



Australian Government
Australian Industrial Registry

Level 35,
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7817
Fax: (03) 9654 6672

Mr Bevan Douglas
National Secretary/Treasurer
Australian Hotels Association
PO Box 4286
MANUKA ACT 2603

Dear Bevan,

**Re: Financial reports for year ended 31 December 2004 - FR2004/646
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Australian Hotels Association for the year ended 31 December 2004. The documents were lodged in the Industrial Registry on 29 June 2005.

I draw your attention to the following comments concerning the above reports and the financial reporting obligations under the RAO Schedule. Please note that these matters are generally advised for assistance in the future preparation of financial reports.

Timescale Requirements:

Financial reports should be prepared, audited, circulated to members, presented to a meeting and lodged in the Industrial Registry within certain timescale requirements. I note from your covering letter and Secretary's Certificate that the financial reports were circulated to the members two weeks prior to the organisation's (first) meeting of 20 May 2005. Please note that circulation of the financial reports to the members cannot occur until after the auditor has audited the reports. A copy of a timeline/planner is attached for your assistance.

Presentation of Financial Reports to meetings:

I also note in your Secretary's Certificate that the financial reports were presented to a (second) meeting of the Committee of Management on 24 June 2005. As you know, section 266 of the RAO Schedule makes provision for the methods by which a reporting entity may satisfy its obligations to present the full report to its members.

The purpose of the financial reporting provisions generally is to ensure disclosure to members and to offer those members an opportunity to raise any matter that concerns them regarding material disclosed in that information. The vehicle for members to achieve this is either at a general meeting of members or at a meeting of the committee of management. The latter option is only available if the precondition in subsection 266(3), that is the 5% rule, is satisfied. The rules of the organisation do not, at this time, make such provision.

In these circumstances, the alternatives require the presentation of the relevant documents to a general meeting of members, or a series of general meetings, of the organisation. I am aware that this issue is amongst a number of alterations in draft form lodged on behalf of the organisation and currently before me. I would expect formal lodgement of those alterations in the months to follow. In the interim the organisation is required to make its best endeavours to fully meet its obligations as set out in the RAO Schedule with respect to its financial reporting obligations.

Committee of Management Statement:

Item 18 of the Reporting Guidelines requires the Committee of Management statement to specify the date of passage of the resolution made by the Committee. While your statement provides that the appropriate resolution was passed, no date was evident.

Accounting Officer's certificate:

The report titled "Accounting Officer's Certificate" appears to replicate the accounting officer's certificate previously required under former provisions of the Act. Please note that there is no requirement under the RAO Schedule to lodge an accounting officer's certificate.

Loans, grants or donations:

Your statement of donations made by the organisation for the financial year ending 31 December 2004 is acknowledged. The content of the statement has been noted and has been placed on a Registry file that is not available to the general public.

Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7817 or by email: robert.pfeiffer@air.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Pfeiffer', with a stylized flourish at the end.

Robert Pfeiffer
Statutory Services Branch, Melbourne

12 July 2005



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

The Statutory Officer
Statutory Services Branch
Australian Industrial Registry
Level 35
80 Collins Street
MELBOURNE – 3000

27 June 2005

RE: Lodgement of Financial Report as at 31 December 2004

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

I further declare that the following procedure was done to comply by the registrar's requirement.

1. The accounts were circulated to the members 2 weeks prior to the first Committee of Management Meeting, which was held on 20 May 2005 where the accounts were accepted.
2. The Operating Report and the Committee of Management Reports were signed on 16 June 2005.
3. The Registered Auditor signed the report on 21 June 2005.
4. The second Committee of Management was held on 24 June 2005 and all reports were presented and accepted again.

Yours sincerely

BEVAN BOUGLAS
National Secretary/Treasurer



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AUSTRALIAN HOTELS ASSOCIATION

CERTIFICATE OF SECRETARY

I, Bevan Douglas, duly authorised officer of Australian Hotels Association hereby certify that the documents lodged herewith are true copies of the Financial Statements, Auditor's Report and certificates presented to the:

Second Committee of Management Meeting of members of the organisation held on 24 June 2005

and/or

First Committee of Management Meeting held on 20 May 2005

in respect of the financial year of the organisation ended 31 December 2004.

The documents lodged herewith are:

- (i) copies of the accounts prepared in accordance with the requirements of section 253 (1) of the Act
- (ii) a copy of the operating report signed by Secretary/Treasurer of the organisation per s254(1)
- (iii) a copy of the certificate given by the Committee of Management in accordance with the requirements of section 265(5)(b) and 266(3) of the Act and
- (iv) a copy of the report of the Auditor of the organisation prepared in accordance with the requirements of section 257 of the Act; and
- (v) a statement by an officer of the organisation in respect of loans, grants or donations by the organisation which are notifiable in accordance with the requirements of section 257 of the Act.

(Note: "The Act" referred to is the Industrial Relations Act 1996 and it's Regulations, as well as deemed regulations under Section 255 incorporating various provisions of the Industrial Relations

Secretary

Dated at Sydney 27 June 2005

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY

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AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

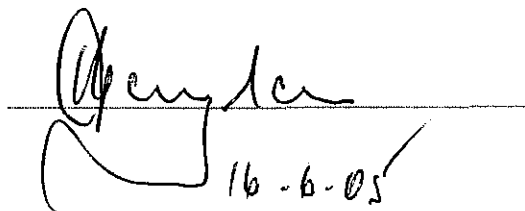
STATEMENT OF PRINCIPAL ACCOUNTING OFFICER

I, Bevan Douglas, being the Honorary Secretary/Treasurer, the officer responsible for keeping the accounting records of the Australian Hotels Association National Body (the Organisation) certify that as at 31st December 2004, the number of members of the Organisation was 4,746.

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 2004;
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



Dated:

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

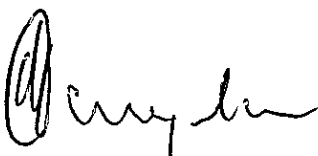
COMMITTEE OF MANAGEMENT STATEMENT

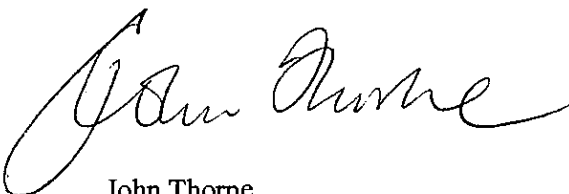
On the Committee of Management of Australian Hotels Association passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2004:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standard;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meeting of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) any information sought in a request by a member of the reporting unit or the Registrar duly made under section 272 of the RAO Schedule during the period has been furnished accordingly; and
 - (vi) no orders for inspection of financial records have been made by the Commission under section 273 of the RAO Schedule during the period.

For Committee of Management :


Bevan Douglas
National Secretary/Treasurer


John Thorpe
President

Date: 16.6.05

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2004

This Operating Report covers the results of those activities that were provided for the financial year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Association, as conducted through the Council and the Executive Board during the past year fell into the following categories:

- Provision of Industrial support to members including advice on legal and legislative matters, contractual obligations and representation of state members. Administration of Federal awards, the variation of awards following major test cases.
- Media and Communications to members and to the broader community via media releases in support of campaigns, targeted publications including national magazines.
- Provision of information for members providing up to date material relevant to hotels.
- Organisation of events to members such as Awards for Excellence, National Convention, Charity Fund Raising etc. in order to recognise their achievements and contribution to the community.

FINANCIAL ACTIVITIES

- During the year funds were provided to various political parties being a federal election year in recognition of their contribution to the industry.
- The national publication revenue increased during the year significantly.

SIGNIFICANT CHANGES

There were no significant changes in the nature of the Association's principal activities during the year.

MANNER OF RESIGNATION

Members may resign from the Association in accordance with rule 32, which reads as follows:

- 1) A member of the Association may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which he is a member.
- 2) A notice of resignation from membership of the Association takes effect:
 - a) Where the member ceases to be eligible to become a member of the Association:
 - i) On the day on which notice is received by the Association ;or
 - ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;Which ever is later; or
 - b) In any other case:
 - i) At the end of two (2) weeks after the notice is received by the Association; or
 - ii) On the day specified in the notice;Whichever is later.
- 3) Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association in a court of competent jurisdiction, as a debt due to the Association.
- 4) A notice delivered to the person mentioned in subrule (1) shall be taken to have been received by the Association when it was delivered.
- 5) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with subrule (1).
- 6) A resignation from membership of the Association is valid even if it is not affected in accordance with the rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**OPERATING REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2004**

**TRUSTEE OF DIRECTOR OF TRUSTEE COMPANY OF SUPERANNUATION ENTITY
OR EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME**

Mr. Bevan Douglas who is the National Secretary/Treasurer is a director of Hostplus Superannuation Industry Fund representing the National Body.

NUMBER OF MEMBERS

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Association was 4,746.

NUMBER OF EMPLOYEES

The number of persons who were, at the end of the reporting period, employees of the Association was 9 comprised of 5 full time and 4 part time staff.

MEMBERS OF COMMITTEE OF MANAGEMENT

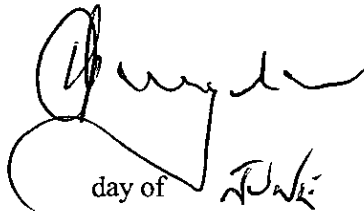
The persons who held office as members of the Committee of Management of the Association throughout the reporting period are:

- John Thorpe (President)
- Peter Burnett (Senior Vice President)
- Bevan Douglas (Secretary/Treasurer)
- Andreas Bossard (President Accommodation Division)

Bevan Douglas
National Secretary/Treasurer

Dated this

16th



day of

June

2005

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	Note	2004 \$	2003 \$
Revenues From Ordinary Activities	2	2,075,150.33	2,451,050.23
Employee Benefits Expense		(358,672.60)	(1,125,074.78)
Depreciation and Amortisation Expenses		(58,867.02)	(80,908.59)
Other Expenses from Ordinary Activities		(1,480,903.08)	(1,903,864.73)
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	3	176,707.63	(658,797.87)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	1(a)	-	-
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		176,707.63	(658,797.87)
Total revenues, expenses and valuation adjustments recognised directly in equity		-	-
TOTAL CHANGES IN EQUITY		176,707.63	(658,797.87)

This Statement of Financial Performance is to be read in conjunction with the Notes to the
Financial Statements set out on pages 9 to 19

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2004**

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash	4	448,659.71	246,674.02
Receivables	5	114,772.88	258,495.51
Other Assets	6	-	-
Investments	7	749.00	749.00
TOTAL CURRENT ASSETS		<u>564,181.59</u>	<u>505,918.53</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	902,533.70	924,253.31
TOTAL NON-CURRENT ASSETS		<u>902,533.70</u>	<u>924,253.31</u>
TOTAL ASSETS		<u>1,466,715.29</u>	<u>1,430,171.84</u>
CURRENT LIABILITIES			
Payables	9	79,196.76	267,793.27
Provisions	10	10,394.49	2,297.13
Other	11	122,626.90	96,291.93
TOTAL CURRENT LIABILITIES		<u>212,218.15</u>	<u>366,382.33</u>
NON-CURRENT LIABILITIES			
Other	11	19,000.00	5,000.00
TOTAL NON-CURRENT LIABILITIES		<u>19,000.00</u>	<u>5,000.00</u>
TOTAL LIABILITIES		<u>231,218.15</u>	<u>371,382.33</u>
NET ASSETS		<u>1,235,497.14</u>	<u>1,058,789.51</u>
EQUITY			
Retained profits	12	<u>1,235,497.14</u>	<u>1,058,789.51</u>

This Statement of Financial Position is to be read in conjunction with the Notes to the
Financial Statements set out on pages 9 to 19

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	Note	2004 \$	2003 \$
Cash Flows from Operating Activities			
Receipts from Capitation Fees		766,185.97	766,185.92
Receipts from Promotional and Sundry Activities		1,291,019.67	1,512,053.31
Interest Received		16,297.61	27,641.83
Dividends Received		47.08	23.25
Receipts from Government Grants		1,600.00	110,655.68
Payments to Employees and for Promotional and Other Expenses		(1,830,579.22)	(3,257,624.23)
Interest & Other Cost of Finance Paid		-	-
Net Cash (Used in)/Provided by Operating Activities	13(a)	<u>244,571.11</u>	<u>(841,064.24)</u>
Cash Flows from Investing Activities			
Proceeds from sale of property plant & equipment		9,090.91	30,909.09
Payment for property, plant & equipment		<u>(51,677.13)</u>	<u>(32,998.77)</u>
Net Cash (Used in)/Provided by Investing Activities		<u>(42,586.22)</u>	<u>(2,089.68)</u>
Cash Flows from Financing Activities			
Payment for Lease and Hire Purchase		-	-
Net Cash (Used in)/Provided by Financing Activities		-	-
Net (Decrease)/Increase in Cash Held		201,984.89	(843,153.92)
Cash at Beginning of Year		246,674.82	1,089,828.74
CASH AT END OF YEAR	13(b)	<u>448,659.71</u>	<u>246,674.82</u>

This Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 9 to 19

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

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 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 BODY

NOTES TO OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

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 BODY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

(g) Net Grant Income

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

(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 supplied reflect the accounting period for the twelve months ended 31st December 2003. Comparative figures may be adjusted to enhance comparability.

(j). Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the end of the current financial year.

AHA is assessing the significance of these changes and preparing for their implementation. AHA is of the opinion that the adoption of IFRS will not result in any material differences with the current accounting treatment.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	2004	2003
	\$	\$
NOTE 2: REVENUE		
Operating activities		
Affiliation Fees	2,400.00	2,400.00
Capitation Fees	766,185.97	766,185.92
Dividends Received	47.08	23.25
Government Grants Income	1,600.00	231,369.41
Interest Received	2a 16,297.61	27,641.83
Profit on Sale of Non-Current Assets	-	-
Promotional and Sundry Income	<u>1,288,619.67</u>	<u>1,423,429.82</u>
Total Revenue	<u>2,075,150.33</u>	<u>2,451,050.23</u>
(a) Interest from:		
Other persons	<u>16,297.61</u>	<u>27,641.83</u>

**NOTE 3: PROFIT/LOSS FROM ORDINARY
ACTIVITIES**

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

Accrued Annual Leave	10,394.49	2,297.13
Auditors' Remuneration –		
Audit of Financial Statements	8,500.00	6,950.00
Other Services		5,890.00
Benefits paid to Holders of Offices	78,000.00	91,283.37
Depreciation	58,867.02	80,908.59
Donations	102,150.47	103,524.46
Liberal Party - 53,510.47		
Labor Party - 41,640.00		
National Party - 7000.00		
Legal fees	50,454.78	104,795.25
Loss on Sale of Non-Current Assets	5,438.81	7,063.97
Other Administrative Expenses	1,166,511.76	1,545,615.46
Salaries and Benefits - Employees	321,342.99	1,089,699.53
Superannuation	37,329.61	35,375.25
Subscriptions	59,452.77	36,445.09
	<u>1,898,442.70</u>	<u>3,109,848.10</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	2004	2003
	\$	\$
NOTE 4: CASH		
Cash on Hand	600.00	600.00
Cash at Bank	448,059.71	246,074.02
Cash on Deposit	-	-
	<u>448,659.71</u>	<u>246,674.02</u>
NOTE 5: RECEIVABLES		
CURRENT		
GST Refundable	25,293.81	76,244.00
Prepayment	14,331.09	16,856.60
Trade Debtors	75,147.98	234,751.16
Less: Provision for Doubtful Debts	-	(69,356.25)
	<u>75,147.98</u>	<u>165,394.91</u>
	<u>114,772.88</u>	<u>258,495.51</u>
NOTE 6: OTHER ASSETS		
CURRENT		
PAYG Withholding Overpayment	-	-
Superannuation Overpayment	-	-
	<u>-</u>	<u>-</u>
NOTE 7: INVESTMENTS		
Shares in Listed Companies – at cost	<u>749.00</u>	<u>749.00</u>
NOTE 8: PROPERTY, PLANT & EQUIPMENT		
Building, Barton – at cost	1,067,165.62	1,067,165.62
Less: Accumulated Depreciation	<u>292,921.22</u>	<u>257,662.82</u>
	774,244.40	809,502.80
Motor Vehicles – at cost	78,830.50	60,600.89
Less: Accumulated Depreciation	<u>8,699.93</u>	<u>15,138.32</u>
	70,130.57	48,462.57
Office Equipment – at cost	293,350.00	287,504.60
Less: Accumulated Depreciation	<u>275,383.73</u>	<u>262,759.40</u>
	17,966.27	24,745.20
Building, Darwin – at cost	54,011.30	54,011.30
Less: Accumulated Depreciation	<u>13,818.84</u>	<u>12,468.56</u>
	40,192.46	41,542.74
Total Property, Plant & Equipment	<u>902,533.70</u>	<u>924,253.31</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2004

	2004	2003
	\$	\$
NOTE 8(b): PROPERTY, PLANT & EQUIPMENT RECONCILIATIONS		
Building, Barton		
Carrying amount at beginning	809,502.80	843,861.22
Plus: Additions	-	-
Less: Depreciation	(35,258.40)	(34,358.42)
Less: Disposals	<u>-</u>	<u>-</u>
Carrying amount at end of year	<u>774,244.40</u>	<u>809,502.80</u>
Motor Vehicles		
Carrying amount at beginning	48,462.57	115,068.53
Plus: Additions	45,831.73	32,998.77
Less: Depreciation	(9,634.01)	(22,750.38)
Less: Disposals	<u>(14,529.72)</u>	<u>(76,854.35)</u>
Carrying amount at end of year	<u>70,130.57</u>	<u>48,462.57</u>
Office Equipment		
Carrying amount at beginning	24,745.20	49,001.04
Plus: Additions	5,845.10	-
Less: Depreciation	(12,623.02)	(24,255.84)
Less: Disposals	<u>-</u>	<u>-</u>
Carrying amount at end of year	<u>17,966.27</u>	<u>24,745.20</u>
Building, Darwin		
Carrying amount at beginning	41,542.74	42,893.02
Plus: Additions	-	-
Less: Depreciation	(1,350.28)	(1,350.28)
Less: Disposals	<u>-</u>	<u>-</u>
Carrying amount at end of year	<u>40,192.46</u>	<u>41,542.74</u>
Total Property, Plant & Equipment	<u>902,533.70</u>	<u>924,254.31</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	2004	2003
	\$	\$
NOTE 9: PAYABLES		
CURRENT		
Sundry Creditors	79,196.76	267,793.27
GST Collected	-	-
	<u>79,196.76</u>	<u>267,793.27</u>
NOTE 10: PROVISIONS		
CURRENT		
Provision for Accrued Annual Leave	10,394.49	2,297.13
Provision for Long Service Leave	-	-
	<u>10,394.49</u>	<u>2,297.13</u>
NOTE 11: OTHER LIABILITIES		
CURRENT		
Income in Advance	68,705.60	12,540.99
Past President's Allowance	36,623.30	72,986.94
PAYG Withholdings/FBT Payable	15,298.00	8,764.00
ICHM Scholarship Fund	2,000.00	2,000.00
	<u>122,626.90</u>	<u>96,291.93</u>
NON-CURRENT		
ICHM Scholarship Fund	4,000.00	5,000.00
AHA-NT (Darwin Property Payment)	15,000.00	-
	<u>19,000.00</u>	<u>5,000.00</u>
NOTE 12: RETAINED PROFITS		
Retained profits at the beginning of the year	1,058,789.51	1,717,587.38
Shares provided on demutualisation	-	-
(Loss) for the year	176,707.63	(658,797.87)
Retained profits at the end of the year	<u>1,235,497.14</u>	<u>1,058,789.51</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	2004	2003
	\$	\$
NOTE 13: NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Net Cash provided by Operating Activities to (Loss) after Income Tax		
Profit/(Loss) after Income Tax	176,707.63	(658,797.87)
Non Cash Flows in (Loss):		
Loss/(Net Profit) on Sale of Non-Current Assets	5,438.81	7,063.97
Amortisation	-	-
Depreciation	58,867.02	80,908.59
Changes in Assets & Liabilities:		
Decrease/(Increase) in Trade Debtors	90,246.93	86,223.29
(Increase)/Decrease/ in GST Refundable	50,950.19	(79,715.33)
Decrease/(Increase) in Other Assets	-	22,242.53
(Increase)/Decrease in Prepayments	2,525.51	(16,856.60)
(Decrease)/Increase in Sundry Creditors	(188,596.51)	(96,724.17)
(Decrease)/Increase in Provisions	8,097.36	(157,594.67)
(Decrease)/Increase in Other Current Liabilities	26,334.17	(26,813.98)
(Decrease)/Increase in Other Non-Current Liabilities	14,000.00	(1,000.00)
Net Cash (Used in)/Provided by Operating Activities	<u>244,571.11</u>	<u>(841,064.24)</u>

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	600.00
Cash at Bank and on Deposit	448,059.71	246,074.02
	<u>448,659.71</u>	<u>246,674.02</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004**

NOTE 14: SEGMENT REPORTING

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

NOTE 15: RELATED PARTIES

Amounts paid to the New South Wales Branch for Rent & Media expenses during the year were \$18,920.00

Amounts paid to the Queensland Branch for Accommodation Division Administration expenses during the year were \$15,245.77.

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.

NOTE 16: INFORMATION TO BE PROVIDED TO THE MEMBERS OR REGISTRAR

In accordance with the requirements of the schedule 1B 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 reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit;
- 2) A reporting unit shall, on the application made under subsection (1) by a member of the reporting unit 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 reporting 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: 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.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2004

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	
	2004 %	2003 %	2004 \$	2003 \$	2004 \$	2003 \$
i) Financial Assets						
Cash	3.5	3.30	448,659	246,674		
Receivables		N/A			114,773	258,495
Deposits on Call	4.6	4.5	-	-		
ii) Financial Liabilities						
Payables		N/A			79,197	267,793

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2004

NOTE 19: FINANCIAL INSTRUMENTS (cont'd)

(c) Net Fair Values

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

(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

RSM Bird Cameron Partners

Chartered Accountants

Level 1, 103-105 Northbourne Avenue Canberra ACT 2601
GPO Box 200 Canberra ACT 2601
T +61 2 6247 5988 F +61 2 6262 8633
www.rsmi.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

Australian Hotels Association

Scope

We have audited the financial report of Australian Hotels Association (AHA) for the year ended 31 December 2004, being the statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements. The Committee of Management is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards in Australia, the Workplace Relations Act 1996 and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of AHA's financial position and performance as represented by the results of its operations and its cash flows.

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

Audit Opinion

In our opinion, the financial report presents fairly in accordance with Australian Accounting Standards in Australia, the Workplace Relations Act 1996 and other mandatory professional reporting requirements the financial position of AHA as at 31 December 2004, and the results of its operations and its cash flows for the year then ended.

Canberra, ACT

RSM Bird Cameron Partners

RSM Bird Cameron Partners
Chartered Accountants

D Wall

Dated: 21 June 2005

D Wall
Partner

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'Liability is limited by the Accountants'
Scheme pursuant to the NSW
Professional Standards Act 1994'

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



RSM Bird Cameron Partners

Chartered Accountants

Level 1, 103-105 Northbourne Avenue Canberra ACT 2601
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www.rsmi.com.au

Auditor's Disclaimer

The additional financial data presented in the following pages is in accordance with the books and records of AHA which have been subjected to the auditing procedures applied in our audit of AHA for the year ended 31 December 2004. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person, (other than to the AHA), in respect of such data, including any errors or omissions therein however caused.

RSM Bird Cameron Partners.

Canberra, ACT

RSM Bird Cameron Partners
Chartered Accountants

D. Wall

Dated: 21 June 2005

D. Wall
Partner

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AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY

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**Detailed Statement of Financial Performance for
National Office**

**Detailed Statement of Financial Performance for
National Marketing and Convention**

**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 BODY
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2004

	2004 \$	2003 \$
NATIONAL OFFICE		
Affiliation Fees	2,400.00	2,400.00
Capitation Fees	766,185.97	766,185.92
Dividends Received	47.08	23.25
Endorsements	74,962.20	47,158.57
Hotel News Advertising	68,510.00	-
Interest Received	16,297.61	27,641.83
Net Grants Income	1,600.00	12,246.89
Net Profit National Marketing & Convention	534,476.37	661,249.94
National Industry Skills Execution of Contracts	1,937.50	-
Profit on Sale of Non-Current Asset	-	-
Rent Darwin	5,097.95	4,028.75
TOTAL REVENUE	<u>1,471,514.68</u>	<u>1,520,935.15</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	2004	2003
	\$	\$
NATIONAL OFFICE (CONT'D)		
TOTAL REVENUE brought forward	1,471,514.68	1,520,935.15
EXPENDITURE		
Accommodation Division President (Remuneration Holder of Office)	5,500.00	5,500.00
Accountancy Fees	44,966.33	33,961.73
Accrued Annual Leave	10,394.49	2,297.13
Accommodation Division Survey/Operational Costs	72,305.14	-
Auditor's Remuneration	8,500.00	6,950.00
Bank Charges	6,582.82	8,057.74
Body Corporate & Outgoings	22,624.53	26,012.17
Depreciation	22,258.34	44,299.91
Depreciation – Building	36,608.68	36,608.68
Doubtful Debts	-	69,356.25
Fringe Benefits Tax	7,328.00	31,978.56
Insurance	30,666.79	21,786.76
Industrial Relations	29,767.31	39,537.81
Legal Costs	50,454.78	104,795.25
Light & Power	2,860.91	3,984.23
Long Service Leave	-	7,940.66
Loss on Sale of Non-Current Assets	5,438.81	7,063.97
Media, Training & Monitoring	35,190.81	37,061.27
Office Expenses	9,401.94	59,380.64
Postage & Freight	18,642.78	18,131.01
President – PA (Remuneration Holder of Office)	27,500.00	34,141.65
Presidential Allowance (Remuneration Holder of Office)	27,500.00	34,141.66
Printing & Stationery	16,019.48	1,838.63
Publications	88,634.41	5,676.31
Repairs & Maintenance	1,743.17	6,819.70
Representations	102,150.47	103,524.46
Research & Special Projects	886.28	33,842.70
Salaries, Benefits & On-Costs (Employees)	358,672.60	1,125,074.78
Secretary/Treasurer (Remuneration Holder of Office)	7,500.00	7,500.00
Senior Vice President (Remuneration Holder of Office)	10,000.00	10,000.00
Staff Recruitment	20,752.20	-
Subscriptions	59,452.77	36,445.09
Telephone	22,146.41	38,697.48
Travel & Meetings	132,356.80	173,227.33
Vice President (Remuneration Holder of Office)	-	4,099.46
TOTAL EXPENDITURE	<u>1,294,807.05</u>	<u>2,179,733.02</u>
(LOSS) FOR YEAR	<u>176,707.63</u>	<u>(658,797.87)</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	2004	2003
	\$	\$
NATIONAL MARKETING AND CONVENTION		
REVENUE		
Corporate Sponsorship	1,014,653.76	1,083,123.24
Delegate Accommodation Rebate	-	23,695.64
Delegate Registration	123,458.26	144,119.20
Trade Show Booths	-	121,304.62
	<u>1,138,112.02</u>	<u>1,372,242.70</u>
EXPENDITURE		
Accounting Fees	-	-
Audio Visual & Slide Production	23,768.65	35,326.54
Consultants (External Contractors)	39,118.22	51,015.51
Delegate Transport	3,529.10	5,713.69
Entertainment, Theming & Production	14,180.00	37,960.46
Equipment Hire	1,204.76	14,317.45
Food, Beverage, Golf & Theme Parks	196,731.87	175,395.12
Ground Transport	7,044.03	4,096.74
Insurance	118.18	1,302.43
Marketing Body Corporate	7,826.34	33,114.50
National Awards for Excellence	40,866.03	56,403.76
Postage & Freight	1,800.82	1,508.60
Printing & Stationery	15,832.44	35,355.70
Speakers	5,500.00	26,582.11
Telephone	3,481.66	4,242.26
Trade Show Booths	-	6,880.00
Travel, Accommodation & Consultants	221,531.73	205,576.70
VIP Events	19,230.91	14,901.19
VIP Gifts	1,870.91	1,300.00
	<u>603,635.65</u>	<u>710,992.76</u>
TOTAL EXPENDITURE		
	<u>534,476.37</u>	<u>661,249.94</u>
NET PROFIT FOR YEAR		

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	2004	2003
	\$	\$
<hr/> GREENHOUSE PROJECTS		
REVENUE		
Grant Income	1,600.00	18,800.00
	<hr/> 1,600.00	<hr/> 18,800.00
EXPENDITURE		
Completion of Case Studies	-	5,000.00
Project Manager Consultant Fee	-	113.64
Project Manager Travel	-	1,205.78
	<hr/> -	<hr/> 6,319.42
TOTAL EXPENDITURE	<hr/> -	<hr/> 6,319.42
NET GRANT INCOME	<hr/> 1,600.00	<hr/> 12,480.58

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	2004 \$	2003 \$
BEPA		
REVENUE		
Grant Income	-	-
Interest	-	-
	<u>-</u>	<u>-</u>
EXPENDITURE		
Bank Charges	-	-
Consultancy Fees	-	-
Marketing	-	-
Office Expenses	-	-
Printing & Stationery	-	-
Travel & Accommodation	-	-
	<u>-</u>	<u>-</u>
TOTAL EXPENDITURE	<u>-</u>	<u>-</u>
NET GRANT INCOME	<u>-</u>	<u>-</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2004

	2004 \$	2003 \$
SWEEP		
REVENUE		
Grant Income	73,673.48	63,835.39
Interest	-	4.19
	<u>73,673.48</u>	<u>63,839.58</u>
EXPENDITURE		
Management Fees	-	-
Marketing	13,531.69	1,910.00
Office Expenses	6,880.09	13,725.62
Salaries (Employees)	46,464.78	45,610.04
Telephone & Communication	1,435.20	975.44
Travel & Accommodation	<u>5,361.72</u>	<u>2,068.18</u>
TOTAL EXPENDITURE	<u>73,673.48</u>	<u>64,289.28</u>
NET GRANT INCOME	<u>-</u>	<u>(449.70)</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	2004	2003
	\$	\$
COMMERCIAL COOKERY		
REVENUE		
Grant Income	-	148,733.82
Interest	-	359.17
	<u>-</u>	<u>149,092.99</u>
EXPENDITURE		
Admin Support	-	26,200.15
Bank Charges	-	61.90
Cook/Chef Pilot Initiative	-	7,954.54
External Contractors/Salaries Staff	-	97,333.40
Travel & Accommodation	-	16,963.63
	<u>-</u>	<u>148,513.62</u>
TOTAL EXPENDITURE	<u>-</u>	<u>148,513.62</u>
NET GRANT INCOME	<u>-</u>	<u>579.37</u>