



**QUEENSLAND
TOURISM INDUSTRY
COUNCIL**

The Voice of Tourism

Queensland Tourism Industry Council Limited

A.B.N. 75 095 706 095

**Annual Financial Report
For the year ended 30 June 2018**

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Queensland Tourism Industry Council Limited

A.B.N. 75 095 706 095

Directors' Report for the year ended 30 June 2018

The directors present their report together with the financial report of the Queensland Tourism Industry Council Limited for the year ended 30 June 2018 and the auditor's report thereon.

DIRECTORS

The directors of the company at any time during or since the financial year and up to the date of this report are:

Shane O'Reilly	Managing Director, O'Reilly's Rainforest Retreat, Villa's and Lost World Spa and O'Reilly's Canungra Valley Vineyards
Peter Savoff	General Manager Emporium Hotel
Bridget Woods	Director of Tourism & Events Townsville Enterprise (Appointed 1 May 2018)
Anne Judd	Managing Director Charter Yachts Australia (Appointed 12 December 2017)
Laura Younger	General Manager, Australian Timeshare and Holiday Ownership Council
Mark Mugnaioni	Chief Strategy Officer, RACQ
Mark Skinner	Owner – Narrows Escape Rainforest Retreat
Denise Brown	Aviation Business Development Manager – Brisbane Airport Corporation
Stuart MacKenzie	Chair - Outback Gondwana Foundation Ltd (Appointed 24 October 2016)
Craig Turner	Chief Executive Officer – Tourism Whitsundays (Appointed 19 June 2017)
Wayne Clift	Managing Director Beetswalkin Consulting (Resigned 17 October 2017)
Mary Carroll	CEO, Capricorn Enterprises & Chair RTO Network (Resigned 20 February 2018)

Directors were in office for the entire period unless otherwise noted.

The Secretary of the company during the year and at the date of this report was:

Daniel Gschwind	Chief Executive Officer, Queensland Tourism Industry Council Limited
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Queensland Tourism Industry Council Limited

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Directors' Report for the year ended 30 June 2018

DIRECTOR MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each director of the company during that period were:

Director	No. Meetings Attended	No. Meetings Eligible to Attend
Shane O'Reilly	6	6
Wayne Clift	2	2
Bridget Woods	2	2
Mary Carroll	3	4
Laura Younger	5	6
Peter Savoff	5	6
Mark Mugnaioni	4	6
Annie Judd	4	4
Mark Skinner	5	6
Denise Brown	6	6
Stuart MacKenzie	4	6
Craig Turner	6	6

PRINCIPAL ACTIVITIES

The principal activities of the company during the course of the year were to promote the understanding of travel and tourism as a major activity that contributes substantially to the economic and social well-being of the State of Queensland. There were no significant changes in the nature of the activities of the company during the year.

YEAR

This financial report covers the year from 1 July 2017 to 30 June 2018.

OPERATING RESULT

The surplus for the year of Queensland Tourism Industry Council Limited was \$66,721 (2017: \$42,382 deficit).

ABILITY TO PAY DEBTS

The company has net assets of \$1,914,769 (2017: \$1,856,777) and a surplus of current assets over current liabilities of \$759,375 (2017: \$ 687,223) and is prima facie able to pay its debts as and when they fall due.

STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review.

DIVIDENDS

The company is prohibited by its Constitution from paying or distributing any dividends to its members and none have been paid or declared during the year ended 30 June 2018 (2017: nil).

LIKELY DEVELOPMENTS

The company will continue to work with Governments and other organisations to promote the development of the Queensland tourism industry.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

There is no matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect:

- (i.) The operations of the company;
- (ii.) The results of those operations; or
- (iii.) The state of affairs of the company for the financial years subsequent to 30 June 2018.

INSURANCE OF OFFICERS

The company has insured the directors and secretary of the council for costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in the capacity as officers of the company.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the company has agreed to indemnify its auditors, Ernst and Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst and Young during or since the financial year.

AUDITOR'S INDEPENDENCE

The directors have received a declaration of independence from the auditors; this report can be found on page 4.

Signed in accordance with a resolution of the directors:



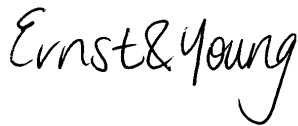
Shane O'Reilly, Director

Date: 18/10/18

Auditor's Independence Declaration to the Directors of Queensland Tourism Industry Council Limited

As lead auditor for the audit of Queensland Tourism Industry Council Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



Alison de Groot
Partner
18 October 2018

Queensland Tourism Industry Council Limited
A.B.N. 75 095 706 095
Directors' Declaration for the year ended 30 June 2018

DIRECTORS' DECLARATION

In the opinion of the directors of Queensland Tourism Industry Council Limited:

- (a) The financial statements and notes, set out on pages 6 to 21, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance, for the year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and
- (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Shane O'Reilly, Director

Date: 18/10/18

Queensland Tourism Industry Council Limited

A.B.N. 75 095 706 095

Statement of Comprehensive Income for the year ended 30 June 2018

	Note	2018 \$	2017 \$
INCOME FROM CONTINUING OPERATIONS			
Membership fees		486,295	542,695
Other income		2,816,641	2,359,685
TOTAL INCOME FROM CONTINUING OPERATIONS	3a	3,302,936	2,902,380
EXPENSES			
Advertising and public relations		77,356	31,148
Consultants' fees and expenses	3c	933,158	682,271
Depreciation	3b	36,164	30,118
Employee costs		1,044,124	1,021,969
Function and special project expenses		680,537	618,030
Postage, printing and stationery		5,674	26,473
Rent		89,284	136,763
Subscriptions and memberships		21,034	25,309
Travel and accommodation		156,453	158,535
Office expenses		73,547	101,654
Other corporate expenses		118,884	112,492
TOTAL EXPENSES		3,236,215	2,944,762
NET SURPLUS/(DEFICIT) FOR THE YEAR BEFORE INCOME TAX		66,721	(42,382)
INCOME TAX EXPENSE		-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR AFTER INCOME TAX		66,721	(42,382)
Other income to be reclassified to profit or loss net of tax			
Net gain/(loss) on available for sale assets		(9,108)	(34,267)
Total other comprehensive income		(9,108)	(34,267)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		57,613	(76,649)

The Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements set out on pages 10 to 19

Queensland Tourism Industry Council Limited

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Statement of Financial Position as at 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	11	1,384,214	1,645,463
Trade and other receivables	4	455,031	468,167
Other	5	65,261	129,218
TOTAL CURRENT ASSETS		1,904,506	2,242,848
NON-CURRENT ASSETS			
Plant and equipment	6	133,136	129,870
Leasehold asset		28,824	40,353
Intangible assets		30,000	30,000
Investments	12	1,067,069	1,028,745
TOTAL NON-CURRENT ASSETS		1,259,029	1,228,968
TOTAL ASSETS		3,163,535	3,471,816
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	368,409	579,397
Deferred revenue	8	537,101	724,104
Provisions	9	239,621	252,124
TOTAL CURRENT LIABILITIES		1,145,131	1,555,625
NON-CURRENT LIABILITIES			
Provisions	9	103,635	59,414
TOTAL NON-CURRENT LIABILITIES		103,635	59,414
TOTAL LIABILITIES		1,248,766	1,615,039
NET ASSETS		1,914,769	1,856,777
MEMBERS' FUNDS			
Retained surplus		1,958,144	1,891,044
Reserves		(43,375)	(34,267)
TOTAL MEMBERS' FUNDS	10	1,914,769	1,856,777

The Statement of Financial Position should be read in conjunction with the notes to the financial statements set out on pages 10 to 19

Queensland Tourism Industry Council Limited

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Statement of Changes in Members' Funds for the year ended 30 June 2018

	Retained Surplus	Reserves	Total
	\$		\$
As at 1 July 2016	1,933,805		1,933,805
Surplus/ (Deficit) for the year	(42,382)	-	(42,382)
Other Comprehensive Income		(34,267)	(34,267)
As at 30 June 2017	1,891,423	(34,267)	1,857,156
Surplus/(Deficit) for the year	66,721		66,721
Other Comprehensive Income		(9,108)	(9,108)
As at 30 June 2018	1,958,144	(43,375)	1,914,769

The Statement of Changes in Members' Funds should be read in conjunction with the notes to the financial statements set out on pages 10 to 19

Queensland Tourism Industry Council Limited
A.B.N. 75 095 706 095
Statement of Cash Flows for the year ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		3,049,005	3,221,875
Cash payments in the course of operations		(3,303,459)	(2,574,213)
Interest received		32,635	32,083
		<u> </u>	<u> </u>
Net cash provided by / (used in) operating activities	11	<u>(221,819)</u>	<u>679,745</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment and intangibles		(39,430)	(149,4172)
Payments made to investment funds		-	(1,000,000)
		<u> </u>	<u> </u>
Net cash used in investing activities		<u>(39,430)</u>	<u>(1,149,417)</u>
Net increase/(decrease) in cash held		(261,249)	(469,672)
Cash at the beginning of the financial year		<u>1,645,463</u>	<u>2,115,135</u>
CASH AT THE END OF THE FINANCIAL YEAR	11	<u><u>1,384,214</u></u>	<u><u>1,645,463</u></u>

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements set out on pages 10 to 19

Queensland Tourism Industry Council Limited

A.B.N. 75 095 706 095

Notes to the financial statements for the year ended 30 June 2018

1. CORPORATE INFORMATION

Queensland Tourism Industry Council Limited is a public company, incorporated and operating in Australia.

Company Secretary: Daniel Gschwind

Registered Office: Level 5, 189 Grey St, South Brisbane, Queensland

Solicitors: Norton Rose Fulbright Australia

Bankers: Suncorp Bank

Number of Employees

The company engaged 14 employees as at 30 June 2018 (30 June 2017: 14 employees).

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values nor current valuations of non-current assets.

These accounting policies have been consistently applied by the company and, except where there has been a change in accounting policy, are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include International Financial Reporting Standard ('IFRS') as issued by the International Accounting Standards Board.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Membership Revenue

Membership revenue is recognised when earned over the membership period to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Grant Revenue

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs and/or deliverables that it is intended to compensate in accordance with the grant agreement. Monies received in advance of service are deferred and recognised during the year in which they pertain once it is determined the company has control of the funds and they are considered earned in accordance with the grant agreement.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Project Revenue

Special Project revenue is recognised when earned to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Tourism Awards Revenue

Tourism Awards revenue is recognised when earned to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Interest Revenue

Interest revenue is recognised as it accrues unless the interest is earned in relation to grant funding. Interest earned on grant funding is deferred and recognised as income in the period in which it is utilised in accordance with grant agreements.

d) Taxation and Goods and Services Tax

The company is exempt from income tax under the provisions of The Income Tax Assessment Act covering non-profit societies and associations. Accordingly, no tax has been recorded in the financial statements.

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of the cash flow arising from the investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

e) Acquisition of assets

Acquired assets are accounted for at cost. Cost is measured as the fair value of assets given or liabilities incurred or assumed at the date of exchange plus cost directly attributable to the acquisition.

f) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. The carrying amounts of cash, short-term deposits and bank overdrafts approximate net fair value. Interest revenue is accrued at the market or contracted rates and is receivable on maturity of the short-term deposits.

g) Trade receivables

Trade receivables are carried at original invoice amount less an allowance for any uncollectible amounts. The collectability of debts is assessed at reporting date and specific provision is made for any doubtful accounts.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Property, Plant and equipment

Plant and equipment and Leasehold Improvements are stated at cost less any accumulated depreciation and any accumulated impairment losses. Assets acquired at zero cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Depreciation on property, plant and equipment is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

- Plant and equipment 2-14 years

Costs incurred on property, plant and equipment, which do not meet the criteria for capitalisation, are expensed as incurred.

Depreciation is calculated on a straight-line basis for Leasehold Improvements so as to write off the net cost of the asset during its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual value and depreciation method are reviewed at the end of each annual reporting period.

The carrying amount of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

i) Trade and Other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company. Trade accounts payable are normally settled within 30 days. Amounts are carried at amortised cost.

The carrying value of accounts payable approximates net fair value.

j) Employee benefits

Wages, Salaries and Annual Leave

The provisions for employee benefits for wages, salaries and annual leave represent the amount which the company has a present obligation to pay resulting from employees' services provided up to the reporting date. The provisions have been calculated at undiscounted amounts based on wage and salary rates which are expected to be paid when the liability is settled and include related on-costs.

Long Service Leave

The liability for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

Liabilities for employee benefits which are not expected to be settled within twelve months are discounted using the rates attaching to Commonwealth Government securities at reporting date which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee benefits, consideration is given to future increases in wage and salary rates, and the company's experience with staff departures. Related on-costs have also been included in the liability.

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Notes to the financial statements for the year ended 30 June 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Superannuation Plans

The company contributes to defined contribution superannuation plans. Employer contributions in relation to the year ended 30 June 2018 have been expensed against income.

k) Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The company is reliant on the provision of government grants in order to fund continuing operations. Management believe that sufficient grant income has been secured allowing the financial statements to be prepared on a going concern basis.

l) Impairment

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

m) Web site costs

The primary focus of the company's web site is an advertising, branding and information tool for the organisation and its members. Accounting Interpretations advise that given this focus the company web site could not be considered an internally generated intangible asset. All development, maintenance and operational expenditure have been treated as expenses.

n) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straightline basis over the lease term.

o) Make good provision

Provisions for future costs to return certain leased premises to their original condition are based on the company's past experience and estimates of likely restoration costs. These estimates may vary from actual costs incurred as a result of conditions existing at the date the premises are vacated.

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Notes to the financial statements for the year ended 30 June 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Intangible assets

Intangible assets represent a foundation membership acquired from ATAP Ltd. Intangible assets are acquired separately and are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

q) Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of the assets and liabilities of the Company are not subject to significant risk of material adjustment as a consequence of key assumptions or other key sources of estimation uncertainty.

r) Available-for-sale financial assets

Financial assets are non-current available-for-sale financial assets including equity investments. Equity investments that are classified as available-for-sale financial assets are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealized gains or losses recognised in the available-for-sale reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in the operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the statement of comprehensive income in finance costs. Interest earned whilst holding available for sale financial assets is reported as interest income using the effective interest method.

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Notes to the financial statements for the year ended 30 June 2018

3(a). OPERATING INCOME

	2018	2017
	\$	\$
INCOME FROM CONTINUING OPERATIONS		
Function Income	730,450	611,811
Grants	1,377,919	1,151,457
Membership Revenue	486,295	542,695
Special Projects	76,151	80,982
Commercial Income	552,435	419,960
Finance Income - Interest	32,634	32,083
Income from Investments	47,052	63,392
	<u>3,302,936</u>	<u>2,902,380</u>
TOTAL INCOME FROM CONTINUING OPERATIONS	<u>3,302,936</u>	<u>2,902,380</u>

3(b). OPERATING SURPLUS FROM CONTINUING OPERATIONS

The surplus from continuing operations has been arrived at after charging/ (crediting) the following items:

	2018	2017
	\$	\$
Depreciation of:		
Plant and equipment	36,164	30,118
Total Depreciation	<u>36,164</u>	<u>30,118</u>

3(c). CRM AND WEBSITE

Expenses totalling \$103,625 were incurred for the new CRM and Website. This supplementary expenditure was approved by the board from retained earnings as a priority commitment.

4. TRADE and OTHER RECEIVABLES

	2018	2017
	\$	\$
Trade debtors	455,031	468,167
PAYG withholding receivable	-	-
GST receivable	-	-
	<u>455,031</u>	<u>468,167</u>
Trade Debtors	2018	2017
Days	\$	\$
0- 30 Current Terms	382,444	358,358
31-60	650	11,990
61-90	-	11,000
+91	71,937	86,819
	<u>455,031</u>	<u>468,167</u>

Trade receivables are non-interest bearing and are generally on 30 day terms. A provision of \$nil (2017: nil) has been recorded based on the estimated irrecoverable amount after specific analysis of debts that may be uncollectable. Receivables past due but not considered impaired are: \$72,587(2017: \$109,809). Receivables remaining are on payment terms that have not been renegotiated. Discussions and agreements with the counterparties and/or receipts subsequent to reporting date have satisfied management that payment will be received in full.

FAIR VALUE AND CREDIT RISK

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Company's policy to transfer (on-sell) receivables to special

Queensland Tourism Industry Council Limited

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Notes to the financial statements for the year ended 30 June 2018

purpose entities.

5. OTHER CURRENT ASSETS

	2018	2017
	\$	\$
Prepayments	65,261	129,218
	65,261	129,218

6. PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Office furniture and Fixtures	182,312	180,682
Less: Accumulated depreciation	162,562	156,632
Leasehold Improvement Asset	128,496	128,496
Less: Accumulated Amortization	52,910	22,676
Office Equipment Leased	37,800	-
	133,136	129,870

Reconciliations of the carrying value of fixed assets at the beginning and end of the current financial year are set out below:

	2018	2017
	\$	\$
<i>Office Furniture and Equipment</i>		
Opening Balance	24,050	10,571
Additions	1,630	20,920
Depreciation	(5,930)	(7,441)
Closing Balance	19,750	24,050
<i>Leasehold Improvement Asset</i>		
Opening Balance	105,820	-
Additions	-	128,496
Depreciation	(30,234)	(22,676)
Closing Balance	75,586	105,820

7. TRADE and OTHER PAYABLES

	2018	2017
	\$	\$
Trade creditors	132,923	263,719
Accrued expenses and other accounts payable	235,486	315,678
	368,409	579,379

8. DEFERRED REVENUE

	2018	2017
	\$	\$
Membership fees received in advance	3,504	82,777
Awards fees received in advance	172,876	140,062
Grants received in advance	360,721	501,265
	537,101	724,104

Queensland Tourism Industry Council Limited

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Notes to the financial statements for the year ended 30 June 2018

9. PROVISIONS

	2018	2017
	\$	\$
Current employee entitlements	132,446	110,085
Current lease incentive	107,175	142,039
Total Current Provisions	<u>239,621</u>	<u>252,124</u>
Non-current employee entitlements	16,835	10,414
Non-current make good provision	86,800	49,000
Total Non-Current Provisions	<u>103,635</u>	<u>59,414</u>

10. MEMBERS' FUNDS

The company is a company limited by guarantee. In accordance with the Memorandum of Association, the liability of members is limited to \$2. This amount may be payable in the event that the company is wound up. As at 30 June 2018 there were 338 direct members (2017: 394). In addition, there were 1,939 (2017: 2,401) regional members.

11. STATEMENT OF CASH FLOWS

Cash	2018	2017
	\$	\$
Cash on hand	504	572
Cash at bank	325,076	583,535
Term deposits	1,058,634	1,061,356
	<u>1,384,214</u>	<u>1,645,463</u>

Included in the above cash balance are monies received in advance of \$360,721 (2017: \$501,265) in respect of a number of grant agreements. The company has control of this cash. However, it is to be utilised in accordance with the terms of the relevant grant agreement.

Reconciliation of surplus/loss from continuing operations to net cash (used in)/provided by operating activities

Surplus/(Deficit) from continuing operations	66,721	(42,382)
Adjustments		
Depreciation	36,164	30,118
Income from investments	(47,052)	(63,392)
Other	3	379
Net cash (used in)/provided by operating activities before change in assets and liabilities	<u>55,836</u>	<u>(75,277)</u>
Change in assets and liabilities:		
(Increase)/decrease in receivables	13,136	(144,077)
(Increase)/decrease in other assets	75,481	(93,433)
Increase/(decrease) in accounts payable	(210,988)	261,276
Increase/(decrease) in provisions	31,719	172,170
Increase/(decrease) in deferred revenue	(187,003)	559,086
Net cash provided by operating activities	<u>(221,819)</u>	<u>679,745</u>

Queensland Tourism Industry Council Limited

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Notes to the financial statements for the year ended 30 June 2018

12. Investments

Investments	2018 \$	2017 \$
Investment type		
Cash Hub	114,347	164,222
Fixed Interest	161,306	272,276
Australian Equities	300,136	173,687
International Equities	226,895	70,195
International Fixed Interest	159,823	274,278
Property	20,094	34,553
Alternative Investments	51,203	-
Investment Clearing Account	33,264	39,534
Reconciled Assets	<u>1,067,068</u>	<u>1,028,745</u>

During the prior period \$1m of reserves was placed into an investment fund with a 'Moderate' risk profile with the investment made with Industry Funds Services. The investment portfolio is measured and recognised at fair value as at 30 June 2018 and has a current value of \$1,067,068 (2017 – 1,028,745). The Fair value of these financial assets has been based on the bid prices at the end of the period.

13. Reserves

	2018 \$	2017 \$
Available for sale assets	<u>43,375</u>	<u>34,267</u>
	<u>43,375</u>	<u>34,267</u>

This reserve represents the movement in fair value for available for sale assets where the fair value was able to be determined by reference to a quoted market price.

14. DIRECTORS AND EXECUTIVE DISCLOSURES

Compensation of Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the organisation. The company has identified 3 positions (2017: 3 positions) during the period that meet this definition.

Key Management Personnel compensation during the year ended 30 June 2018 was:

	2018 \$	2017 \$
Short Term	463,941	454,213
Long Term	74,839	67,000
Post Employment	44,074	43,150
Total	<u>582,854</u>	<u>564,363</u>

Queensland Tourism Industry Council Limited

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Notes to the financial statements for the year ended 30 June 2018

15. RELATED PARTIES

Directors

The names of persons who were directors of the company at any time during the year or since the financial year and up to the date of this report are as follows:

Shane O'Reilly
Wayne Clift (Resigned 17 October 2017)
Bridget Woods (Appointed 1 May 2018)
Mary Carroll (Resigned 20 February 2018)
Laura Younger
Annie Judd (Appointed 12 December 2017)
Peter Savoff
Mark Mugnaioni
Mark Skinner
Denise Brown
Stuart MacKenzie
Craig Turner

The Directors of Queensland Tourism Industry Council Limited were not paid directly or indirectly any salaries, fees or other monetary consideration for their services.

During the year, no transactions occurred between Queensland Tourism Industry Council Limited and related parties that were not within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available to other employees, customers or suppliers. Purchases with Directors companies totalled \$14,886 (2017: \$39,448) for RTO payments relating to the TDDI Program totalled \$42,838 (2017 \$20,075).

In some cases, directors may pay membership fees for their respective businesses. The total of membership fees paid by director businesses for the year was \$23,230 (2017: \$37,660).

QTIC has a sublease for office space with one of the directors' companies.

Queensland Tourism Industry Council Limited

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Notes to the financial statements for the year ended 30 June 2018

16. AUDITORS' REMUNERATION

	2018	2017
	\$	\$
<i>Amounts received or due and receivable by Ernst & Young (Australia):</i>		
Auditing of the financial report	24,500	24,500
Queensland Tourism Awards – Judging *	-	-
	<u>24,500</u>	<u>24,500</u>

Ernst & Young is a corporate member of the company. No other benefits were received by the auditor.

* Ernst & Young assists as the independent scrutineer for the judging of the Queensland Tourism Awards.

17. COMMITMENTS and CONTINGENCIES

	2018	2017
	\$	\$
<i>Operating leases (non-cancellable)</i>		
Not later than one year	112,396	145,831
Later than one year and not later than five years	186,144	264,201
	<u>298,540</u>	<u>410,032</u>

The Company has an operating lease for rent of a photocopier. The lease expires in February 2023. The commitment under the lease is \$8,100 per annum.

The company also has an operating lease for the rent of its office space. The lease commenced from 1 October 2016 and expires 31 December 2020. The commitment under the lease is \$99,826 per annum with an annual increase on commencement date of 4%.

18. SEGMENT INFORMATION

The company operates in the tourism industry in Queensland. The principal activities of the company during the course of the year were to promote the understanding of travel and tourism as a major activity that contributes substantially to the economic and social well-being of the State of Queensland.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments are cash and short-term deposits, Investments, trade receivables and trade payables which arise directly from operations. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 of the financial statements.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include ageing analyses and monitoring of receivables to manage credit risk. Liquidity risk is monitored informally through management and Board review of cash balances and outstanding obligations.

Queensland Tourism Industry Council Limited

A.B.N. 75 095 706 095

Notes to the financial statements for the year ended 30 June 2018

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Interest rate risk exposures

The company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities are set out below:

30 June 2017

	Weighted average interest rate	Floating interest rate	Fixed Interest < 1 Year	Fixed Interest 1 – 5 Years	Non-interest bearing	Total
<i>Financial assets</i>						
Cash	2.10%	-	1,645,463	-	-	1,645,463
Investments – Note 12		-	1,028,745	-	-	1,028,745
Receivables – Note 4		-	-	-	468,167	468,167
		-	2,674,208	-	468,167	3,142,375
<i>Financial liabilities</i>						
Payables – Note 7		-	-	-	304,626	304,626
		-	-	-	304,626	304,626

30 June 2018

<i>Financial assets</i>						
Cash	2.04%	-	1,384,214	-	-	1,384,214
Investments – Note 12		-	1,067,069	-	-	1,067,069
Receivables – Note 4		-	-	-	455,031	455,031
		-	2,451,283	-	455,031	3,142,375
<i>Financial liabilities</i>						
Payables – Note 7		-	-	-	368,409	368,409
		-	-	-	368,409	368,409

b) Net fair value

The net fair value of financial assets and liabilities at the reporting date are those disclosed in the statement of financial position and related notes. This is because either the carrying amounts approximate net fair value or because of their short term to maturity.

c) Credit risk

Credit risk arises from the financial assets of the Company, essentially trade and other receivables. The Company's exposure to credit risk arises from potential default by a member or third party debtor, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in the statement of financial position and in each applicable note.

d) Liquidity risk

Liquidity risk arises from the timing differences between cash inflows and cash outflows. The Company's objective is to maintain a balance between continuity of funding and flexibility.

The company is not exposed to currency risk or any other significant market risk.

18. SUBSEQUENT EVENTS

There were no subsequent events that required disclosure.

Independent Auditor's Report to the Members of Queensland Tourism Industry Council Limited

Opinion

We have audited the financial report of Queensland Tourism Industry Council Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 gives a true and fair view and 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 relating 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 Responsibilities for the Audit of the Financial Report

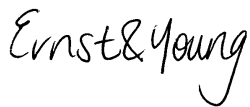
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.
- 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.



Ernst & Young



Alison de Groot
Partner
Brisbane
18 October 2018