



Fair Work
Commission

7 May 2024

Joanne Blair
Branch Secretary/Treasurer
Australian Hotels Association - New South Wales Branch
Sent via email: enquiries@ahansw.com.au

Dear Joanne Blair

Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 31 December 2023 (FR2023/213)

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* in respect of the Australian Hotels Association - New South Wales Branch for the financial year ended 31 December 2023. The application was lodged with the Fair Work Commission on 30 April 2024.

I have granted the application. The certificate is attached.

If you have any queries regarding this letter please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Chris Enright
Executive Director
Fair Work Commission



CERTIFICATE

Fair Work (Registered Organisations) Act 2009

s.269(2)(a)—Reporting unit's financial affairs encompassed by associated State body

Australian Hotels Association - New South Wales Branch

FR2023/213

MR ENRIGHT

MELBOURNE, 7 MAY 2024

Reporting unit's financial affairs encompassed by associated State body

[1] On 30 April 2024 an application was made under section 269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the Australian Hotels Association - New South Wales Branch (the reporting unit) for a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of Australian Hotels Association NSW (the Association), an associated State body, in respect of the financial year ending 31 December 2023.

[2] On 30 April 2024, the reporting unit lodged a copy of the audited accounts of the Association with the Fair Work Commission.

[3] I am satisfied that the Association:

- is registered under the *Industrial Relations Act 1996 (NSW)*, a prescribed State Act; and
- is, or purports to be, composed of substantially the same members as the reporting unit; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the reporting unit; and
- is an associated State body.

[4] I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority;
- any members of the reporting unit who are not also members of the Association have been provided with copies of the accounts at substantially the same time as the members of the reporting unit who are members of the Association; and
- a report under section 254 of the Act has been prepared in respect of those activities of the reporting unit and has been provided to the members of the reporting unit with copies of the accounts.

[5] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 31 December 2023, are encompassed by the financial affairs of the Association and I certify accordingly under section 269(2)(a) of the Act.



DELEGATE OF THE GENERAL MANAGER

Printed by authority of the Commonwealth Government Printer

NSW
BRANCH

OF THE
AUSTRALIAN
HOTELS
ASSOCIATION



23 April 2024

Fair Work Commission
Registered Organisations Division

By Email

Dear Sir/Madam,

Application for exemption pursuant to s.269 of the *Fair Work (Registered Organisations) Act 2009 (Cth) (RO Act)*

I am the Secretary/Treasurer of the Australian Hotels Association, NSW Branch (**Branch**) and am authorised by the Branch to make an Application for a Certificate stating that:-

- i. The financial affairs of the Branch are encompassed by the financial affairs by the Australian Hotels Association NSW, an organisation of employers registered under the *Industrial Relations Act 1996 (NSW) (State Act)*, being an associated state body; and
- ii. That the Branch is taken to have satisfied Part 3 of the RO Act.

The Grounds and reasons for this Application are as follows:

1. The Australian Hotels Association NSW is an organisation of employers registered under the State Act (**State Organisation**) and is an associated State body to the Branch.
2. The State Organisation is composed substantially of the same members of the Branch.
3. The officers of the State Organisation are the same as the officers of the Branch. In that regard I refer to Rule 32A of the Rules of the State Organisation, a copy of which is **attached** hereto (**Annexure A**). I also refer in this regard to section 239 of the State Act, which facilitates this arrangement.
4. It is submitted that the Branch can be taken to have satisfied Part 3 of the RO Act, because of the following matters: -
 - i. The State Organisation has in accordance with the State Act, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the audited

accounts with the New South Wales Industrial Registry.

- ii. All members of the Branch and the State Organisation, at substantially the same time, have been provided with a copy of the audited accounts of the State Organisation, in accordance with the provisions of the State Act through their reproduction in the 2021 Annual Report of the State Organisation (**Annexure B**); and
- iii. At the time of providing a copy of the 2023 Annual Report of the State Organisation, all members of the Branch and the State Organisation were provided with the Branch's Operating Report for the financial year ended 31 December 2023, which is contained in Annexure B.

If you require any further information in relation to this Application would you please contact [REDACTED] Deputy Chief Executive Officer on (02) 9281 6922.

Yours faithfully,

[REDACTED]

JOANNE BLAIR
Secretary/Treasurer

Encl.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

AUSTRALIAN HOTELS ASSOCIATION – NEW SOUTH WALES BRANCH

OPERATING REPORT
PURSUANT TO SECTION 254 OF THE FAIR WORK (REGISTERED ORGANISATIONS)
ACT 2009

This operating report covers the results of those activities that were provided for the financial year which ended on 31 December 2023.

1. Principal activities of the Branch

- a) The Branch operates as the New South Wales Branch of the Australian Hotels Association, (“AHA”) an organisation of employers registered under the *Fair Work (Registered Organisations) Act 2009*.
- b) The Branch works closely with the Australian Hotels Association (NSW), an organisation of employers registered under the *Industrial Relations Act 1996* (NSW) which is the state registered counterpart of the Branch (“the State Organisation”).
- c) The officers of the Branch are also the officers of the State Organisation pursuant to *Section 239* of the *Industrial Relations Act 1996* (NSW) and Rule 32A of the Rules of the State Organisation.
- d) The principal activities of the Branch, as conducted through the Council and the Executive Committee of the Branch during the past year fell into the following categories:
 - Provision of legal and industrial support to members on a range of legal and legislative matters, contractual obligations and representation of individual members. Specific examples include:
 - Representation of members interests in the Fair Work Commission’s four-year review of modern awards and award matters generally;
 - Representation of members interests in the Annual Wage Review by providing assistance to the AHA and the Australian Chamber of Commerce and Industry;
 - Representation of members interests to various regulatory authorities relating to liquor licensing;
 - Representation and monitoring of members interests, where necessary to Local Government Authorities relating to the gazetting of local public holidays;
 - Representation of members before the Fair Work Commission in a variety of matters including: collective bargaining, unfair dismissals and general protections applications;
 - Representation of members in industrial matters before other courts and tribunals;
 - Provision of online tools hosting fact sheets, wage rates, template contracts of employment and template policy and procedure documents; and
 - Delivery of onsite and online seminars relating to compliance with federal workplace laws and relevant state legislation.
 - Media and Communications to members and to the broader community via media releases in support of campaigns and targeted publications including national & state magazines. Examples of specific activities include:
 - Liaising with members on a daily basis concerning local and state media;
 - Crisis management for members where media is involved; and
 - Liaising with media on a daily basis.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES**

AUSTRALIAN HOTELS ASSOCIATION – NEW SOUTH WALES BRANCH

**OPERATING REPORT
PURSUANT TO SECTION 254 OF THE FAIR WORK (REGISTERED ORGANISATIONS)
ACT 2009 (CONTINUED)**

- Provision of information to members providing up to date material relevant to eligible venues including:
 - Changes in state and federal legislation;
 - Work health and safety alerts; and
 - Licensing legislation.
 - Provision of information to members, lobbying of Federal and State Governments and support to members.
- e) There have been no significant changes in the principal activities of the Branch in the financial year ended 31 December 2023.

2. Financial activities of the Branch

There were no financial activities of the Branch for the financial year which ended on 31 December 2023.

3. Details of the right of members to resign

A member may resign in writing pursuant to Rule 10.2.1 of the Rules of the Australian Hotels Association, New South Wales Branch. This applies irrespective of whether the member obtained membership pursuant to Rule 8 or Rule 9 of the said Rules.

4. Details of any officer or member who is a director of a superannuation entity or a director of a company that is a trustee of a superannuation entity

N/A.

5. Number of members recorded on the register of members

The number of members recorded on the register of members as at 31 December 2023 was 1,828.

6. Number of employees

The Branch did not have any employees in the reporting period. By arrangement with the State Organisation employees of the State Organisation provide services to the Branch in respect of its operations and activity as required from time to time.

AUSTRALIAN HOTELS ASSOCIATION (NSW)

ABN: 64 243 628 807

AND ITS CONTROLLED ENTITIES

AUSTRALIAN HOTELS ASSOCIATION – NEW SOUTH WALES BRANCH

OPERATING REPORT

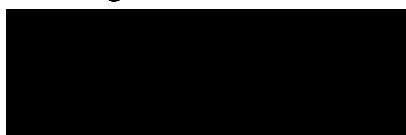
**PURSUANT TO SECTION 254 OF THE FAIR WORK (REGISTERED ORGANISATIONS)
ACT 2009 (CONTINUED)**

7. Details of persons who were a member of the Committee of Management

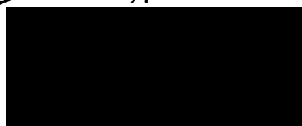
For the period of 1 January 2023 to 31 December 2023 the Branch's Committee of Management comprised of the following persons:

Name	Position	Period
Scott Leach	President	1 January 2023 to 31 December 2023
Lynette Humphreys	Senior Vice-President (General Division)	1 January 2023 to 31 December 2023
Kim Maloney	Vice President	1 January 2023 to 31 December 2023
Joanne Blair	Secretary/Treasurer	1 January 2023 to 31 December 2023
Desmond Kennedy	Country Member representing the General Division	1 January 2023 to 31 December 2023
Michael Starkey	Country Member representing the General Division	1 January 2023 to 31 December 2023
Leon Colosimo	Metropolitan Member representing the General Division	1 January 2023 to 31 December 2023
Peter Harris	Metropolitan Member representing the General Division	1 January 2023 to 31 December 2023
Robert Lees	Metropolitan Member representing the General Division	1 January 2023 to 31 December 2023
Gavin Brown	Country Member representing the General Division	1 January 2023 to 31 December 2023

Signed on behalf of the Committee of Management:



Scott Leach
Member of Committee



Joanne Blair
Member of Committee

Dated at Sydney: 26 February 2024

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES**

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AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

		Consolidated	
		2023	2022
	Note	\$	\$
REVENUE	5	11,142,711	10,279,115
EXPENDITURE			
Administrative, Member and Other Expenses		(6,143,142)	(4,982,939)
Employee Benefits Expense		(4,451,835)	(4,661,575)
Profit Before Depreciation and Income Tax Expense		547,734	634,601
Depreciation		(561,964)	(430,171)
Share of net profits of equity-accounted associate	18	1,774,012	1,489,034
Profit before income tax		1,759,782	1,693,464
Income tax expense	3(c)	-	-
NET PROFIT FOR THE YEAR		1,759,782	1,693,464
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that may be reclassified subsequently to Profit or Loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,759,782	1,693,464

The accompanying notes form part of these financial statements.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Consolidated	
		2023	2022
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	6,756,084	10,186,424
Trade and other receivables	9	954,294	740,790
Other assets	10	281,902	148,173
TOTAL CURRENT ASSETS		<u>7,992,280</u>	<u>11,075,387</u>
NON-CURRENT ASSETS			
Investments in associates	18	10,717,322	10,238,707
Property, plant and equipment	11	15,518,952	10,681,125
TOTAL NON-CURRENT ASSETS		<u>26,236,274</u>	<u>20,919,832</u>
TOTAL ASSETS		<u>34,228,554</u>	<u>31,995,219</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	897,374	816,605
Contract Liabilities	14	3,137,690	2,688,612
Employee benefits	13	995,510	1,057,775
TOTAL CURRENT LIABILITIES		<u>5,030,574</u>	<u>4,562,992</u>
NON-CURRENT LIABILITIES			
Employee benefits	13	39,498	33,527
TOTAL NON-CURRENT LIABILITIES		<u>39,498</u>	<u>33,527</u>
TOTAL LIABILITIES		<u>5,070,072</u>	<u>4,596,519</u>
NET ASSETS		<u>29,158,482</u>	<u>27,398,700</u>
EQUITY			
Capital Funds		20	20
Retained earnings		29,158,462	27,398,680
TOTAL EQUITY		<u>29,158,482</u>	<u>27,398,700</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

2023

	Consolidated		
	Capital Funds	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2023	20	27,398,680	27,398,700
Profit for the year	-	1,759,782	1,759,782
Other comprehensive income			
Other comprehensive income	-	-	-
Balance at 31 December 2023	20	29,158,462	29,158,482

2022

	Consolidated		
	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2022	20	25,705,216	25,705,236
Profit for the year	-	1,693,464	1,693,464
Other comprehensive income			
Other comprehensive income	-	-	-
Balance at 31 December 2022	20	27,398,680	27,398,700

The accompanying notes form part of these financial statements.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN: 64 243 628 807
 AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2023**

	Consolidated	
	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members and Third Parties	10,583,418	9,871,021
Payments to suppliers and employees	(10,255,155)	(9,977,556)
Dividends received	1,295,398	836,078
Interest received	348,976	119,762
Net cash provided by operating activities	<u>1,972,637</u>	<u>849,305</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	39,727	12,727
Purchase of property, plant and equipment	(5,442,704)	(63,325)
Net cash (used in) investing activities	<u>(5,402,977)</u>	<u>(50,598)</u>
Net increase in cash and cash equivalents held	(3,430,340)	798,707
Cash and cash equivalents at beginning of year	<u>10,186,424</u>	<u>9,387,717</u>
Cash and cash equivalents at end of financial year	8 <u><u>6,756,084</u></u>	<u><u>10,186,424</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN HOTELS ASSOCIATION (NSW)

ABN: 64 243 628 807

AND ITS CONTROLLED ENTITIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 CORPORATE INFORMATION

The consolidated financial statements are for the Australian Hotels Association (NSW) ("the Association") and its controlled entities collectively referred to as the ('the Reporting Unit'). Australian Hotels Association (NSW) is a not-for-profit Association incorporated and domiciled in Australia.

The Association is incorporated in Australia. The nature of the operations is that of an Industrial Association comprising and representing members of the hotel industry.

The financial report was authorised for issue by the Committee of Management on 26 February 2024.

2 BASIS OF PREPARATION

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Industrial Relations Act 1996 (NSW)*.

The financial statements 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 Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. The Controlled Entities are for-profit entities for financial reporting purposes under Australian Accounting Standards.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated. These policies have been consistently applied to all the years presented, unless otherwise stated. *AASB 2021-1: Amendments to Australian Accounting Standards - Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities* has been applied for the 2022 year, which gives the Association relief from restating comparatives information for new disclosures.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis for consolidation

The Australian Hotels Association (NSW) ("the Association") is the ultimate parent entity. The consolidated financial statements include the financial statements of the Association together with its wholly owned subsidiaries being Australian Hotels Association (NSW) Holdings Pty Limited, HTA Legal Pty Limited and Australian Hotels Association (NSW) PPA Pty Limited (together referred to as "the Reporting Unit").

HTA Legal Pty Limited is the Trustee of Australian Hotels Association NSW Legal Practice Trust ("Legal Practice Trust"). Australian Hotels Association (NSW) PPA Pty Limited is the Trustee of Australian Hotels Association (NSW) PPA Trust (the "PPA Trust"). The Association is the sole beneficiary of both the Legal Practice Trust and the PPA Trust.

Subsidiaries are entities controlled by the Association. Control exists when the Association has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Association's financial statements, investments in subsidiaries are carried at cost which in the opinion of the Committee of Management equates to their market value. Intra group balances are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) **Basis for consolidation**

A list of controlled entities is contained in Note 17 to the financial statements.

Associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

(b) **Revenue and other income**

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Reporting Unit expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Reporting Unit have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Reporting Unit are:

Membership subscriptions - Membership subscriptions are payments which give members access to a range of services to support hotels and bars, these are recognised progressively over a 12 month period as this is when the performance obligations are expected to be met.

Membership activities - These are payments by members, sponsors, associates and others who have an interest in events run by the Association and who obtain an opportunity to promote their products and services through these activities. These are recognised at a point in time when the event occurs or progressively over a 12 month period.

Legal fees - These are paid by the members and other associates for additional legal services provided by a controlled entity outside the normal scope of standard service provided to members. These are recognised at the time the service has been completed and an invoice has been raised.

Commissions - These are commissions received from service providers with whom the Association negotiates prices, by which members enjoy preferential rates that would have not been possible if they negotiated individually for products and services. These are recognised over time as this is when the various performance obligations are met.

AUSTRALIAN HOTELS ASSOCIATION (NSW)

ABN: 64 243 628 807

AND ITS CONTROLLED ENTITIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

Specific revenue streams

Contract liabilities

When an amount of consideration is received from a member or customer prior to the Reporting Unit transferring a good or service to the member or customer, the Reporting Unit presents the contract sum as a contract liability.

(c) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*; however, the Association still has obligations for Fringe Benefits Tax and Goods and Services Tax. The Legal Practice Trust and the PPA Trust do not pay tax as all their distributable income is distributed to the Association. Australian Hotels Association (NSW) Holdings Pty Limited is not exempt from income tax.

(d) Special Note Concerning Basis of Financial Statements

- i. The financial statements herein are a consolidation of the financial affairs of the following entities:
 - a. The Australian Hotels Association (NSW), an organisation of employers registered under the Industrial Relations Act 1996 (NSW) (herein referred to as "the State Organisation"); and
 - b. certain entities which are wholly owned subsidiaries of the State Organisation, as referred to in note 17 hereof.
- ii. There is also a special relationship between the State Organisation and the Australian Hotels Association, NSW Branch, being a branch of an organisation of employers by the name "Australian Hotels Association" registered under the Fair Work (Registered Organisations) Act 2009.
- iii. The Australian Hotels Association NSW Branch ("the Federal Branch") is the counterpart branch of the federally registered Australian Hotels Association ("AHA") to the State Organisation, and the membership and officers of the Federal Branch are the same as the membership and officers of the State Organisation.
- iv. By reason of arrangements that exist between the State Organisation and the Federal Branch, the Federal Branch does not require its members to pay membership fees to the Federal Branch on condition that any capitation fees, levies, contributions or other amounts required to be paid by the Federal Branch to the National Office of the AHA are paid to that Office by the State Organisation on behalf of the Federal Branch (See Rule 9 of the Rules of the Federal Branch).
- v. All other assets (including real property) and liabilities including those held by the Controlled Entities referred to in note 17 hereof are assets and liabilities of the State Organisation.
- vi. As a consequence of the foregoing arrangements the Federal Branch does not currently and has not had in the reporting period any financial activities separate to those of the State Organisation, all such activities of the Federal Branch being encompassed within the financial affairs of the State Organisation as contemplated by Section 269 of the Fair Work (Registered Organisations) Act 2009.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(d) Special Note Concerning Basis of Financial Statements

vii. These financial statements reflect the arrangements between the Federal Branch and the State Organisation as referred to above and by way of an explanation at note 21 concerning related party transactions.

(e) Notice pursuant to Regulations under Section 282(3) of the Industrial Relations Act 1996 (NSW)

- i. A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation; and
- ii. An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

(f) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash on hand and at bank together with short-term deposits with an original maturity of six months or less.

(g) Trade and other receivables

The collectability of debts is assessed at the reporting date and specific provision is made for any doubtful debts.

(h) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Strata Units

The Association has adopted the cost model of "AASB 116 Property Plant & Equipment".

Plant and equipment and motor vehicles

These assets are measured on the cost basis and are therefore carried at cost less accumulated depreciation.

Depreciation

Depreciation is calculated on a combination of straight-line and diminishing value basis over the estimated useful life of the asset as follows:

- Strata Units - 40 years straight line
- Strata Units Renovations - 10 years straight line

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(h) Property, plant and equipment

Depreciation

- Plant and Equipment - 5 to 15 years straight line
- Motor Vehicles - 4 to 5 years diminishing value

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(i) Investments

As outlined in note 19, the Controlled Entity owns 25% of the ordinary share capital of Hospitality Industry Insurance Limited ("HII"). In the opinion of the Committee of Management, the Controlled Entity does have significant influence over HII. The investment is accounted for under AASB 128 "*Investments in Associates and Joint Ventures*".

(j) Impairment of non-financial assets

At each reporting date, the Committee of Management assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Committee of Management makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received during the reporting period that remain unpaid at the end of the reporting period.

(l) Provisions

Provisions are recognised when the Association 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.

(m) Employee benefits

Provision is made for Association's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

- Wages, Salaries and Annual Leave - Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of year-end. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.
- Long Service Leave - The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the reporting date. The portion of the long service leave liability not expected to be settled within 12 months is discounted using the rates applicable to national government securities at the reporting date, which most

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(m) **Employee benefits**

closely match the terms of maturity of the related liability.

- Superannuation - Superannuation contributions by the Association on a defined basis to an employee superannuation fund are charged as expenses when incurred. The Association has no legal obligation to provide benefits to employees on retirement.

(n) **Goods and services tax (GST)**

Revenue, 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 Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(o) **Financial instruments**

Financial instruments are recognised initially on the date that the Reporting Unit becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Reporting Unit has financial assets measured at amortised cost. These are assets where the business model is to hold assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Reporting Unit's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

The Reporting Unit has a strategic investment in HEM over which it does not have significant influence nor control. The Reporting Unit has made an irrevocable election to classify this investment at fair value through other comprehensive income, as the investment is not held for trading purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(o) Financial instruments

Financial assets

This investment is carried at fair value with changes in fair value recognised in other comprehensive income and the asset revaluation reserve. On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income.

A similar treatment occurs for the investments in Controlled Entities.

Financial liabilities

The Reporting Unit measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Reporting Unit comprise trade payables, bank and other loans and lease liabilities.

(p) Adoption of new and revised accounting standards

The Reporting Unit has adopted all standards which became effective for the first time at 31 December 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Reporting Unit.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The committee of management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below:

Useful lives of Property, Plant and Equipment

The Committee of Management reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The Committee of Management determined that the useful lives of assets do not require amendment.

Valuation of Strata Units

As outlined in note 11 the Macquarie Street asset is carried at cost, less subsequent depreciation. The Committee of Management obtained an independent valuation on 8 January 2016 to determine the asset's fair value. The fair value of this asset has not been brought to account in the 2023 financial year. The Castlereagh Street asset is carried at cost, less subsequent depreciation.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Valuation of Strata Units

The Reporting Unit has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Valuation of Investments

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Provision for Expected Credit Losses

The Reporting Unit reviews all trade debtors at each reporting date and makes a specific provision for all debtors considered doubtful. At the reporting date there was no provision required as no debts were considered doubtful.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5 REVENUE

	Consolidated	
	2023	2022
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Advertising Commissions	1,518,776	1,004,126
- Legal Fees	508,251	469,385
- Keno Commissions	954,285	948,593
- Membership Activities	3,416,739	3,382,811
- Member Subscriptions	4,149,476	3,997,708
	10,547,527	9,802,623
Revenue recognised on receipt (AASB 1058)		
- Interest Received	348,976	119,762
- Trust Distribution - PPA Trust	249,395	352,028
- (Loss) / Profit on Sale of Non-Current Assets	(3,187)	4,702
	595,184	476,492
Total Revenue	11,142,711	10,279,115
6 EXPENSES		
Annual Leave	(34,746)	17,192
Superannuation	400,141	394,300
Long service leave	43,528	44,194
Salary and Wages	3,836,891	3,995,242
Payroll tax	183,232	184,122
Fringe benefits tax	22,791	26,525
	4,451,837	4,661,575
Capitation Fees - AHA National Office	160,095	150,907
Affiliation Fees - AHA National Office	-	300
Other Expenses - AHA National	126,658	169,386
Total Grants and Donations	308,187	247,630
Donations- paid to political parties	137,448	197,375
Legal Costs	221,326	146,285

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7 AUDITORS' REMUNERATION

	Consolidated	
	2023	2022
	\$	\$
Remuneration of the auditor V J Ryan & Co, for:)		
Audit of the Financial Statements - Association	42,000	42,000
Audit of the Financial Statements - Controlled Entities	1,500	1,500
Other Services - Association	3,650	13,000
Other Services - Controlled Entities	-	2,100
Total	47,150	58,600

8 CASH AND CASH EQUIVALENTS

Cash on hand	3,019	3,019
Bank balances	2,753,065	3,183,405
Term Deposits	4,000,000	7,000,000
	6,756,084	10,186,424

9 TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	954,294	740,790
Provision for impairment	-	-
	954,294	740,790

10 OTHER ASSETS

CURRENT

Prepayments	281,902	148,173
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AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11 PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2023	2022
	\$	\$
Buildings		
Strata Units - At Cost	20,018,037	14,718,188
Accumulated depreciation	(4,719,948)	(4,210,186)
	<u>15,298,089</u>	<u>10,508,002</u>
Plant and equipment		
At Cost	213,230	161,393
Accumulated depreciation	(150,294)	(134,167)
	<u>62,936</u>	<u>27,226</u>
Motor vehicles		
At cost	232,676	249,250
Accumulated depreciation	(74,749)	(103,353)
	<u>157,927</u>	<u>145,897</u>
	<u><u>15,518,952</u></u>	<u><u>10,681,125</u></u>

(a) 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:

Consolidated	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 31 December 2023				
Carrying Amount at Beginning of Year	10,508,002	27,226	145,897	10,681,125
Additions	5,299,849	51,837	91,018	5,442,704
Disposals	-	-	(42,914)	(42,914)
Depreciation	(509,762)	(16,127)	(36,074)	(561,963)
Balance at the end of the year	<u>15,298,089</u>	<u>62,936</u>	<u>157,927</u>	<u>15,518,952</u>

(b) Valuation

The Strata Units of Levels 15 & 16, 131 Macquarie Street, Sydney were independently valued on 8 January 2016. The valuation carried out by Mr Christopher Bateman Registered Valuer number 029855 and Mr Mal Cameron Registered Valuer number 035146 assessed the market value on an individual lot sale basis at \$9,500,000 (ex GST). The valuation has not been reflected in the consolidated financial statements.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12 TRADE AND OTHER PAYABLES

Consolidated
2023 **2022**
\$ **\$**

CURRENT

Trade payables	686,102	640,898
GST payable	211,272	175,707
	897,374	816,605
	897,374	816,605

13 EMPLOYEE BENEFITS

CURRENT LIABILITIES

Provision for Long service leave	604,893	567,336
Provision for Annual Leave	390,617	490,439
	995,510	1,057,775
	995,510	1,057,775

NON-CURRENT LIABILITIES

Provision for Long service leave	39,498	33,527
	39,498	33,527
	39,498	33,527

14 CONTRACT LIABILITIES

CURRENT

Subscriptions in Advance	2,417,644	2,045,258
Income in Advance	720,046	643,354
	3,137,690	2,688,612
	3,137,690	2,688,612

15 FINANCIAL RISK MANAGEMENT

Financial assets

Held at amortised cost

Cash and cash equivalents	6,756,084	10,186,424
Trade and other receivables	954,294	740,790
	7,710,378	10,927,214
	7,710,378	10,927,214

Total financial assets

Financial liabilities

Financial liabilities measured at amortised cost	897,373	816,605
Contract Liabilities	3,137,691	2,688,612
	4,035,064	3,505,217
	4,035,064	3,505,217

Total financial liabilities

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16 RETROSPECTIVE RESTATEMENT

Upon a detailed review of the accounting treatment for the investment in Hospitality Industry Insurance Limited ("HII"), it was determined that the Reporting Unit had significant influence as defined by AASB 128 "Investments in Associates and Joint Ventures and was required to equity account for its investment in Hospitality Industry Insurance Limited under AASB 128 "Investments in Associates and Joint Ventures".

The significant influence is evidenced by the 25% shareholding and Board representation on HII.

Previously the investment was disclosed in the financial statements at fair market value through "Other Comprehensive Income". This has now been restated from 1 January 2022 as an equity accounted investment. The Reporting Unit reflects the value of investment in HII at its initial cost plus its share of any profits less dividends received. The share of annual profit or loss from HII is disclosed in the net profit or loss of the Reporting Unit.

The financial impact of this change in accounting policy was reflected in the 2022 financial year as follows:

	Previously stated	31 December 2022 Adjustments	Restated
	\$	\$	\$
The Reporting Unit			
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Revenue	11,115,193	(836,078)	10,279,115
Share of net profits of equity-accounted associate	-	1,489,034	1,489,034
Other Comprehensive Income	1,114,676	(1,114,676)	-
Total Comprehensive Income	2,155,186	(461,722)	1,693,464
Consolidated Statement of Financial Position			
Investments	10,232,678	6,029	10,238,707
Asset Revaluation Reserve	(5,432,675)	5,432,675	-
Retained earnings	(21,959,976)	(5,438,704)	(27,398,680)
Total Equity	27,392,674	6,026	27,398,700

17 INTERESTS IN SUBSIDIARIES

	Percentage Owned (%)	Percentage Owned (%)
	2023	2022
Subsidiaries:		
Australian Hotels Association (NSW) Holdings Pty Limited	100	100
HTA Legal Pty Limited	100	100
Australian Hotels Association (NSW) PPA Pty Limited	100	100

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

18 INTERESTS IN ASSOCIATES

	Principal place of business / Country of Incorporation	Percentage Owned (%)	Percentage Owned (%)
		2023	2022
Associates:			
Hospitality Industry Insurance Limited	Sydney, Australia	25	25
Hospitality Industry Insurance Limited underwrites workers' compensation insurance for the NSW hospitality industry which includes members of the Association.			
		2023	2022
Opening balance of investment		10,238,707	9,585,751
Share of profit or loss of associate		1,774,012	1,489,034
Less dividend received		(1,295,397)	(836,078)
Carrying amount of the associate		<u>10,717,322</u>	<u>10,238,707</u>

19 KEY MANAGEMENT PERSONNEL DISCLOSURES

The key management personnel include the members of the Executive Committee together with the Chief Executive Officer. The names of members of the Executive Committee who have held office during the year are:

Scott Leach	Leon Colosimo	Lynette Humphreys	Joanne Blair
Kim Maloney	Gavin Brown	Desmond Kennedy	
Robert Lees	Peter Harris	Michael Starkey	

Key management personnel remuneration included within employee expenses for the year is shown below:

Salary and Wages	512,832	767,040
Superannuation	27,500	25,708
	<u>540,332</u>	<u>792,748</u>

The short term employee benefits as disclosed above represents benefits paid to the Chief Executive Officer. Transactions with members of the Executive Committee are disclosed in note 21.

The following key management personnel were officeholders in the Association's subsidiary companies referred to in note 2(a); Scott Leach, Lynette Humphreys, Joanne Blair, Kim Maloney and the Chief Executive Officer. No remuneration was received for the holding of an office in a subsidiary company.

20 CONTINGENCIES

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2023 (31 December 2022:None).

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

21 RELATED PARTIES

(a) The Reporting Unit's main related parties are as follows:

Key management personnel - refer to Note 19.

Associates - refer to Note 18.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Executive Members and Councilors Related Parties

Executive Members and Councilors are officeholders of the Association.

Executive Members as set out in note 19 are entitled to claim for attendance at meetings at the rate of \$300 per day or \$150 per half day (inclusive of GST) together with a reimbursement of actual incidental expenses. Members of the Council are entitled to a reimbursement of actual incidental expenses. Officeholders have provided goods and services to the Association on normal commercial terms and are entitled to the payment of outgoings made on their behalf.

The President, Scott Leach, was paid an allowance of \$100,000 in the financial year (2022: \$100,000) and the Treasurer, Joanne Blair, was paid an allowance of \$50,000 (2022: \$50,000) by way of compensation for costs incurred.

Further payments were made by the Association to the AHA for National Office Costs of \$126,658 (2022: \$169,386). Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

22 EVENTS AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Reporting Unit, the results of those operations or the state of affairs of the Reporting Unit in future financial years.

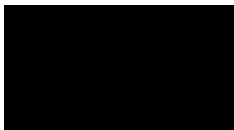
**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

COMMITTEE OF MANAGEMENT'S CERTIFICATE

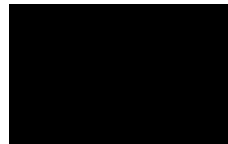
The Committee of Management of the Australian Hotels Association (NSW) ("the Association") and its Controlled Entities (together referred to as the "Reporting Unit"), hereby certify in respect of the financial year ended 31 December 2023, that:

- i) In the opinion of the Committee of Management, the attached financial statements show a true and fair view of the financial affairs of the Reporting Unit as at 31 December 2023; and
- ii) In the opinion of the Committee of Management, meetings of the Committee of Management were held during the year ended 31 December 2023 in accordance with the Rules of the Association; and
- iii) To the knowledge of any member of the Committee of Management, there have been no instances where records of the Association or other documents not being documents containing information made available to a member of the Association under subsection 512(2) of the *Industrial Relations Act 1991 (NSW)*, as applied by subsection 282(3) of the *Industrial Relations Act 1996 (NSW)* or copies of those records or documents, or copies of the rules of the Association, have not been furnished, or made available to members in accordance with the *Industrial Relations Act 1996 (NSW)*, the Regulations thereto, or the Rules of the Association as the case may be; and
- iv) In relation to the report prepared in accordance with section 514 of the 1991 Act, as applied by section 282(3) of the *Industrial Relations Act 1996 (NSW)*, by the auditor of the organisation in respect of the financial year immediately preceding the financial year to which the accounts relate (i.e. the second most recently concluded financial year) and in relation to any accounts and statements prepared in accordance with section 510(1) of the 1991 Act to which that report relates, the Association has complied with section 517(1) of the 1991 Act and whichever of subsections (5) and (6) of that section of that Act is applicable.

This certificate is in accordance with a resolution passed by the Committee of Management of the Association in relation to the matters to be stated in the certificate and is signed on behalf of the Committee of Management by the undersigned:



/ **Joanne Blair**
Accounting Officer



✓ **Scott Leach**
President

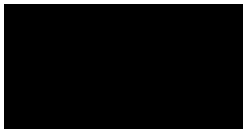
Dated at Sydney: 26/2/2024

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

CERTIFICATE BY ACCOUNTING OFFICER

I, Joanne Blair, being the Accounting Officer of the Australian Hotels Association (NSW) (“the Association”) and its Controlled Entities (together referred to as the “Reporting Unit”) certify:

- a) the number of members of the Association at 31 December 2023 was 1,828
- b) The accompanying consolidated financial statements show a true and fair view of the financial affairs of the Reporting Unit at 31 December 2023;
- c) A record has been kept of all moneys paid by, or collected from, members of the Association, and all moneys so paid, or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the Rules of the Association;
- d) Before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Association;
- e) With regard to funds of the Association raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the Rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- f) All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the Rules of the Association; and
- g) The register of members of the Association was maintained in accordance with the Regulations under the *Industrial Relations Act 1996 (NSW)*.



/ **Joanne Blair**
Accounting Officer

Dated at Sydney: 26/2/2024

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

Opinion

We have audited the financial report of the Australian Hotels Association (NSW) (“the Association”) and its Controlled Entities (together referred to as “the Reporting Unit”) for the financial year ended 31 December 2023, consisting of the Consolidated Statement of Financial Position as at 31 December 2023, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Notes to the Consolidated Financial Statements, Committee of Management Certificate and Certificate by Accounting Officer.

In our opinion:

- (a) (i) satisfactory accounting records were kept by the Reporting Unit during the financial year including records of the sources and nature of income (including income from members) and of the nature and purpose of expenditure of the Reporting Unit; and
- (ii) the financial report is in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities* and any other requirements imposed by the *Industrial Relations Act 1996 (NSW)*, so as to give a true and fair view of: -
 - a) the Reporting Unit’s financial position as at 31 December 2023; and
 - b) the performance of the Reporting Unit for the year ended on that date; and
- (b) all of the information and explanations that officers or employees of the Association were required to provide pursuant to the Regulations under the *Industrial Relations Act 1996 (NSW)* were provided.

We consider that the Committee of Management’s use of the going concern basis of accounting in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Reporting Unit in accordance with 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES (CONTINUED)**

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Industrial Relations Act 1996 (NSW)* and for such internal control as the Committee of Management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Committee of Management is responsible for overseeing the Reporting Unit's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit'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 Reporting Unit to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES (CONTINUED)**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the controlled entities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for the audit opinion.

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

V J RYAN & CO
Chartered Accountants

Level 5
255 George Street
SYDNEY NSW 2000



Peter Wyr
Partner

Dated at Sydney: 26 February 2024

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES**

FOR THE YEAR ENDED 31 DECEMBER 2023

COMPILATION REPORT TO MEMBERS

The additional financial data presented on pages 26 - 27 is in accordance with the books and records of the Reporting Unit which have been subjected to the auditing procedures applied in our statutory audit of the Reporting Unit for the year ended 31 December 2023. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Hotels Association (NSW)) in respect of such data, including any errors or omissions therein however caused.

**V J RYAN & CO
Chartered Accountants**

**Level 5
255 George Street
SYDNEY NSW 2000**



**Peter Wyer
Partner**

Dated at Sydney: 26 February 2024

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Consolidated	
	2023	2022
	\$	\$
Income		
Advertising Commissions	1,518,776	1,004,126
Interest Received	348,976	119,762
Legal Fees	508,251	469,385
Keno Commission	954,285	948,593
Membership Activities	3,416,739	3,382,811
Member Subscriptions	4,149,476	3,997,708
(Loss) / Profit on Sale of Non-Current Assets	(3,187)	4,702
Trust Distribution	249,395	352,028
	11,142,711	10,279,115
Expenses		
Accommodation Australia	218,123	-
Accommodation Division	276,074	276,061
Accounting and Consulting Fees	5,577	17,932
Administration	5,383	7,931
Annual Leave	(34,746)	17,192
Auditors remuneration - parent entity	49,000	43,500
Bank and Credit Card Charges	21,448	18,563
Capitation Fees - AHA National Office	160,095	150,907
Cleaning and Laundry	36,217	26,158
Computer and Development Costs	252,721	212,682
Delegates Expenses	370,706	266,572
Depreciation	561,964	430,171
Donations	308,187	218,522
Electricity	19,332	25,157
Executive Administration	442,345	372,988
Executive and Committee Expenses	146,764	118,243
Flowers and Plant Hire	7,436	4,745
Fringe benefits tax	22,791	26,525
Gaming Department	270,778	250,000
Government and Industry Affairs	18,497	29,551
General Awards for Excellence	636,071	840,678
Hotel News	84,774	67,386
Industrial and Membership	67,503	75,754
Industry Protection Expenses	469,625	120,260
Insurance	89,215	83,318
Legal Costs	221,326	146,285
Liquor, Policing & Research	18,933	28,338
Long service leave	43,528	44,194

This statement has not been audited.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN: 64 243 628 807

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Consolidated	
	2023	2022
	\$	\$
Marketing	628,470	392,142
Membership	190,380	190,599
National Executive and Board Meetings	11,809	16,649
National Office Costs	126,658	169,386
Other expenses	117,764	99,778
Parking Levy	37,087	40,191
Payroll Preparation	4,832	3,467
Payroll tax	183,232	184,122
President's Allowance	100,000	100,000
Printing and stationery	3,937	4,726
Public Relations	310,867	214,552
Rates, Taxes and Strata Levies	151,704	129,671
Regional Meetings	19,269	9,480
Repairs and maintenance	133,692	104,890
Salaries	3,836,891	3,995,242
Security	616	284
Sponsorship	10,017	8,161
Staff amenities	19,454	24,067
Superannuation contributions	400,141	394,300
Telephone	30,454	23,365
Treasurer's Allowance	50,000	50,000
Total Expenses	11,156,941	10,074,685
	(14,230)	204,430
Other items:		
Share of net profit of associate - see note 18	1,774,012	1,489,034
Profit before income tax	1,759,782	1,693,464

This statement has not been audited.