



Australian Government
Australian Industrial Registry

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

Bevan Douglas
Secretary/Treasurer
Australian Hotels Association
PO Box 4286
Manuka ACT 2603

Dear Mr Douglas,

**Re: Australian Hotels Association
Financial returns for years ending 31 December 2003
(FR2003/737)**

Receipt is acknowledged of the financial documents for the financial year ending 31 December 2003. The documents were lodged in the Registry on 1 July 2004.

I note the additional documents which were forwarded to this office by Mr Prabhu Fernando and to the recent conversation Mr Fernando and I had on 12 October 2004. The documents have now been filed.

The following matters are brought to your attention and please note that references to sections of the Act refer to the those provisions that were in operation before Schedule 1B - Registration and Accountability of Organisations (RAO) came into force. You must now refer to the RAO regime in the Workplace Relations Act 1996. No further action is requested in respect of the following matters:

- ***Timescale Provisions***

Documents not lodged in the Registry within 14 days of second meeting

Unless an extension is granted, financial documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented - refer subsection 280(1). I note that this was brought to your attention in the previous year.

Documents not supplied to members within 56 days of auditor's report

The auditor's report is dated 29 July 2004 whereas your letter dated 11 October 2004 indicates that the documents were supplied to members on 25 September 2004. It appears therefore, that the documents were not supplied to the members within 56 days of the making of the auditor's report - refer subsection 279(3) of the Act.

New Legislation

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.

It is strongly recommend that the organisation acquaint itself with the new requirements of the RAO Schedule, particularly as the Act now provides for penalties for non-compliance.

Should you wish to discuss this letter or if you require further information, I can be contacted on (03) 86617985.

Yours sincerely,

Daniel Mammone
RIA Team 4
Statutory Services Branch (Melbourne)

13 October 2004



AUSTRALIAN HOTELS ASSOCIATION

24 Brisbane Avenue Barton ACT 2600 • PO Box 4286 Manuka ACT 2603 • Australia
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Attention: Daniel Mammone
RIA Team 4
Statutory services Branch (Melbourne)
Level 35
Nauru House
80 Collins Street
Melbourne
VIC – 3001

Fax: 03 9654 6672

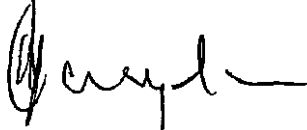
11 October 2004

Dear Daniel

RE: Financial Return – (FR2003/737)

Further to our letter dated 9 August 2004 and as required by the rules of the Association the accounts for the year ended 31 December 2003 which was lodged with you on 30 June 2004 was circulated to the National Board members on 24 September 2004 to comply with the 7 days requirement and s 279(6)(a).

The financial report was approved and endorsed by the National Board members at the AGM held on 11 October 2004 in the Gold Coast Queensland.


BEVAN DOUGLAS
Secretary/Treasurer



AUSTRALIAN HOTELS ASSOCIATION

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Attention: Daniel Mammone
RIA Team 4
Statutory Services Branch (Melbourne)
Level 35
Nauru House
80 Collins Street
Melbourne
VIC – 3001

Fax 03 9654 6672

9 August 2004

Dear Daniel

RE: Financial Return – (FR2003/737)

I refer to your letter dated 30 July 2004 addressed to Mr Bevan Douglas.

Further, I refer to my telephone conversation with you and forward herewith the auditor's report dated 29 June 2004, which supersedes the report, dated 23 June 2004 as the incorrect one was forwarded to you through an oversight.

The National Board meeting is scheduled for the 19th of August 2004, and the accounts will be circulated on 11 August 2004 to comply with the 7 days requirement and s279 (6)(a).

Yours sincerely

PRABHU FERNANDO
Financial Accountant

Rec'd 11/8/04.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE**

SCOPE

We have audited the accounts of the Australian Hotels Association – National Office for the year ended 31 December 2003 as set out on pages 2 to 17. 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.

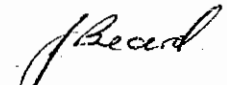
AUDIT OPINION

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 2003 and the operating deficit 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



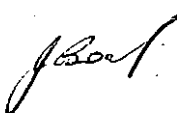
John Beard
Registered Company Auditor

Dated in Canberra on the 29th Day of June 2004

**COMPILATION REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE**

The additional financial data presented on pages 21 – 28 is in accordance with the books and records of Australian Hotels Association National Office and has been subjected to the auditing procedures applied in our audit for the financial year ended 31st December 2003. 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 Organisation) in respect of such data, including any errors or omissions however caused.

WWP ACCOUNTING GROUP PTY LTD

John Beard
Registered Company Auditor
72 Dundas Court
PHILLIP ACT 2606

Dated: 29 June 2004



Australian Government
Australian Industrial Registry

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

Our Ref: 024N: FR2003/737

Bevan Douglas
National Secretary/Treasurer
Australian Hotels Association

Fax: (02) 6273 4011

Dear Mr Douglas,

Re: Australian Hotels Association
Financial return for year ending 30 June 2003
(FR2003/737)

We are in receipt of your letter (Secretary's certificate) dated 19 July 2004.

It appears from the documents lodged that some events in the financial reporting timeline, as required by the *Workplace Relations Act 1996* ("the Act"), have occurred out of sequence. The relevant timescale requirements of the Act are summarised for your assistance in the attachment.

In particular, both the accounting officer's certificate and the committee of management's certificate have been signed after the making of the auditor's report. These certificates should not post-date the auditor's report as:-

- the auditor must express an opinion on the accounts and statements prepared under section 273 of the Act - refer subsection 276(4)(a)(ii)
- the accounts prepared under section 273 must include certificates by the accounting officer and the committee of management - refer regulation 109(1) of the Workplace Relations Regulations.

The Secretary's certificate states that "*the documents so lodged are copies of auditors' report, accounts and statements, which were presented at a meeting on 29 June 2004*".

I note that the accounting officer and committee of management certificates are also dated 29 June 2004. The Auditors report is dated 23 June 2004, only 6 days before the meeting.

It appears that the meeting held on 29 June 2004 may not have been sufficient for the purposes of subsection 279(6) of the Act (the second meeting).

Would you please confirm that the documents have been supplied to members in accordance with subsections 279(1) and (3), and presented to a meeting in accordance with subsection 279(6).

The documents have not been filed at this stage.

Should you wish to discuss this letter or if you require further information, I can be contacted on (03) 8661 7985.

Yours sincerely,

Daniel Mammone
RIA Team 4
Statutory Services Branch (Melbourne)

30 July 2004



AUSTRALIAN HOTELS ASSOCIATION

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Rec'd 26/7/04

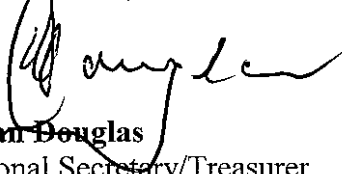
Attention: Daniel Mammone
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994S
MELBOURNE
VIC – 3001

19 July 2004

RE: Financial Return – Australian Hotels Association as at 31/12/2003

I, Bevan Douglas, National Secretary, of Australian Hotels Association certify that the documents so lodged are copies of auditors' report, accounts and statements, which were presented at a meeting on 29 June 2004.

Yours sincerely



Bevan Douglas
National Secretary/Treasurer



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Web: www.aha.org.au

FR 2003/737

Rec'd 1/7/04

Attention: Sylvia van Riet
Statutory Services Branch
Level 35
Nauru House
80 Collins Street
MELBOURNE
VIC 3000

29 June 2004

RE: Financial Documents for the year ended 31 December 2003

Please find attached the above for lodgement and would appreciate acknowledgement of the same.

Yours sincerely

PRABHU FERNANDO
Financial Accountant

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL OFFICE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

CONTENTS

Statement of Principal Accounting Officer
Certificate of Committee of Management
Statement of Financial Performance
Statement of Financial Position
Statement of Cash Flows
Notes to the Financial Statements
Independent Audit Report
Detailed Statements of Financial Performance

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

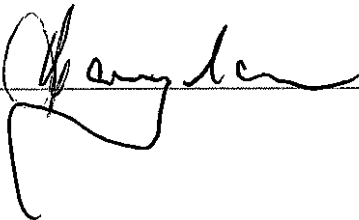
STATEMENT OF PRINCIPAL ACCOUNTING OFFICER

I, Bevan Douglas, being the Honorary Secretary/Treasurer, the officer responsible for keeping the accounting records of the Australian Hotels Association National Office (the Organisation) certify that as at 31st December 2003, the number of financial members of the Organisation was 4766.

In my opinion:

1. The attached financial statements show a true and fair view of the financial affairs of the Organisation as at 31st December 2003;
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.

Bevan Douglas



A handwritten signature in black ink, appearing to read 'Bevan Douglas', is written over a horizontal line.

Dated: 29/06/04

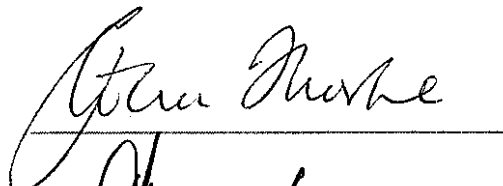
AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

CERTIFICATE OF COMMITTEE OF MANAGEMENT

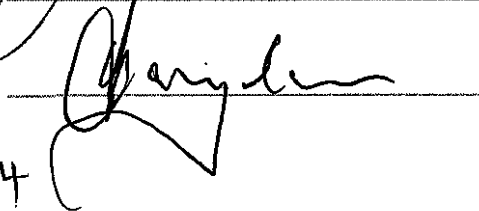
We, John Thorpe and Bevan Douglas, being two members of the Committee of Management of the Australian Hotels Association National Office (the Organisation) do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:

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 31st December 2003;
2. In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31st December 2003 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 statements in respect of the year ended 31st December 2003 and the Independent Audit Report thereon.
5. At the date of this statement, there are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they fall due.

John Thorpe



Bevan Douglas



Dated: 29/06/04

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	Note	2003 \$	2002 \$
Revenues From Ordinary Activities	2	2,451,050.23	2,637,217.68
Employee Benefits Expense		(1,125,074.78)	(783,941.38)
Depreciation and Amortisation Expenses		(80,908.59)	(102,200.39)
Other Expenses from Ordinary Activities		(1,903,864.73)	(1,774,094.21)
(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	3	(658,797.87)	(23,018.30)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	1(a)	-	-
(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE ATTRIBUTABLE TO THE ASSOCIATION		(658,797.87)	(23,018.30)
Total revenues, expenses and valuation adjustments recognised directly in equity		-	-
TOTAL CHANGES IN EQUITY OF THE ASSOCIATION		(658,797.87)	(23,108.30)

This Statement of Financial Performance is to be read in conjunction with the Notes to the Financial Statements set out on pages 7 to 17

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2003**

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash	4	246,674.02	1,089,828.74
Receivables	5	258,495.51	251,618.20
Other Assets	6	-	22,242.53
Investments	7	749.00	749.00
TOTAL CURRENT ASSETS		<u>505,918.53</u>	<u>1,364,438.47</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	924,253.31	1,050,823.81
TOTAL NON-CURRENT ASSETS		<u>924,253.31</u>	<u>1,050,823.81</u>
TOTAL ASSETS		<u>1,430,171.84</u>	<u>2,415,262.28</u>
CURRENT LIABILITIES			
Payables	9	267,793.27	367,988.77
Provisions	10	2,297.13	113,625.05
Other	11	96,291.93	210,061.08
TOTAL CURRENT LIABILITIES		<u>366,382.33</u>	<u>691,674.90</u>
NON-CURRENT LIABILITIES			
Other	11	5,000.00	6,000.00
TOTAL NON-CURRENT LIABILITIES		<u>5,000.00</u>	<u>6,000.00</u>
TOTAL LIABILITIES		<u>371,382.33</u>	<u>697,674.90</u>
NET ASSETS		<u>1,058,789.51</u>	<u>1,717,587.38</u>
EQUITY			
Retained profits	12	<u>1,058,789.51</u>	<u>1,717,587.38</u>

This Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 7 to 17

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	Note	2003 \$	2002 \$
Cash Flows from Operating Activities			
Receipts from Capitation Fees		766,185.92	725,743.63
Receipts from Promotional and Sundry Activities		1,512,053.31	2,389,469.57
Interest Received		27,641.83	50,187.27
Dividends Received		23.25	9.63
Receipts from Government Grants		110,655.68	446,496.68
Payments to Employees and for Promotional and Other Expenses		(3,257,624.23)	(3,481,512.77)
Interest & Other Cost of Finance Paid		-	(188.16)
Net Cash (Used in)/Provided by Operating Activities	13(a)	<u>(841,064.24)</u>	<u>130,205.85</u>
Cash Flows from Investing Activities			
Proceeds from sale of property plant & equipment		30,909.09	23,181.83
Payment for property, plant & equipment		(32,998.77)	(96,839.98)
Net Cash (Used in)/Provided by Investing Activities		<u>(2,089.68)</u>	<u>(73,658.15)</u>
Cash Flows from Financing Activities			
Payment for Lease and Hire Purchase		-	(15,534.24)
Net Cash (Used in)/Provided by Financing Activities		<u>-</u>	<u>(15,534.24)</u>
Net (Decrease)/Increase in Cash Held		(843,153.92)	41,013.46
Cash at Beginning of Year		1,089,828.74	1,048,815.28
CASH AT END OF YEAR	13(b)	<u>246,674.82</u>	<u>1,089,828.74</u>

This Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 7 to 17

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003

NOTE 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 Office as a single 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 Organisation 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 50-15 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 Organisation 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 OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(c) Property, Plant and Equipment (Cont)

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 at 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 OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(g) Unexpended Grant Funds

During the year the Organisation received grant funds for the Greenhouse, SWEEP and Commercial Cookery Projects. Unexpended funds received during the year have been recognised as income in advance in the Statement of Financial Position. In the year of completion of a project any surplus or deficit will also be recognised in the Statement of Financial Position.

(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.

(i) Comparative Figures

Comparative figures, where appropriate, have been reclassified so as to be comparable with the figures presented for the current financial year.

(j) Going Concern Basis

The accounts have been prepared on the going concern basis. The ability of the Organisation to continue as a going concern is dependent upon the continued support of its members and the Government.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	2003	2002
	\$	\$
NOTE 2: REVENUE		
Operating activities		
Affiliation Fees	2,400.00	2,400.00
Capitation Fees	766,185.92	725,743.63
Dividends Received	23.25	9.63
Government Grants Income	231,369.41	446,496.68
Interest Received	27,641.83	50,187.27
Profit on Sale of Non-Current Assets	-	10,909.10
Promotional and Sundry Income	1,423,429.82	1,401,471.37
Total Revenue	<u>2,451,050.23</u>	<u>2,637,217.68</u>
(a) Interest from:		
Other persons	<u>27,641.83</u>	<u>50,187.27</u>

NOTE 3: LOSS FROM ORDINARY ACTIVITIES

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

Accrued Annual Leave	2,297.13	659.09
Amortisation	-	188.16
Auditors' Remuneration –		
Audit of Financial Statements	6,950.00	6,600.00
Other Services	5,890.00	4,473.75
Depreciation	80,908.59	102,012.23
Legal fees	104,795.25	12,950.00
Loss on Sale of Non-Current Assets	7,063.97	4,601.20
Other Administrative Expenses	1,673,343.92	1,635,980.36
Representations	103,524.46	108,829.81
Salaries and Benefits, including Superannuation	1,125,074.78	783,941.38
	<u>3,109,848.10</u>	<u>2,660,235.98</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	2003	2002
	\$	\$
NOTE 4: CASH		
Cash on Hand	600.00	2,500.00
Cash at Bank	246,074.02	134,261.18
Cash on Deposit	-	953,067.56
	<u>246,674.02</u>	<u>1,089,828.74</u>
NOTE 5: RECEIVABLES		
CURRENT		
Prepayment	16,856.60	
GST Refundable	76,244.00	-
Trade Debtors	234,751.16	251,618.20
Less: Provision for Doubtful Debts	(69,356.25)	-
	<u>165,394.91</u>	<u>251,618.20</u>
	<u>258,495.51</u>	<u>251,618.20</u>
NOTE 6: OTHER ASSETS		
CURRENT		
PAYG Withholding Overpayment	-	20,995.94
Superannuation Overpayment	-	1,246.59
	<u>-</u>	<u>22,242.53</u>
NOTE 7: INVESTMENTS		
Shares in Listed Companies – at cost	749.00	749.00
NOTE 8(a): PROPERTY, PLANT & EQUIPMENT		
Building, Barton – at cost	1,067,165.62	1,067,165.62
Less: Accumulated Depreciation	257,662.82	223,304.40
	<u>809,502.80</u>	<u>843,861.22</u>
Motor Vehicles – at cost	63,600.89	232,405.88
Less: Accumulated Depreciation	15,138.32	117,337.35
	<u>48,462.57</u>	<u>115,068.53</u>
Office Equipment – at cost	287,504.60	287,504.60
Less: Accumulated Depreciation	262,759.40	238,503.56
	<u>24,745.20</u>	<u>49,001.04</u>
Building, Darwin – at cost	54,011.30	54,011.30
Less: Accumulated Depreciation	12,468.56	11,118.28
	<u>41,542.74</u>	<u>42,893.02</u>
Total Property, Plant & Equipment	<u>924,253.31</u>	<u>1,050,823.81</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003

	2003	2002
	\$	\$
NOTE 8(b): PROPERTY, PLANT & EQUIPMENT RECONCILIATIONS		
Building, Barton		
Carrying amount at beginning	843,861.22	879,119.62
Plus: Additions	-	-
Less: Depreciation	(34,358.42)	(35,258.40)
Less: Disposals	-	-
Carrying amount at end of year	<u>809,502.80</u>	<u>843,861.22</u>
Motor Vehicles		
Carrying amount at beginning	115,068.53	105,719.13
Plus: Additions	32,998.77	64,352.94
Less: Depreciation	(22,750.38)	(38,129.61)
Less: Disposals	(76,854.35)	(16,873.93)
Carrying amount at end of year	<u>48,462.57</u>	<u>115,068.53</u>
Office Equipment		
Carrying amount at beginning	49,001.04	43,787.94
Plus: Additions	-	32,487.04
Less: Depreciation	(24,255.84)	(27,273.94)
Less: Disposals	-	-
Carrying amount at end of year	<u>24,745.20</u>	<u>49,001.04</u>
Building, Darwin		
Carrying amount at beginning	42,893.02	44,243.30
Plus: Additions	-	-
Less: Depreciation	(1,350.28)	(1,350.28)
Less: Disposals	-	-
Carrying amount at end of year	<u>41,542.74</u>	<u>42,893.02</u>
Total Property, Plant & Equipment	<u>924,253.31</u>	<u>1,050,823.81</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	2003	2002
	\$	\$
NOTE 9: PAYABLES		
CURRENT		
Sundry Creditors	267,793.27	364,517.44
GST Collected	-	3,471.33
	<u>267,793.27</u>	<u>367,988.77</u>
NOTE 10: PROVISIONS		
CURRENT		
Provision for Accrued Annual Leave	2,297.13	66,024.05
Provision for Long Service Leave	-	47,601.00
	<u>2,297.13</u>	<u>113,625.05</u>
NOTE 11: OTHER LIABILITIES		
CURRENT		
Income in Advance	12,540.99	133,254.52
Past President's Allowance	72,986.94	75,806.56
PAYG Withholdings Payable	8,764.00	-
ICHM Scholarship Fund	2,000.00	1,000.00
	<u>96,291.93</u>	<u>210,061.08</u>
NON-CURRENT		
ICHM Scholarship Fund	<u>5,000.00</u>	<u>6,000.00</u>
NOTE 12: RETAINED PROFITS		
Retained profits at the beginning of the year	1,717,587.38	1,739,856.68
Shares provided on demutualisation	-	749.00
(Loss) for the year	<u>(658,797.87)</u>	<u>(23,018.30)</u>
Retained profits at the end of the year	<u>1,058,789.51</u>	<u>1,717,587.38</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	2003 \$	2002 \$
NOTE 13: NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Net Cash provided by Operating Activities to (Loss) after Income Tax		
(Loss) after Income Tax	(658,797.87)	(23,018.30)
Non Cash Flows in (Loss):		
Loss/(Net Profit) on Sale of Non-Current Assets	7,063.97	(6,307.90)
Amortisation	-	188.16
Depreciation	80,908.59	102,012.23
Changes in Assets & Liabilities:		
Decrease/(Increase) in Trade Debtors	86,223.29	33,361.24
(Increase)/Decrease/ in GST Refundable	(79,715.33)	18,812.21
Decrease/(Increase) in Other Assets	22,242.53	-
(Increase)/Decrease in Prepayments	(16,856.60)	13,000.00
(Decrease)/Increase in Sundry Creditors	(96,724.17)	120,144.82
(Decrease)/Increase in Provisions	(157,594.67)	7,010.09
(Decrease)/Increase in Other Current Liabilities	(26,813.98)	(133,996.70)
(Decrease)/Increase in Other Non-Current Liabilities	(1,000.00)	(1,000.00)
Net Cash (Used in)/Provided by Operating Activities	(841,064.24)	130,205.85

Credit stand-by and financing facilities

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

(b) 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 Statement of Financial Position as follows:

Cash on Hand	600.00	2,500.00
Cash at Bank and on Deposit	246,074.02	1,087,328.74
	246,674.02	1,089,828.74

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

NOTE 14: SEGMENT REPORTING

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

NOTE 15: RELATED PARTIES

Amounts paid to the New South Wales Branch for Accounting, Industrial Relations & Media expenses during the year were \$52,995.75.

Amounts paid to the Victorian Branch for Office Administration expenses during the year were \$58,896.63.

All State Branches receive remuneration for actual expenses incurred and these amounts are disclosed in the relevant expense category of the Statement of Financial Performance.

General Levies and Affiliation fees paid by the State Branches were on normal commercial terms.

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 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: CONTINGENT LIABILITIES

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

NOTE 18: CAPITAL AND LEASING COMMITMENTS

There are no capital or leasing commitments at year end.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

NOTE 19: FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

The Association's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument are as follows:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
i) Financial Assets			
Receivables	5	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debt is recognised when collection of the full nominal amount is no longer probable.	N/A
ii) Financial Liabilities			
Payables	9	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Association.	N/A

(b) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing	
	2003 %	2002 %	2003 \$	2002 \$	2003 \$	2002 \$
i) Financial Assets						
Cash	3.30	3.50	246,674	136,761		
Receivables	N/A	N/A			165,395	251,618
Deposits on Call	4.50	4.60	-	953,068		
ii) Financial Liabilities						
Payables	N/A	N/A			267,793	364,517

(c) Net Fair Values

For all financial assets and liabilities, the net fair value approximates their carrying value.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

NOTE 19: FINANCIAL INSTRUMENTS (cont)

(d) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

NOTE 20: ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Australian Hotels Association
24 Brisbane Avenue
Barton ACT 2600

WILSON WATT PAPANDREA

Certified Practising Accountants ~ Business Consultants ~ Tax Agents

Directors

Allan Watt

Marc Wilson

Michael Papandrea

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

SCOPE

We have audited the accounts of the Australian Hotels Association - National Office for the year ended 31 December 2003 as set out on pages 2 to 17. 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 2003 and the operating deficit for the year ended on the date.

WWP ACCOUNTING GROUP PTY LTD ACN 096 138 331 ABN 18 096 138 331

A 1st Floor, 72 Dundas Court Phillip ACT 2606 M PO Box 1975 Woden ACT 2606
T (02) 6285 2766 F (02) 6285 2833 E wilsonwattpapandrea@wwp.net.au W www.wwp.net.au



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


John Beard
Registered Company Auditor

Dated in Canberra on the 23rd Day of June 2004



WILSON WATT PAPANDREA

Certified Practising Accountants - Business Consultants - Tax Agents

Directors

Allan Watt

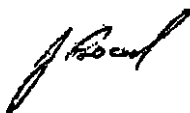
Marc Wilson

Michael Papandrea

**COMPILATION REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION - NATIONAL OFFICE**

The additional financial data presented on pages 21 - 28 is in accordance with the books and records of Australian Hotels Association National Office and has been subjected to the auditing procedures applied in our audit for the financial year ended 31st December 2003. 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 Organisation) in respect of such data, including any errors or omissions however caused.

WWP ACCOUNTING GROUP PTY LTD


John Beard
Registered Company Auditor
72 Dundas Court
PHILLIP ACT 2606

Dated: 23 June 2004

WWP ACCOUNTING GROUP PTY LTD ACN 096 138 331 ABN 18 096 138 331

Page 20
A 1st Floor, 72 Dundas Court Phillip ACT 2606 M PO Box 1975 Woden ACT 2606
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AUSTRALIAN HOTELS ASSOCIATION - NATIONAL OFFICE

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**Detailed Statement of Financial Performance for
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**Detailed Statement of Financial Performance for
Greenhouse Projects**

**Detailed Statement of Financial Performance for
BEPA**

**Detailed Statement of Financial Performance for
SWEEP**

**Detailed Statement of Financial Performance for
Commercial Cookery**

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	2003 \$	2002 \$
NATIONAL OFFICE		
Affiliation Fees	2,400.00	2,400.00
Capitation Fees	766,185.92	725,743.63
Dividends Received	23.25	9.63
Endorsements	47,158.57	85,509.86
Insurance Recoveries	-	1,136.36
Interest Received	27,641.83	50,187.27
Net Grants Income	12,246.89	52,846.57
Net Profit National Marketing & Convention	661,249.94	508,000.40
Profit on Sale of Non-Current Asset	-	10,909.10
Project Contribution	-	50,000.00
Rent Darwin	4,028.75	4,393.95
TOTAL REVENUE	<u>1,520,935.15</u>	<u>1,491,136.77</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	2003 \$	2002 \$
NATIONAL OFFICE (CONT'D)		
TOTAL REVENUE brought forward	1,520,935.15	1,491,136.77
EXPENDITURE		
Accommodation Division President (Remuneration Holder of Office)	5,500.00	5,500.00
Accountancy Fees	33,961.73	4,473.75
Accrued Annual Leave	2,297.13	659.09
Amortisation	-	188.16
Auditor's Remuneration	6,950.00	6,600.00
Bank Charges	8,057.74	12,651.75
Office Corporate & Outgoings	26,012.17	24,428.59
Depreciation	44,299.91	65,403.23
Depreciation – Building	36,608.68	36,609.00
Doubtful Debts	69,356.25	-
Fringe Benefits Tax	31,978.56	32,752.00
Insurance	21,786.76	17,223.08
Industrial Relations	39,537.81	4,249.70
Legal Costs	104,795.25	12,950.00
Light & Power	3,984.23	5,012.48
Long Service Leave	7,940.66	6,351.00
Loss on Sale of Non-Current Assets	7,063.97	4,601.20
Media, Training & Monitoring	37,061.27	13,661.44
Office Expenses	59,380.64	12,043.91
Postage & Freight	18,131.01	11,218.43
President – PA (Remuneration Holder of Office)	34,141.65	27,499.99
Presidential Allowance (Remuneration Holder of Office)	34,141.66	27,500.00
Printing & Stationery	1,838.63	12,568.10
Publications	5,676.31	1,778.11
Repairs & Maintenance	6,819.70	12,147.89
Representations	103,524.46	108,829.81
Research & Special Projects	33,842.70	52,918.64
Salaries, Benefits & On-Costs (Employees)	1,125,074.78	704,349.78
Secretary/Treasurer (Remuneration Holder of Office)	7,500.00	7,500.01
Senior Vice President (Remuneration Holder of Office)	10,000.00	10,000.00
Staff Recruitment	-	1,294.03
Subscriptions	36,445.09	39,126.41
Telephone	38,697.48	31,664.69
Travel & Meetings	173,227.33	195,400.80
Vice President (Remuneration Holder of Office)	4,099.46	5,000.00
TOTAL EXPENDITURE	<u>2,179,733.02</u>	<u>1,514,155.07</u>
(LOSS) FOR YEAR	<u>(658,797.87)</u>	<u>(23,018.30)</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	2003 \$	2002 \$
NATIONAL MARKETING AND CONVENTION		
REVENUE		
Corporate Sponsorship	1,083,123.24	901,868.80
Delegate Accommodation Rebate	23,695.64	21,804.54
Delegate Registration	144,119.20	200,379.69
Trade Show Booths	121,304.62	136,378.17
	<u>1,372,242.70</u>	<u>1,260,431.20</u>
EXPENDITURE		
Accounting Fees	-	3,714.51
Audio Visual & Slide Production	35,326.54	32,204.61
Consultants (External Contractors)	51,015.51	-
Delegate Transport	5,713.69	3,532.73
Entertainment, Theming & Production	37,960.46	19,742.71
Equipment Hire	14,317.45	3,345.33
Food, Beverage, Golf & Theme Parks	175,395.12	188,816.73
Ground Transport	4,096.74	1,620.19
Insurance	1,302.43	119.89
Marketing Office Corporate	33,114.50	27,084.77
National Awards for Excellence	56,403.76	64,328.43
Postage & Freight	1,508.60	17,402.55
Printing & Stationery	35,355.70	52,513.29
Speakers	26,582.11	39,713.83
Telephone	4,242.26	40,415.98
Trade Show Booths	6,880.00	24,583.53
Travel, Accommodation & Consultants	205,576.70	219,508.14
VIP Events	14,901.19	12,197.58
VIP Gifts	1,300.00	1,586.00
	<u>710,992.76</u>	<u>752,430.80</u>
TOTAL EXPENDITURE		
NET PROFIT FOR YEAR	<u>661,249.94</u>	<u>508,000.40</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2003

	2003 \$	2002 \$
GREENHOUSE PROJECTS		
REVENUE		
Grant Income	18,800.00	135,500.00
	<u>18,800.00</u>	<u>135,500.00</u>
EXPENDITURE		
Completion of Case Studies	5,000.00	1,273.37
Project Manager Consultant Fee	113.64	41,136.36
Project Manager Travel	1,205.78	30,687.01
	<u>6,319.42</u>	<u>73,096.74</u>
TOTAL EXPENDITURE	<u>6,319.42</u>	<u>73,096.74</u>
NET GRANT INCOME	<u>12,480.58</u>	<u>62,403.26</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2003

	2003	2002
	\$	\$
BEPA		
REVENUE		
Grant Income	-	58,212.36
Interest	-	214.27
	<u>-</u>	<u>58,426.63</u>
EXPENDITURE		
Salaries	-	40,325.60
Bank Charges	-	19.90
Consultancy Fees	-	375.00
Marketing	-	7,729.38
Office Expenses	-	4,375.00
Printing & Stationery	-	4,390.92
Travel & Accommodation	-	7,988.04
	<u>-</u>	<u>65,203.84</u>
TOTAL EXPENDITURE	<u>-</u>	<u>65,203.84</u>
NET GRANT INCOME	<u>-</u>	<u>(6,777.21)</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	2003	2002
	\$	\$
SWEEP		
REVENUE		
Grant Income	63,835.39	5,894.53
Interest	4.19	4.29
	<u>63,839.58</u>	<u>5,898.82</u>
EXPENDITURE		
Management Fees	-	500.00
Marketing	1,910.00	-
Office Expenses	13,725.62	-
Salaries (Employees)	45,610.04	266.00
Telephone & Communication	975.44	2,894.53
Travel & Accommodation	2,068.18	-
	<u>64,289.28</u>	<u>3,660.53</u>
TOTAL EXPENDITURE		
	<u>64,289.28</u>	<u>3,660.53</u>
NET GRANT INCOME	<u>(449.70)</u>	<u>2,238.29</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	2003 \$	2002 \$
COMMERCIAL COOKERY		
REVENUE		
Grant Income	148,733.82	246,889.79
Interest	359.17	4,219.83
	<u>149,092.99</u>	<u>251,109.62</u>
EXPENDITURE		
Admin Support	26,200.15	
Bank Charges	61.90	138.80
Careers Information Project Materials	-	84,152.82
Cook/Chef Pilot Initiative	7,954.54	30,642.99
External Contractors/Salaries Staff	97,333.40	115,000.00
Printing, Stationery and Telephone		
Travel & Accommodation	<u>16,963.63</u>	<u>21,754.39</u>
TOTAL EXPENDITURE	<u>148,513.62</u>	<u>251,689.00</u>
NET GRANT INCOME	<u>579.37</u>	<u>(579.38)</u>