 504554



Steven Heller
Director
Certified Practising Accountant
Registered Company Auditor
ASIC Registered Number: 1734

Dated 20 July 2020

We make it happen!



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FINANCIAL STATEMENTS

The Australian Federation of Travel Agents Ltd ABN 72 001 444 275

Financial Report for the Year Ended 31 March 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 \$	2019 \$
Revenue	2	2,247,750	2,255,845
Other revenue	2	(38,798)	948,267
Employee benefits expense		(1,469,524)	(1,437,976)
Marketing and advertising expense		(317,835)	(639,479)
Subscriptions expense		(27,702)	(12,495)
Occupancy expense		(44,657)	(169,773)
Depreciation expense	4	(227,923)	(42,152)
Audit and consultancy expenses		(27,141)	(36,750)
Special projects expense		(114,979)	(126,312)
ACCMC expense		(25,818)	(39,157)
Computer expense		(31,378)	(36,485)
General admin and printing expense		(51,236)	(48,618)
Other expenses	4	(296,971)	(212,944)
Interest expense		(24,487)	-
(Deficit)/Surplus For The Year		(450,699)	401,971
Other comprehensive Income for the year			
Allocation to consumer engagement		-	(395,000)
Total Comprehensive (Loss)/Income for the year		(450,699)	6,971

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	201,783	500,186
Trade and other receivables	6	138,736	243,519
Other assets	7	183,465	153,757
Financial assets	8	4,899,486	5,280,972
TOTAL CURRENT ASSETS		5,423,470	6,178,434
NON-CURRENT ASSETS			
Property, plant and equipment	9	75,905	127,383
Right of Use Asset - ROU	13	486,901	-
TOTAL NON-CURRENT ASSETS		562,806	127,383
TOTAL ASSETS		5,986,276	6,305,817
CURRENT LIABILITIES			
Trade and other payables	10	232,599	261,107
Other financial liabilities	10	1,076,545	1,092,785
Short-term provisions	10,11	237,147	189,736
Lease liability - ROU	13	152,993	-
TOTAL CURRENT LIABILITIES		1,699,284	1,543,628
NON-CURRENT LIABILITIES			
Long-term provisions	11	55,837	52,042
Lease liability - ROU	13	366,707	-
TOTAL NON-CURRENT LIABILITIES		422,544	52,042
TOTAL LIABILITIES		2,121,828	1,595,670
NET ASSETS		3,864,448	4,710,147
ACCUMULATED FUNDS AND RESERVES			
Accumulated Funds		1,003,928	1,454,627
Reserves		2,860,520	3,255,520
TOTAL ACCUMULATED FUNDS AND RESERVES		3,864,448	4,710,147

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN
ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 \$	2019 \$
Accumulated Funds			
Balance at the beginning of the financial year		1,454,627	1,447,656
Operating surplus for year		(450,699)	401,971
Marketing Reserve		-	(395,000)
Balance at the end of the financial year		1,003,928	1,454,627
Marketing Reserve			
Balance at the beginning of the financial year		395,000	-
Expenditure during the financial year		(395,000)	-
Transfer from accumulated funds		-	395,000
Balance at the end of the financial year		-	395,000
Asset Revaluation Reserve			
Balance at the beginning of financial year		-	2,860,520
Increase in reserves		-	-
Transfer to asset realisation reserve		-	(2,860,520)
Balance at the end of the financial year		-	-
Asset Realisation Reserve			
Balance at the beginning of financial year		2,860,520	-
Transfer from asset revaluation reserve		-	2,860,520
Balance at the end of the financial year		2,860,520	2,860,520
		3,864,448	4,710,147

The Asset Revaluation Reserve relates to a strata title property which was measured at fair value in accordance with applicable Australian Accounting Standards. Upon sale of this property this balance was transferred to the Asset Realisation Reserve representing the profits arising from the selling of this fixed asset.

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other sources		3,012,615	2,933,951
Payments for administration expenses, suppliers and employees		(3,145,593)	(3,045,763)
Interest received		2,707	36,168
Net cash provided by operating activities	16b	(130,271)	(75,644)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		-	3,739,210
Purchase of property, plant and equipment		(3,398)	(104,405)
Payment for financial assets at fair value through profit and loss		-	(4,900,000)
Net cash used in investing activities		(3,398)	(1,265,195)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability repayment		(164,734)	-
Net cash used in financing activities		(164,734)	-
Net (decrease) in cash held		(298,403)	(1,340,839)
Cash and cash equivalents at the beginning of the financial year		500,186	1,841,025
Cash and cash equivalents at the end of the financial year	5	201,783	500,186

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical basis.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

Statement of Compliance

The company is a not-for-profit, private sector entity which is not publicly accountable. Therefore, the financial statements of the company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Change in Accounting policies

Leases – Adoption of AASB 16

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July, 2019 and therefore the comparative information for the year ended 30 June 2020 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets). The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss and other comprehensive income on a straight line basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting policies (Continued)

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

) contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;

) lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;

) right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments;

) a single discount rate was applied to all leases with similar characteristics;

) used hindsight when determining the lease term is the contract contains options to extend or terminate the lease;

) for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 31 March 2019.

Accounting Policies

a. **Income Tax**

No income tax is provided because of the exemption allowed under Section 50-40 of the Income Tax Assessment Act 1997 in respect of the income of the Federation as the Federation primarily carries on business for the purposes of promotion of Australian Tourism.

b. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property – Strata Title Holding

The strata title property previously held by the Federation was shown at its fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuer conducted in 2018, less subsequent depreciation for the strata title property (albeit because the asset is represented by site value only, no depreciation charge is applicable).

An increase in the carrying amount arising on revaluation of the property in 2018 was credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The strata title property was sold in September 2018 and funds from the sale redeployed to Macquarie Bank Private in both growth and defensive assets to contribute to the operation of the organisation for future years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Property, Plant and Equipment (Continued)

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets excluding the strata title is depreciated on a straight-line basis over the asset's useful life to the Federation commencing from the time the asset is held ready for use. Building improvements are depreciated over the estimated useful lives of the improvements. The strata title property is considered as being represented by its site value only. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10% – 33%
Furniture & Fittings	10% – 33%
MemNet 3.4 Database Upgrade	33%
Website	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. Short term lease payments

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Federation, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Federation becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Federation commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*
Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Receivables*
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date, which will be classified as non-current assets.

(iii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Federation's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Financial Instruments (Continued)

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 3 months after reporting date, which will be classified as current assets.

If during the period the Federation sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 3 months after reporting date, which will be classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantee) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Federation assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. Impairment of Assets

At the end of each reporting period, the Federation assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Federation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for intangible assets with indefinite lives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. Employee Benefits

Provision is made for the Federation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increase and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

The Federation's net obligation in respect of long-term service leave benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated based on projected wage and salary rates and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the balance sheet date on government bonds that have maturity dates approximating to the terms of the Federations obligations.

The Federation's contribution to Superannuation Funds are expensed as incurred.

g. Provisions

Provisions are recognised when the Federation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at reporting date.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

i. Trade and Other Receivables

Amounts for trade debtors are to be settled within 30 days and are carried at amounts due. The collectability of debts is assessed throughout the year and at balance date if required a specific provision is made at balance date for any doubtful accounts.

j. Revenue and Other Income

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

Membership and Accreditation Revenue

Membership and accreditation revenue is comprised of revenue earned from the provision of membership to AFTA, and accreditation to the ATAS scheme. Membership and accreditation revenue is recognised in monthly intervals throughout the year. Where membership or accreditation revenue is received prior to being earned, the amount is recognised as subscriptions in advance. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due as the costs incurred or to be incurred cannot be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

j. Revenue and Other Income (Continued)

Investment Income

Investment income is recognised as it accrues. Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Investments classified as trading securities are reported in the financial statements at fair value, and unrealised gains or losses are recognised in net income

National Awards Revenue

National Awards revenue is recognised net of costs associated with the annual National Awards event. This event is held annually.

Gross Marketing Income

Gross marketing income from casual advertisers is recognised in the month the advertisement was published. Marketing income from prepaid customers is recognised on a monthly basis over the term of the agreement and not during the month the advertisement was published.

Other Income

The Federation has provided services to external parties to support the operating expenses of the federation.

All revenue is stated net of the amount of goods and services tax (GST).

k. Trade and Other Payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Federation during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown exclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

m. Comparative Figures

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

Where the Federation has retrospectively applied an accounting policy or makes a retrospective restatement of items in the financial statements, or when it reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Federation. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Key estimates

Impairment

The Federation assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Federation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

NOTE 2: REVENUE AND OTHER INCOME

	Note	2020 \$	2019 \$
Revenue:			
—	Member & Accreditation Fees	2,153,747	2,160,507
—	Marketing Income	12,425	15,846
—	National Awards Net Income	78,578	73,492
—	Education & Training	3,000	6,000
		2,247,750	2,255,845
Other revenue:			
—	Gain on Disposal of Property	-	430,642
—	Investment Income	382,437	-
—	Unrealised Gain (Loss) on Financial Assets	(430,377)	380,972
—	ACS Engagement Fee	-	38,360
—	Interest Received	2,707	36,168
—	Services Provided	-	2,500
—	Other Income	6,435	59,625
		(38,798)	948,267
Total revenue		2,208,952	3,204,112

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

NOTE 4: EXPENSES

	2020	2019
Expenses	\$	\$
Depreciation and Amortisation		
— Furniture & Fittings / Plant & Equipment	34,574	21,392
— MemNet 3.4 Upgrade	7,258	9,890
— Website	13,044	10,870
— Right of Use Asset	173,047	-
Total Depreciation and Amortisation expenses	227,923	42,152
Other		
— Legal	26,142	-
— Representation	168,036	154,012
— General Admin	102,793	58,932
Total Other expenses	296,971	212,944
Rental expense on operating leases		
— minimum lease payments – see note 12a	-	581,127
Total rental expense	-	581,127

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 5: CASH AND CASH EQUIVALENTS

	2020	2019
CURRENT	\$	\$
Cash at bank	201,033	499,436
Cash on hand	750	750
	201,783	500,186
	201,783	500,186

There was significant movement in the organisations cash balance as a result of investing retained earnings previously held in a Westpac low interest bearing term deposit with a Macquarie Bank investment product.

NOTE 6: TRADE AND OTHER RECEIVABLES

	2020	2019
CURRENT	\$	\$
Trade receivables	138,736	243,519
Total current trade and other receivables	138,736	243,519
	138,736	243,519

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired.

The Federation believes that these debts will be recovered and that no provision for impairment is warranted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

NOTE 7: OTHER ASSETS

	2020	2019
	\$	\$
CURRENT		
Prepayments & deposits	181,991	151,876
Interest accrued	1,474	1,881
	183,465	153,757

NOTE 8: FINANCIAL ASSETS

	2020	2019
	\$	\$
Opening balance	5,280,972	-
Purchase of Macquarie Investment Product	-	4,900,000
Withdrawals from Financial Asset	(333,546)	
Unrealised gain/(loss) measured at fair value through profit & loss	(47,940)	380,972
Closing balance	4,899,486	5,280,972

In line with the adopted AFTA Investment Policy, funds from the sale of the strata-titled property in 2018 were placed in growth and defensive assets with Macquarie Private Bank.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	2020	2019
	\$	\$
STRATA TITLE PROPERTY		
Strata Title Property at fair value:		
– Independent valuation	-	3,300,000
– Disposal of asset	-	(3,730,642)
– Gain on disposal of property	-	430,642
Total Strata Title Property	-	-
FURNITURE AND FITTINGS		
At cost	58,673	58,673
Less accumulated depreciation	(40,172)	(31,091)
Total furniture and fittings	18,501	27,582
PLANT AND EQUIPMENT		
At cost	101,639	98,241
Less accumulated depreciation	(63,729)	(41,385)
Total plant and equipment	37,910	56,856
MEMNET 3.4 DATABASE REBUILD		
At cost	21,775	21,775
Less accumulated depreciation	(21,173)	(13,915)
Total database rebuild	602	7,860
MEMBER DIRECTORY		
At cost	9,450	9,450
Less accumulated depreciation	(5,780)	(2,630)
Total member directory	3,670	6,820
NEW ATAS WEBSITE		
At cost	39,135	39,135
Less accumulated depreciation	(23,913)	(10,870)
Total new ATAS website	15,222	28,265
Total property, plant and equipment	75,905	127,383

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Strata Title Property \$	Furniture & Fittings \$	Plant & Equipment \$	MemNet 3.4 Rebuild, Member Directory & ATAS Website \$	Total \$
2019					
Balance at the beginning of the year	3,300,000	2,831	8,311	53,988	3,365,130
Additions at cost	-	30,990	63,698	9,717	104,405
Depreciation expense	-	(6,240)	(15,152)	(20,760)	(42,152)
Disposal of asset	(3,730,642)	-	-	-	(3,730,642)
Gain on disposal of asset	430,642	-	-	-	430,642
Carrying amount at end of year	-	27,581	56,857	42,945	127,383
2020					
Balance at the beginning of the year	-	27,581	56,857	42,945	127,383
Additions at cost	-	-	3,398	-	3,398
Depreciation expense	-	(9,080)	(22,345)	(23,451)	(54,876)
Disposal of asset	-	-	-	-	-
Carrying amount at end of year	-	18,501	37,910	19,494	75,905

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

NOTE 10: TRADE AND OTHER PAYABLES

	Note	2020 \$	2019 \$
CURRENT			
Trade payables		122,100	231,434
Other current payables		110,499	29,673
Deferred income		1,076,545	1,092,785
Employee benefits		237,147	189,736
Total current trade and other payables		1,546,291	1,543,628
NON CURRENT			
Employee benefits		55,837	52,042
Total trade and other payables	10a	1,602,128	1,595,670
a. Financial liabilities at amortised cost classified as trade and other payables			
Total trade and other payables		1,689,191	1,595,670
Less deferred income		(1,076,545)	(1,092,785)
Less staff entitlements		(292,984)	(241,778)
Financial liabilities as trade and other payables		319,662	261,107

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 11: PROVISIONS

	Short-term Provisions \$	Long-term Provisions \$	Total \$
Opening balance at 1 April 2019	189,736	52,042	241,778
Additional provisions raised during year	47,411	3,795	51,206
Balance at 31 March 2020	237,147	55,837	292,984

	2020 \$	2019 \$
Analysis of Total Provisions		
Current	237,147	189,736
Non-Current	55,837	52,042
	292,984	241,778

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave and other potential employee related entitlements. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 12: CAPITAL AND LEASING COMMITMENTS

	2020	2019
	\$	\$
a. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
This item relates to the total cost of the leased premises for the lease term which incorporates 4.5 years		
This note is for disclosure purposes only		
Payable — minimum lease payments		
— not later than 12 months	-	55,073
— later than 12 months but not later than 5 years	-	526,054
— greater than 5 years	-	-
	-	581,127
	-	581,127

No capital commitments exist in regards to the lease commitments at year-end. Increase in lease commitments may occur in line with CPI.

NOTE 13: LEASES

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

RIGHT OF USE ASSET

	Total
	\$
Opening balance at 1 April 2019	-
Change due to adoption of AASB 16	659,948
Depreciation charged	(173,047)
Balance at 31 March 2020	486,901

The company leases its office premises being suite 31.03, Level 31 St Martins Tower, 31 Market Street Sydney. The lease for the premises expires on 22 January 2023.

LEASE LIABILITIES – CURRENT

	2020	2019
	\$	\$
Lease liability – Buildings (undiscounted)	171,324	-
Lease liability – Buildings (unexpired interest)	(18,331)	-
Closing balance	152,993	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 13: LEASES (CONTINUED)

LEASE LIABILITIES – NON-CURRENT

	2020	2019
	\$	\$
Lease liability – Buildings (undiscounted)	382,297	-
Lease liability – Buildings (unexpired interest)	(15,590)	-
Closing balance	366,707	-

NOTE 14: CONTINGENT LIABILITIES AND ASSETS

No contingent assets or liabilities are known to exist as at reporting date.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

The CEO, J. Westbury resigned from the Australian Federation of Travel Agents Ltd on 13th May 2020. C. Duddleston was appointed Secretary of the Federation on 20th May 2020. Darren Rudd was appointed the CEO and commenced on 29th June, 2020

Due to COVID-19, it was decided post year end, that no membership fees will be charged in financial year 2021 and there will be no NTIA in 2020. AFTA undertook a critical review of costs, including adopting such measures as limiting business travel, applying for JobKeeper, entering into rent relief negotiations and reducing staff wages.

NOTE 16: RELATED PARTIES AND RELATED PARTY TRANSACTIONS

a) Directors

The directors of the Federation in office during the year are disclosed in the directors' report that accompanies these financial statements.

b) Director's compensation

The directors act in an honorary capacity and receive no compensation for their services.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

NOTE 17: CASH FLOW INFORMATION

	Note	2020 \$	2019 \$
a. Reconciliation of Cash			
Cash at bank		201,033	376,824
Other cash		750	750
	5	201,783	377,574
b. Reconciliation of Cash Flows from/(used in) Operations with (Deficit)/Surplus after Income Tax			
(Deficit)/Surplus for year		(450,699)	401,971
Non cash flows in surplus			
Depreciation and amortisation		227,923	42,152
Net (gain) on disposal of property, plant and equipment		-	(430,642)
Unrealised loss (gain) on financial asset at fair value through profit and loss net of income		47,940	(380,972)
Changes in assets and liabilities			
Decrease/(Increase) in trade and other receivables		97,335	(1,900)
(Increase) in other assets		(29,708)	(2,000)
(Increase) in prepayments		(30,115)	(60,047)
Increase/(Decrease) in trade and other payables and deferred income		(17,048)	362,972
Increase in provisions		24,101	7,178
Net Cash Flow from Operating Activities		(130,271)	(75,644)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 18: FINANCIAL RISK MANAGEMENT

The Board created an Investment Committee which is made up of several Board members who have developed and implemented an investment strategy. The Committee and Chief Executive monitor and oversee the investments made in line with the policy.

The entity's financial instruments consist mainly of deposits with banks, short-term and long-term investments, accounts receivable and payable, and lease liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 Financial Instruments as detailed in the accounting policies to these financial instruments, are as follows:

	Note	2020 \$	2019 \$
Financial Assets			
Cash and cash equivalents	5	201,783	500,186
Receivables	6	138,736	243,519
Other financial assets	8	4,899,486	5,280,972
Total Financial Assets		5,240,005	6,024,677
Financial Liabilities			
Financial liabilities at amortised cost			
– Trade and other payables	10	319,662	261,107
Total Financial Liabilities		319,662	261,107

Financial Risk Management Policies

The Board of Directors together with the Chief Executive Officer determines the Federation's overall risk management strategy and seeks to assist the Federation in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board and the CEO. These include credit risk policies and future cash flow requirements.

NOTE 19: CAPITAL MANAGEMENT

The CEO and the Board control the equity of the Federation to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximized. The CEO and Board ensure that the overall risk management strategy is in line with this objective.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

The CEO operates under policies approved by the Board of Directors. Risk management and Investment policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

Management effectively manages the entity's equity by assessing the Federation's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

NOTE 20: OTHER COMMITMENTS

No notable commitments reportable in this financial year.

NOTE 21: RESERVES

Asset Realisation Reserve

The asset realisation reserve represents the profits arising from the sale of the strata title property.

NOTE 22: COMPANY DETAILS

The registered office and principal place of business of the Australian Federation of Travel Agents Ltd is:

Suite 3, Level 31
31 Market Street
Sydney, NSW 2000

NOTE 23: MEMBERS' GUARANTEE

The Australian Federation of Travel Agents Ltd was incorporated in 1977 under the Corporations Act 2001 as a company limited by guarantee. If the Federation is wound up, the constitution states that each member (during the time of membership or within a year after) will be required to contribute a maximum of \$30 towards meeting any outstanding and obligations of the Federation. At 31 March 2020 the number of AFTA members was 2,738 (all classifications).

DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, set out on page 22 to 46 are in accordance with the *Corporations Act 2001*:
 - a. Give a true and fair view of its financial position as at 31 March 2020 and of the performance for the year ended on that date; and
 - b. Comply with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. In the directors' opinion there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



T Manwaring (Chairman)

Dated this 28th day of August 2020

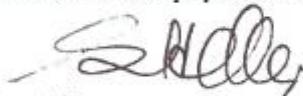


**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
THE AUSTRALIAN FEDERATION OF TRAVEL AGENTS LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 31 March 2020 there have been:

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

DFK Laurence Varnay Audit Pty Ltd
Authorised Audit Company No. 504554



Steven Heller
Director
Certified Practising Accountant
Registered Company Auditor
ASIC Registered Number: 1734

Dated 20 July 2020

We make it happen!



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ABN 49 615 581 372

CHAIRMAN

Tom Manwaring	2018 - Present
Mike Thompson	2009 – 2018
Carl Buerckner	2007 - 2009
Bob Steel	2006 - 2007
Ian Carew-Reid	2000 - 2005
Phil Hoffmann	1998 – 2000
Byron Roberts	1996 - 1998

PRESIDENTS

Phil Hoffmann	1992-1996
Jim Clements	1992
Adrian Miller	1990-1992
Greg Underdown	1989-1990
Os Pitts	1984-1987
Case Muskens	1981-1984
Eric Grimes	1979-1981
John Webb	1978-1979
Case Muskens	1976-1978
Jim Russell	1974-1976
Jim Jenkins	1972-1974
Murray Quartermaine	1971-1972
Os Pitts	1969-1971
John Tyerman	1967-1969
Max Wilson	1965-1967
Stewart Moffat	1963-1965
Roy King	1962-1963
John Kemnitz	1961-1962
Stewart Moffat	1959-1961
Frank Johnson	1957-1959

LIFE MEMBERS

Marie Allom
Spiros Alysandratos
Ian Carew-Reid
Jim Clements
John Dart OBE RFD ED
Mike Hatton OAM
Phil Hoffmann OAM
Peter Lowry MBE LNZITT
John Masselos
Sir Frank Moore AO
Mario Perrone
Os Pitts AM RD
Bob Steel
Tom Goldman OAM
Ian McMahon
Mike Thompson

PAST LIFE MEMBERS

John Cooper
Jim Jenkins
Frank Johnson AM
Roy King
Max Krumbeck
Stewart Moffat
Jim Russell
Beverley Wills