



AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Mr J Thorpe
National President
Australian Hotels Association
PO Box 4286
Manuka ACT 2603

Dear Mr Thorpe

Re: Australian Hotels Association - National Office - FR2002/770

I acknowledge receipt of the financial documents of the Australian Hotels Association for the year ended 31 December 2002. The documents were lodged in the Registry on 18 November 2003. I refer to a number of subsequent telephone conversations with Mr Prabhu Fernando regarding the provision of further information and/or certificates (if appropriate). In addition I also refer to your letter of 11 March 2004 received by facsimile on 12 March 2004.

The documents have been filed.

In the course of an examination of the financial documents I have identified a number of deficiencies. In the ordinary course of events it has been our practice to advise you in some detail as to the nature of the deficiencies and, if the matters were considered not to materially effect the basic obligation to report to members, it has been the practice of the office to ask that you take these matters into account in the preparation of future accounts. However, as you know a number of amendments to the Act came into operation on 12 May 2003. The Registration and Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996) alters the arrangements under which organisations are required to provide financial and other information to members and the Industrial Registrar. You will recall that a number of explanatory pamphlets were sent to you on 8 May 2003 setting out in detail the relevant changes. In light of those changes it seems pointless to draw your attention to your obligations under the formerly applicable provisions. So, simply for the record, I note that although I have filed the financial documents, the following deficiencies were noted:

- Regulation 112 required the Auditor to note whether s/he is registered as a company auditor. It is the attitude of this office that this fact should be evident to members in the published financial documents.
- Regulation 107 required the Organisation to distinguish between remuneration paid to "holders of office" and that paid to "employees". Note 3 to the "Notes of the Financial Statements" refers to only to an amount paid for "Salaries and benefits, including remuneration"
- Regulation 109 required the Committee of Management Certificate to attest to the fact that the requirements under the Act for the preceding year had been satisfied.
- Section 276 required that the Auditor's report is prepared within 6 months of the end of the financial year.

I note that the Secretary's Certificate signed by Mr Douglas refer to the financial documents being "... presented to a meeting in accordance with section 279 of the Workplace Relations Act 1996." I would be pleased if you would advise this office of the date of that meeting.

You should note that the provisions referred to above, in your instance, are applicable commencing the financial year ending 31 December 2004 (see Item 44, Workplace Relations Legislation Amendment (Registration and Accountability of Organisations) (Consequential Provisions) Act 2002)

If you wish to discuss these matters, or any related issues, I can be contacted on 8661 7774 (Monday-Thursday).

Yours sincerely,



Iain Stewart
Statutory Services Branch

15 March 2004



AUSTRALIAN HOTELS ASSOCIATION

24 Brisbane Avenue Barton ACT 2600 • PO Box 4286 Manuka ACT 2603 • Australia
email: aha@aha.org.au • Facsimile: (02) 6273 4011 • Telephone: (02) 6273 4007
Web: www.aha.org.au

*Rec'd 12/3/04
S*

Attention: Ian Stewart
Statutory Services Branch
Australian Industrial Registry
G P O Box 1994S
MELBOURNE – 3001

Fax: 03 9654 6672

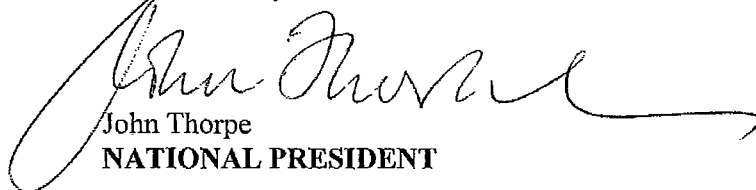
11 March 2004

Dear Ian

RE: Lodgement of Financial Document for year ended 2002

We refer to the above lodgement and confirm that Mr. Paul Jubb who signed the financial report for the year ended 31 December 2002 was the Secretary/Treasurer until 26 October 2003 and Mr. Bevan Douglas was duly elected as Secretary/Treasurer under the rules of the Association on 27 October 2003 at the AGM held on that day.

Yours sincerely



John Thorpe
NATIONAL PRESIDENT

FL2003/607



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Robert Pfeiffer
The Industrial Registrar
P O Box 1994S
MELBOURNE
VIC 3001

18 November 2003

Dear Robert

RE: AHA National Office Financial Statement as at 31 December 2002

Further to my telephone conversation with you I forward herewith the above for lodgement.

As the accounting function is now operated from the NSW office, please contact the undersigned on 02 9282 6922 if you need to clarify anything.

Yours sincerely

PRABHU FERNANDO
Financial Accountant



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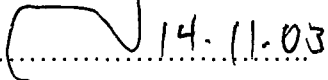
NATIONAL SECRETARY/TREASURER'S CERTIFICATE

I, Bevan Douglas, National Secretary/Treasurer of the Australian Hotels Association certify that:

The Audited Accounts were presented to a meeting in accordance with section 279 of the Workplace Relations Act 1996.

The Audited Accounts were confirmed by the Committee of Management at a meeting on 13 October 2003 and were made available to members on 27 October 2003.

Signed:.....

Dated:.....

Bevan Douglas
National Secretary/Treasurer

**AUSTRALIAN HOTELS ASSOCIATION –
NATIONAL BODY**

CONTENTS

Statement of the Principal Accounting Officer

Committee of Management's Certificate

Statement of Financial Performance

Statement of Financial Position

Statement of Cash Flows

Notes to and Forming part of the Financial Statements

Independent Audit Report

Detailed Statement of Financial Performance

AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**STATEMENT OF THE PRINCIPAL ACCOUNTING OFFICER**

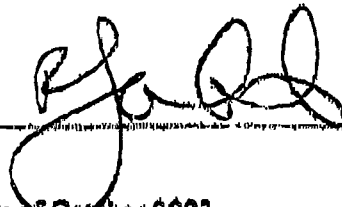
I, Paul Jubb, being the Honorary Secretary/Treasurer, the officer keeping the accounting records of the Australian Hotels Association certify that as at 31 December 2002, the number of members of the Organisation was forty six (46).

CMS s/w marks
Sec/Tr

In my opinion:

1. The attached financial statements show a true and fair view of the financial affairs of the Organisation as at 31 December 2002;
2. A record has been kept of all monies paid by, or collected from members 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 Organisation;
3. Before any expenditure was incurred approval of the incurring of the expenditure was obtained in accordance with the rules of the Organisation;
4. With regard to funds of the Organisation raised by compulsory levies or 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;
5. All loans or other financial benefits granted to persons holding office in the Organisation were authorised in accordance with the rules and are disclosed in the attached financial statements;
6. The register of members of the Organisation was maintained in accordance with the Act.

Paul Jubb



Dated on the 13th Day of October 2003,

201001 2000 10104 WILSON HALL TORONTO NOV 21 11 17

AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY

COMMITTEE OF MANAGEMENT'S CERTIFICATE

We, Charles James Stewart and Paul Jubb, being two members of the Committee of Management of the Australian Hotels Association National body do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:

1. In the opinion of the Committee of Management, the attached financial statements show a true and fair view of the financial affairs of the Organisation as at 31 December 2002;
2. In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 December 2002 in accordance with the rules of the Organisation;
3. To the knowledge of any members of the Committee, there have been during the financial year to which the financial statements relate, no instances where the records of the Organisation or other documents, not being documents containing information available to a member of the Organisation have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto or the rules of the Organisation; and
4. The Organisation has complied with subsections 279(1) and 279(6) of the Act in relation to the financial accounts in respect of the year ended 31 December 2002 and the Independent Audit Report thereon,
5. There are reasonable grounds to believe that the organisation will be able to pay its debts as and when they fall due.

Charles Stewart

Paul Jubb

Dated on the 13th Day of October 2003.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	Note	2002 \$	2001 \$
Revenues From Ordinary Activities	2	2,587,217.68	2,329,996.78
Employee Benefits Expense		(481,643.78)	(455,846.77)
Depreciation and amortisation expenses		(102,200.39)	(114,496.74)
Other expenses from ordinary activities		(2,026,391.81)	(1,755,664.20)
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	3	(23,018.30)	3,989.07
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	1(a)	-	-
NET PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		(23,018.30)	3,989.07
Total revenues, expenses and valuation adjustments recognised directly in equity		-	749.00
TOTAL CHANGES IN EQUITY		(23,018.30)	4,738.07

This statement of Financial Performance is to be read in conjunction with the Notes to the
Financial Statements set out on pages 7 to 16

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2002**

	Note	2002 \$	2001 \$
CURRENT ASSETS			
Cash	4	1,089,828.74	1,048,815.28
Receivables	5	253,047.92	352,964.67
Other	6	22,991.53	13,749.00
TOTAL CURRENT ASSETS		<u>1,365,868.19</u>	<u>1,415,528.95</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,050,823.81	1,072,869.99
TOTAL NON-CURRENT ASSETS		<u>1,050,823.81</u>	<u>1,072,869.99</u>
TOTAL ASSETS		<u>2,416,692.00</u>	<u>2,488,398.94</u>
CURRENT LIABILITIES			
Accounts Payable	8	364,517.44	244,372.62
Interest Bearing Liabilities	9	-	15,980.16
Provisions	10	118,526.10	159,259.31
Other	11	210,061.08	321,181.17
TOTAL CURRENT LIABILITIES		<u>693,104.62</u>	<u>740,793.26</u>
NON-CURRENT LIABILITIES			
Other	11	6,000.00	7,000.00
Borrowings	9	-	-
TOTAL NON-CURRENT LIABILITIES		<u>6,000.00</u>	<u>7,000.00</u>
TOTAL LIABILITIES		<u>699,104.62</u>	<u>747,793.26</u>
NET ASSETS		<u>1,717,587.38</u>	<u>1,740,605.68</u>
EQUITY			
Retained profits	13	<u>1,717,587.38</u>	<u>1,740,605.68</u>

This statement of Financial Performance is to be read in conjunction with the Notes to the
Financial Statements set out on pages 7 to 16

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	NOTE	2002 \$	2001 \$
Cash Flow from Operating Activities			
Receipts from Capitation Fees		725,743.63	685,385.91
Receipts from Promotional and Sundry Activities		2,389,479.20	1,399,753.39
Interest Received		50,187.27	55,650.95
Receipts from Government Grants		446,496.68	186,806.53
Payments to Employees and for Promotional and Other Expenses		(3,481,512.77)	(2,121,763.26)
Interest & Other Cost of Finance Paid		<u>(188.16)</u>	<u>(5,007.70)</u>
Net Cash Provided by (Used In) Operating Activities	14b	<u>130,205.85</u>	<u>200,825.82</u>
Cash Flows from Investing Activities			
Proceeds from sale of property plant & equipment		23,181.83	29,394.37
Payment for property, plant & equipment		<u>(96,839.98)</u>	<u>(60,544.54)</u>
Net Cash Provided by (Used In) Investing Activities		<u>(73,658.15)</u>	<u>(31,150.17)</u>
Cash Flows from Financing Activities			
Payment for Lease and Hire Purchase		<u>(15,534.24)</u>	<u>(66,101.11)</u>
Net Cash Provided by (Used In) Financing Activities		<u>(15,534.24)</u>	<u>(66,101.11)</u>
Net Increase (Decrease) in Cash Held		41,013.46	103,574.54
Cash at Beginning of Year		1,048,815.28	945,240.74
CASH AT END OF YEAR	14a	<u>1,089,828.74</u>	<u>1,048,815.28</u>

This statement of Financial Performance is to be read in conjunction with the Notes to the Financial Statements set out on pages 7 to 16

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report is for the entity Australian Hotels Association – National Body as an individual entity.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given at exchange of assets.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

The Organisation is exempt from income tax under Section 23(f) of the Income Tax Assessment Act.

(b) Employee Entitlements

Provision is made for the Organisation's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Organisation to an employee superannuation fund and are charged as expenses when incurred.

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation every five years, with annual appraisals being made by the committee.

Any revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

NOTES TO OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amount.

(d) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their useful lives to the organisation commencing from the time the asset is held ready for use.

The Depreciation rates used for each class of depreciable asset are:

Class of Asset	Depreciation Rate
Building – Barton	2.5% - 10%
Motor Vehicles	15%
Office Equipment	10% - 27%
Building – Darwin	2.5%

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Organisation are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are amortised on a straight line basis over their estimated useful lives where it is likely that the Organisation will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

(g) Unexpended Grant Funds

During the year the Organisation received grant funds for the Greenhouse Projects, the BEPA Projects and the National Industry Skills Initiative. Unexpended funds have been recognised as revenue in the statement of financial performance. In the year of completion of the project the surplus or deficit will be recognised in the financial statements.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	2002 \$	2001 \$
NOTE 2: REVENUE		
Operating activities		
Affiliation Fees	2,400.00	2,400.00
Capitation Fees	725,743.73	685,385.91
Government Grants Income	446,496.68	186,806.53
Promotional and Sundry Income	1,356,082.10	1,398,640.25
Interest Received	2a 50,187.27	55,650.95
	<u>2,580,909.78</u>	<u>2,328,883.64</u>
Total Revenue	<u>2,580,909.78</u>	<u>2,328,883.64</u>
(a) Interest from:		
Other persons	<u>50,187.27</u>	<u>55,650.95</u>

Note 3: Profit from Ordinary Activities

Profit from ordinary activities before income tax expense has been determined after:

Accrued Annual Leave	659.09	11,523.48
Amortisation	188.16	5,007.70
Auditors' Remuneration	600.00	5,400.00
Depreciation	102,200.39	109,489.04
Legal fees	12,950.00	24,645.35
Other administrative expenses	1,903,164.75	1,627,667.09
Representations	108,829.81	86,428.28
Salaries and benefits, including superannuation	481,643.78	455,846.77
	<u>2,610,235.98</u>	<u>2,326,007.71</u>
(b) Revenue and Net Gains		
Net gain on disposal of motor vehicle	<u>6,307.90</u>	<u>1,113.14</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	2002 \$	2001 \$
NOTE 4: CASH ASSETS		
Cash at Hand	2,500.00	600.00
Cash Management – Westpac	(18,970.18)	241,202.41
Imprest – Westpac	16,450.33	15,938.53
SWEEP Account	17,169.16	-
AGC Debenture Account	953,067.56	770,076.62
Commercial Cookery Account	119,611.87	-
BEPA Account	-	20,997.72
	<u>1,089,828.74</u>	<u>1,048,815.28</u>
NOTE 5: RECEIVABLES		
CURRENT		
Input Tax Credits	1,429.72	67,985.23
Trade Debtors	251,618.20	284,979.44
	<u>253,047.92</u>	<u>352,964.67</u>
NOTE 6: OTHER ASSETS		
CURRENT		
Shares in Listed Companies – NRMA	749.00	749.00
PAYG Withholding Overpayment	20,995.94	-
Superannuation Overpayment	1,246.59	-
Prepayments	-	13,000.00
	<u>22,991.53</u>	<u>13,749.00</u>
Building, Barton – at cost	1,067,165.62	1,067,165.62
Less: Accumulated Depreciation	223,304.40	188,046.00
	<u>843,861.22</u>	<u>879,119.62</u>
Motor Vehicles – at cost	232,405.88	264,913.94
Less: Accumulated Depreciation	117,337.35	159,194.81
	<u>115,068.53</u>	<u>105,719.13</u>
Office Equipment – at cost	287,504.60	255,017.56
Less: Accumulated Depreciation	238,503.56	211,229.62
	<u>49,001.04</u>	<u>43,787.94</u>
Building, Darwin – at cost	54,011.30	54,011.30
Less: Accumulated Depreciation	11,118.28	9,768.00
	<u>42,893.02</u>	<u>44,243.30</u>
Total property, plant & equipment	<u>1,050,823.81</u>	<u>1,072,869.99</u>

AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	2002 \$	2001 \$
NOTE 8: ACCOUNTS PAYABLE		
CURRENT		
Sundry Creditors	<u>364,517.44</u>	<u>244,372.62</u>
NOTE 9: INTEREST BEARING LIABILITIES		
CURRENT		
Lease Liability	<u>-</u>	<u>15,980.16</u>
NON-CURRENT		
Lease Liability	<u>-</u>	<u>-</u>
NOTE 10: PROVISIONS		
CURRENT		
Provision for Accrued Annual Leave	66,024.05	65,364.96
Provision for long service leave	47,601.00	41,250.00
GST Collected	4,901.05	52,644.35
	<u>118,526.10</u>	<u>159,259.31</u>
NOTE 11: OTHER LIABILITIES		
CURRENT		
Income in Advance	133,254.52	282,786.00
Previous Presidents Allowance	75,806.56	18,342.15
PAYG Payable	-	16,919.00
Superannuation Payable	-	2,134.02
ICHM Scholarship Fund	1,000.00	1,000.00
	<u>210,061.08</u>	<u>321,181.17</u>
NON-CURRENT		
ICHM Scholarship Fund	<u>6,000.00</u>	<u>7,000.00</u>

NOTE 12: SEGMENT REPORTING

The Organisation is the representative body for hotels and other associated hospitality entities in Australia.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

1

	2002	2001
	\$	\$
NOTE 13: RETAINED PROFITS		
Retained profits (accumulated losses) at the beginning of the year	1,739,856.68	1,735,867.61
Shares provided for free of charge	749.00	749.00
Net Profits for the year	<u>(23,018.30)</u>	<u>3,989.07</u>
Retained profits at the end of the year	<u>1,717,587.38</u>	<u>1,740,605.68</u>

NOTE 14: CAPITAL COMMITMENTS

(a) Finance Lease Commitments

Not Later than 1 year	-	15,980.16
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Minimum lease payments	-	<u>15,980.16</u>
Less Future finance charges	-	<u>188.16</u>
Total Lease Liability	-	<u>15,792.00</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	2002 \$	2001 \$
NOTE 15: NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash at the end of financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on Hand	2,500.00	600.00
Cash at Bank	<u>1,087,328.74</u>	<u>1,048,215.28</u>
	<u>1,089,828.74</u>	<u>1,048,815.28</u>
(b) Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax		
Operating Profit (Loss) after Income Tax	(23,018.30)	3,989.07
Non Cash Flows in Operating Profit:		
(Profit)/Loss on Sale of Non-Current Assets	(6,307.90)	1,113.14
Amortisation	188.16	5,007.70
Depreciation	102,012.23	109,489.04
Annual Leave Provision	659.09	11,523.48
Long Service Lease Provisions	6,351.00	11,508.00
Changes in Assets & Liabilities:		
Decrease (Increase) in Trade Debtors	33,361.24	(147,346.41)
Decrease (Increase) in GST	18,812.21	(15,340.88)
Decrease (Increase) in Prepayments	13,000.00	13,034.42
Increase (Decrease) in Sundry Creditors	120,144.82	44,349.49
Increase (Decrease) in other Current Liabilities	(134,996.70)	163,498.77
Net Cash Provided (Used) by Operating Activities	<u>130,205.85</u>	<u>200,825.82</u>

Credit stand-by and financing facilities

The Organisation has no credit stand-by or financing facilities in place.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002****NOTE 16: INFORMATION TO BE PROVIDED TO THE MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274 which reads:

- 1) A member of an Organisation, or a Registrar, may apply to the Organisation for specified prescribed information in relation to the Organisation;
- 2) An Organisation shall, on the application made under subsection (1) by a member of the Organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time, as prescribed;
- 3) A Registrar may only make an application under subsection (1) at the request of a member of the Organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

NOTE 17: EVENTS SUBSEQUENT TO BALANCE DATE

After balance date, on the 31 July 2003, the National Executive Director, Mr Richard Mulcahy agreed to separation terms that terminated his contract of employment. With this termination the accrued annual leave and long service leave liability became payable, along with any other eligible termination payment that was agreed to and endorsed by the Committee. This eligible termination payment was paid out of accumulated reserves and has not been accrued in the current financial year. This will be recognised when paid.

No other events subsequent to 31 December 2003 prior to the date of adoption of these financial statements which in the opinion of the Committee need to be included in these financial statements or referred to in the notes to the financial statements.

NOTE 18: CONTINGENT LIABILITIES

There were no material contingent liabilities as at the date of this report.

NOTE 19: FINANCIAL INSTRUMENTS

The nature of the financial instruments of the Organisation are such that no disclosure is made of their accounting policies, terms and conditions as such disclosure will not provide relevant information to the users of these financial statements.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**

SCOPE

We have audited the accounts of the Australian Hotels Association - National Body for the year ended 31 December 2002 as set out on pages 2 to 16. The Association's Committee of Management is responsible for the preparation and presentation of the accounts and the information they contain. We have conducted an independent audit of these accounts in order to express an opinion on them to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the accounts are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and evaluation of accounting policies and significant account estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the accounts are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position, the results of its operations and cash flows.

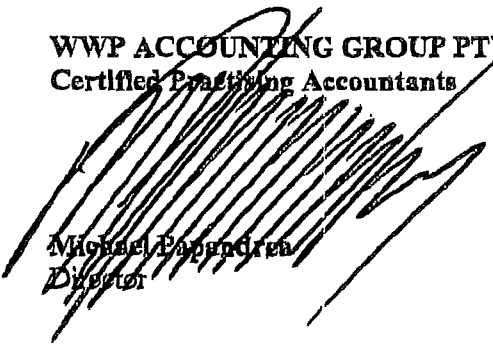
The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

- 1. In our opinion:
 - (a) The Association maintained satisfactory accounting records during the year including:-
 - (i) Records of the sources and nature of the income of the Association (including income from members); and
 - (ii) Records of the nature and purposes of the expenditure of the Association; and
 - (iii) The accompanying statement of financial position, statement of financial performance and statement of cashflows are properly drawn up in accordance with the provisions of Section 273 of the Workplace Relations Act 1996, so as to give a true and fair view of the financial affairs and cash flows of the Association at 31 December 2002 and the operating surplus for the year ended on the date.

2. We have obtained all the information and explanations that to the best of our belief were necessary for the purpose of the audit.

WWP ACCOUNTING GROUP PTY LTD
Certified Practising Accountants



Michael Papanicolaou
Director

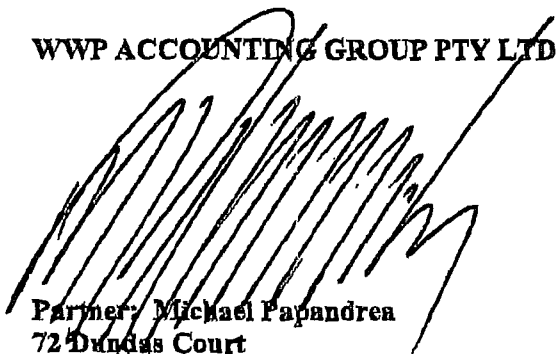
Dated in Canberra on the 13th Day of October 2003

**COMPLIATION REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**

The additional financial data presented on pages 17 – 25 is in accordance with the books and records of Australian Hotels Association – National Body have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2002. It should be appreciated that our audit did not cover all details of the attached financial data.

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

WWP ACCOUNTING GROUP PTY LTD



Partner: Michael Papandrea
72 Dundas Court
PHILLIP ACT 2606

Dated this 17th Day of October 2003.