



FAIR WORK
COMMISSION

19 August 2013

Mr Colin Waller
Secretary-Treasurer
Australian Hotels Association
PO Box 4286
MANUKA ACT 2603

Dear Mr Waller,

Re: Lodgement of Financial Statements and Accounts - Australian Hotels Association, National Office - for year ended 31 December 2011 (FR2011/2896)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia on 2 July 2012.

I note that on 28 September 2011, Mr Larry Powell wrote to you setting out various areas in which the documents did not fully comply with relevant Accounting Standards or provisions of the *Fair Work (Registered Organisations) Act 2009*. The issues raised by Mr Powell appear to have been largely addressed in the subsequent report for the year ended 31 December 2012, lodged on 28 June 2013. I will clarify remaining compliance issues in correspondence related to the latter report.

I have filed the report. However a separate statement of loans, grants and donations should be lodged pursuant to section 237 of the Act. Note 3 of the report disclosed donations totalling \$250,000 and \$9,272. Section 237 requires a separate statement showing the prescribed particulars of any and all donations individually exceeding \$1,000.¹ I attach a proforma to be completed and sent directly to me.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

¹The relevant text of section 237 reads (in part) - (1) *An organisation must, within 90 days after the end of each financial year (or such longer period as the General Manager allows), lodge with FWA a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year. [Note: This subsection is a civil penalty provision (see section 305).] (2) A statement lodged with FWA under subsection (1) must be signed by an officer of the organisation. (6) The relevant particulars, in relation to a grant or donation made by an organisation, are: (a) the amount of the grant or donation; and (b) the purpose for which the grant or donation was made; and (c) except where the grant or donation was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the grant or donation was made.*



FAIR WORK
COMMISSION

21 February 2013

Mr Colin Waller
Secretary
Australian Hotels Association

email: aha@aha.org.au

Dear Mr Waller

Re: Financial Report for the Australian Hotels Association for the year ended 31 December 2011 (FR2011/2896)

I refer to my letter of 28 September 2012 (copy attached) in relation to financial report of the Australian Hotels Association for the year ended 31 December 2011.

Advice was requested in relation to the auditor's opinion and qualifications.

No response has been received in this office.

You are requested to arrange for the requested information to be lodged in this office by Friday, 1 March 2013.

Yours sincerely,

Larry Powell
Regulatory Compliance Branch



FAIR WORK
AUSTRALIA

28 September 2012

Mr Colin Waller
Secretary
Australian Hotels Association

email: aha@aha.org.au

Dear Mr Waller

Re: Financial Report for the Australian Hotels Association for the year ended 31 December 2011 (FR2011/2896)

I acknowledge receipt of the financial report for the Australian Hotels Association for the year ended 31 December 2011. The report was lodged with Fair Work Australia on 2 July 2012.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under the Fair Work (Registered Organisations) Act 2009 (the RO Act). Please note that these matters are generally advised for assistance in the future preparation of financial reports. Except for item 1, no further action is required in respect of the subject documents.

1. Auditor's Report

Auditor's Opinion

The opinion expressed by the auditor in their report has not fully met the requirements of the Act. Section 257(5) of the RO Act sets out the matters on which an auditor is required to state an opinion. An acceptable form of wording would be as follows:

'In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the Fair Work (Registered Organisations) Act 2009.'

Auditor's Qualifications

Regulation 4 of the Fair Work (Registered Organisations Regulations) 2009 (the RO Regulations) defines an approved auditor as a person, who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants, and holds a current Public Practice Certificate.

It is unclear whether the auditor is such a person. Would you please advise whether the auditor is an 'approved auditor' in accordance with regulation 4 of the RO Regulations.

2. Loans, Grants or Donations

Section 237(1) of the RO Act requires an organisation to lodge in Fair Work Australia within 90 days after the end of each financial year a statement showing the relevant particulars in relation

to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.

Note 3(a) of the notes to the financial statements provides two disclosures in relation to donations made in excess of \$1,000.

Would you please arrange lodgement in Fair Work Australia of a section 237(1) statement covering any donation exceeding \$1,000, setting out particulars of any donation in accordance with subsection 237(6).

3. Operating Report

(b) Significant changes in principal activities

The report must contain among other things any significant changes in the nature of the financial affairs during the year – refer s254(2)(b) of the RO Act.

The report should indicate whether there have been any significant changes in the nature of those activities.

4. Committee of Management Statement

I note that paragraphs (a) and (b) refer to the financial report. Such references should be to the financial statements and notes.

Paragraph (b) appears to attempt to provide the provisions of paragraphs (a) and (b) of the Committee of Management Statement as provided in the General Manager's Reporting Guidelines (the guidelines). No mention is made of the cash flows. In future all the requirements of the Committee of Management Statement need to be addressed.

In paragraph (d)(iii) the reference to the Fair Work (Registered Organisations) Act 2009 should refer to the Fair Work (Registered Organisations) Regulations 2009.

The reference to the Industrial Registrar' in paragraph (a) and 'Registrar' in paragraph (d)(v) should refer to the 'General Manager, Fair Work Australia'.

In paragraph (d)(vi) the reference to the 'Commission' should refer to 'Fair Work Australia'.

5. Disclosure of contributions from another reporting unit

Item 10(b) of the guidelines requires that where contributions from another reporting unit are received, the amount and the name of each reporting unit are to be disclosed in either the profit and loss statement or the notes. Note 2 to the financial statements discloses a total amount of capitation fees received, but does not disclose the amount and name of each reporting unit form which capitation fees were received. In future years please ensure the names and amounts are disclosed.

6. Cash flows between reporting units

The cash flow statement discloses that \$431,070 was received in capitation fees. The notes to the financial statements should contain a breakdown of any cash flows to or from other parts of the union, Item 15 of the guidelines requires that where another reporting unit is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes and the name of the other reporting unit should be shown. This is in addition to the requirement under item 10(b) mentioned above.

7. Auditor's Disclaimer to Detailed Income Statement

I note that the financial reports contain a disclaimer which precedes the reporting unit's Detailed Income Statement. Such document was prepared for the members of the national body of the organisation.

Section 252 of the RO Act requires that a reporting unit must cause a general purpose financial report to be prepared. Such report must consist of, among other things, financial statements containing a profit and loss statement.

The accounts and other statements should contain certain disclosures (as prescribed by the guidelines).

As the information contained in the Detailed Income Statement does not appear to form part of the audited "accounts and statements" the financial documents as lodged do not satisfy the requirements of s253 of the RO Act. In particular, the disclosure 'Bank charges' should have been included in the Statement of Comprehensive Income, or the notes to the financial statements as AASB 101(82) requires the statement of comprehensive income to include a line item that presents the finance costs for the period.

Travel and meetings

I note the disclosure 'Travel and meeting expenses' of \$99,203 appears in the Detailed Income Statement and the Statement of Comprehensive Income. Item 11 of the Reporting Guidelines requires a separate disclosure for, among other things, expenses incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible.

The Statement of Comprehensive Income should have provided the disclosure 'Conference and meeting expenses' as provided in the Income Statement.

So as to ensure compliance with subsection 253, future documents should include an Income and Expenditure Statement setting out particulars of all relevant disclosure requirements of the Reporting Guidelines.

8. Disclosure

I note the disclosure "Other expenses" in note 3(b) of the notes to the financial statements appears to represent a substantial portion of the total Administration expenditure. Although the accounts provide for a breakdown of some expenditure there appears to be a large portion not disclosed.

Various parts of the AASB Framework require separate disclosure when an item is material. There would seem little doubt that the aforementioned item is material.

I believe the reporting unit, unless there is another reason, should in future break this figure down in a way that complies with the requirements of the AASB Framework.

9. Notice to members

I note that the notice to members provides the provisions of section 274 of the Workplace Relations Act 1996. The accounts should set out the provisions of subsections 272(1), (2) and (3) of the RO Act.

Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7993 or by email at larry.powell@fwa.gov.au.

Yours sincerely



Larry Powell
Regulatory Compliance Branch



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

AUSTRALIAN HOTELS ASSOCIATION

CERTIFICATE OF SECRETARY



I, Colin Waller, duly authorised officer of the Australian Hotels Association hereby certify that

1. The documents lodged herewith are true copies of the financial statements, Auditor's Report and certificates presented to the:
 - Annual General Meeting of the organisation held on 28 June 2012; and
 - The Committee of Management meeting held on 19 April 2012 in respect of the financial year of the organisation ended 31 December 2011.
2. That the full report was distributed to the members of the organisation on 25 May 2012.

Colin Waller
Secretary-Treasurer

28 June 2012

AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

CONTENTS

Statement of Principal Accounting Officer
Statement by the Committee of Management
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**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
STATEMENT OF PRINCIPAL ACCOUNTING OFFICER**


I, Colin Waller, 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 2011, the number of members of the Organisation was 5052.

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 2011;
2. A record has been kept of all monies paid by, or collected from members and all monies 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.

COLIN WALLER

Dated:


19 April 2012

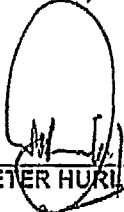
**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
STATEMENT BY THE COMMITTEE OF MANAGEMENT**

On the date below, 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 2011:

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

- a) The financial report complies with the reporting guidelines of the Industrial Registrar;
- b) The financial report presents a true and fair view of the financial position of Australian Hotels Association as at 31 December 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board;
- c) At the date of this statement, there are reasonable grounds to believe that Australian Hotels Association will be able to pay its debts as and when they fall due;
- d) During the financial year to which the GPFR relates and since the end of that year:
 - i. Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - 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;
 - iii. The financial records of the reporting unit have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*.
 - 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;
 - v. Any information sought in a request by a member of the reporting unit or the Registrar duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* 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 *Fair Work (Registered Organisations) Act 2009* during the period.

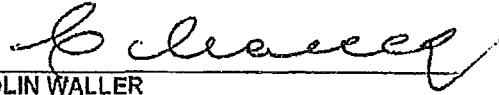
This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



PETER HURLEY

National President

Date: 19 April 2012



COLIN WALLER

National Secretary/Treasurer

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
OPERATING REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2011

This Operating Report covers the results of those activities that were provided for the financial year ended 31 December 2011.

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 fundraising etc. in order to recognise their achievements and contribution to the community.

FINANCIAL ACTIVITIES

Three government projects were completed during the year.

SIGNIFICANT CHANGES

- The Association resources are currently being used to form a Tourism Accommodation Australia division as a separate operation to lobby for accommodation members only.
- The Association is currently engaged in a campaign with Clubs Australia to fight the Federal Government mandatory pre-commitment legislation.

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; whichever 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;
 - iii) 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 2011**

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

Mr. Bevan Douglas (who is an ordinary member), Mr Neil Randall and Mark Robertson (who are Executive members) are also directors 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 6062.

NUMBER OF EMPLOYEES

The number of persons who were, at the end of the reporting period, employees of the Association was 6 comprised of 3 full time and 2 part time staff.

MEMBERS OF COMMITTEE OF MANAGEMENT

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

Peter Hurley – President
Colin Waller – Secretary / Treasurer
Peter Burnett – Senior Vice President
Scott Leach – Vice President
John Dixon – President Accommodation Division



COLIN WALLER

National Secretary/Treasurer

Dated this

19th

day of

April

2012

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTE	2011 \$	2010 \$
Revenues	2	2,010,972	2,350,261
Employee benefits expense		(492,415)	(559,206)
Depreciation and amortisation expense		(24,536)	(31,559)
Consultancy expenses		(50,082)	(77,573)
Legal expenses		(16,875)	(16,450)
Marketing and convention expenses		(161,902)	(507,943)
Travel and meeting expenses		(99,203)	(124,644)
Administration expenses	3(b)	(937,506)	(839,323)
Profit/(loss) before income tax expense	3(a)	<u>228,453</u>	<u>193,563</u>
Income tax expense	1(a)	-	-
Net profit/(loss) after income tax expense		<u>228,453</u>	<u>193,563</u>
Other comprehensive income		-	-
Total comprehensive income/(loss) attributable to the members		<u>228,453</u>	<u>193,563</u>

The accompanying notes form part of the financial statements

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
BALANCE SHEET
AS AT 31 DECEMBER 2011

	NOTE	2011 \$	2010 \$
CURRENT ASSETS			
Cash	4	604,130	418,756
Trade and other receivables	6	365,121	331,491
Other current assets	7	7,885	65,172
TOTAL CURRENT ASSETS		<u>977,136</u>	<u>815,419</u>
NON-CURRENT ASSETS			
Other financial assets	8	749	749
Property, plant and equipment	9	590,268	612,868
TOTAL NON-CURRENT ASSETS		<u>591,017</u>	<u>613,617</u>
TOTAL ASSETS		<u>1,568,153</u>	<u>1,429,036</u>
CURRENT LIABILITIES			
Trade and other payables	10	748,894	846,712
Provisions	11	27,473	18,991
TOTAL CURRENT LIABILITIES		<u>776,367</u>	<u>865,703</u>
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>776,367</u>	<u>865,703</u>
NET ASSETS		<u>791,786</u>	<u>563,333</u>
EQUITY			
Retained earnings		<u>791,786</u>	<u>563,333</u>
TOTAL EQUITY		<u>791,786</u>	<u>563,333</u>

The accompanying notes form part of these financial statements

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Retained earnings	Total
Balance at 1 January 2010	369,770	369,770
Profit attributable to the entity	193,563	193,563
Balance at 31 December 2010	<u>563,333</u>	<u>563,333</u>
Profit attributable to the entity	228,453	228,453
Balance at 31 December 2011	<u>791,786</u>	<u>791,786</u>

The accompanying notes form part of these financial statements

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTE	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from capitation fees		431,070	259,555
Receipts from promotional and sundry activities		1,202,711	1,925,981
Interest received		14,018	6,746
Dividends received		38	28
Receipts from Government grants		392,370	289,823
Payments to employees and for promotional and other expenses		(1,852,897)	(2,214,720)
Net cash provided by / (used in) operating activities	12(a)	<u>187,310</u>	<u>267,413</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(1,936)	-
Proceeds from sale of property, plant and equipment		-	7,273
Net cash (used in)/provided by investing activities		<u>(1,936)</u>	<u>7,273</u>
Net increase in cash held		185,374	274,686
Cash and cash equivalents at beginning of financial year		418,756	144,070
Cash and cash equivalents at end of financial year	12(b)	<u>604,130</u>	<u>418,756</u>

The accompanying notes form part of these financial statements

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), requirements of *the Associations Incorporations Act 1991 (ACT)* and the *Fair Work (Registered Organisations) Act 2009*. The financial report is for the entity Australian Hotels Association National Body as a single entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The Association is exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

(b) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable, future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the profit and loss during the financial period in which they are incurred.

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 the asset's useful life commencing from the time the asset is available for use.

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

Class of Asset	Depreciation Rate
Buildings	2.5% - 10%
Office equipment	10% - 27%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(c) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association 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.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(c) Leases (cont)

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or ownership of the term of the lease. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit and loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest rate method. The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (i.e. gains and losses) recognised included in profit and loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measure at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

d) Financial Instruments (cont)

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in the profit and loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

e) Impairment of assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Employee benefits

Provision is made of the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand; deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

h) Revenue and other income

Revenue is measured at the fair value of consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue (capitation fees and levies) from the state branches is recognised on a straight line basis over the financial year.

Sponsorships revenue is recognised upon the execution of the contracts with the corporate sponsors and in accordance with the terms and conditions of the sponsorship contracts.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

i) 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 (ATO).

Receivables and payables are stated as inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

j) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Critical accounting estimates

The Association evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

(n) Impairment

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts or relevant assets are reassessed, using value-in-use calculations, which incorporate various key assumptions.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) New standards and interpretations issued but not yet effective

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9	<i>Financial Instruments</i>	This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.	1 January 2013	Not expected to have a material impact on the entity
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i>	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements: <ul style="list-style-type: none"> • Tier 1: Australian Accounting Standards and • Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.	1 July 2013	Not expected to have a material impact on the entity
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127	1 January 2013	Not expected to have a material impact on the entity
AASB 2010-8	<i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets</i>	The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.	1 January 2012	Not expected to have a material impact on the entity
AASB 2010-10	<i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First Time Adopters</i>	This standard makes amendments to AASB 2009-11 and AASB 2010-7. The amendments brought in by this Standard ultimately affect AASB 1 and provide relief for first time adopters from having to reconstruct transactions that occurred before their transition date	1 January 2013	Not expected to have a material impact on the entity

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTES	2011 \$	2010 \$
NOTE 2: REVENUE			
Operating activities			
Affiliation fees		2,400	2,400
Capitation fees		420,000	399,333
Dividends received		34	28
Income received from Government grants		379,155	263,475
Interest received		12,744	6,746
Promotional and sundry income		1,196,639	1,678,279
Total revenue		<u>2,010,972</u>	<u>2,350,261</u>
NOTE 3: PROFIT FOR THE YEAR			
3(a) Profit has been determined after:			
Employee benefits paid to holders of offices			
Salaries and wages		35,000	35,000
Employee benefits paid to employees (other than holders of offices)			
Salaries and benefits		418,846	492,489
Accrued annual leave		8,481	(1,575)
Superannuation		41,725	65,142
		<u>504,052</u>	<u>591,056</u>
Depreciation expense		24,536	31,599
Donations			
Liberal National Party		250,000	-
Australian Labour Party		9,272	-
Other		-	22,728
		<u>259,272</u>	<u>22,728</u>
3(b) Administration expenses includes:			
Accommodation division		205,713	117,057
Other expenses		533,628	554,298
Operating lease		47,040	44,103
Subscriptions expenses		151,125	123,865
		<u>937,506</u>	<u>839,323</u>
NOTE 4: AUDITORS' REMUNERATION			
Remuneration of the auditor of the association for:			
- auditing the financial statements		14,479	11,175
NOTE 5: CASH AND CASH EQUIVALENTS			
Cash on hand		1,000	1,000
Cash at bank		603,130	417,756
		<u>604,130</u>	<u>418,756</u>
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 and cash equivalents		<u>604,130</u>	<u>418,756</u>
		<u>604,130</u>	<u>418,756</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTES	2011 \$	2010 \$
NOTE 6: TRADE AND OTHER RECEIVABLES			
Net GST refundable		-	6,890
Trade receivables		390,981	425,711
Less: Provision for doubtful debts		<u>(25,860)</u>	<u>(101,110)</u>
		<u>365,121</u>	<u>331,491</u>
NOTE 7: OTHER CURRENT ASSETS			
Prepayments		7,885	65,172
		<u>7,885</u>	<u>65,172</u>
NOTE 8: OTHER FINANCIAL ASSETS			
Available-for-sale financial assets		749	749
a. Available-for-sale financial assets comprise:			
Listed investments, at cost			
- shares in listed corporations at cost		749	749
Total available-for-sale financial assets		<u>749</u>	<u>749</u>
NOTE 9(a): PROPERTY, PLANT & EQUIPMENT			
Building – 24 Brisbane Avenue, Barton at cost		1,067,166	1,067,166
Less: accumulated depreciation		<u>(478,717)</u>	<u>(454,890)</u>
		<u>588,449</u>	<u>612,276</u>
Office equipment – at cost		309,690	307,764
Less: accumulated depreciation		<u>(307,871)</u>	<u>(307,162)</u>
		1,819	592
Total property, plant and equipment		<u>590,268</u>	<u>612,868</u>

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Building \$	Motor vehicles \$	Office equipment \$	Total \$
Balance at 1 January 2010	636,103	11,175	4,821	652,099
Depreciation expense	(23,827)	(3,503)	(4,229)	(31,559)
Disposals	-	(7,672)	-	(7,672)
Balance at 31 December 2010	<u>612,276</u>	<u>-</u>	<u>592</u>	<u>612,868</u>
Additions	-	-	1,936	1,936
Depreciation expense	(23,827)	-	(709)	(24,536)
Carrying amount at 31 December 2011	<u>588,449</u>	<u>-</u>	<u>1,819</u>	<u>590,268</u>

	NOTE	2011 \$	2010 \$
NOTE 10: PAYABLES			
Current			
Sundry creditors		238,593	198,119
Income received in advance		510,301	648,593
	1(i)	<u>748,894</u>	<u>846,712</u>
NOTE 11: PROVISIONS			
Current			
Provision for annual leave		27,473	18,991
		<u>27,473</u>	<u>18,991</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTES	2011 \$	2010 \$
NOTE 11: CAPITAL AND LEASING COMMITMENTS		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Receivables – minimum lease receipts		
Not later than 12 months	127,458	96,754
Later than 12 months but not later than 5 years	499,211	-
	626,669	96,754

The property lease commitment is a non-cancellable operating lease with a five year term, with rent receivable in advance. Contingent rental provisions within the lease agreement require that the minimum lease receipts shall be increased by the Consumer Price Index.

Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables – minimum lease payments		
Not later than 12 months	46,850	34,701
Later than 1 year but not later than 5 years	183,496	-
	230,346	34,701

The property lease commitment is a non-cancellable operating lease with a five year term, with rent payable in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the Consumer Price Index.

NOTE 12: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit after income tax

Surplus after income tax	228,453	193,563
Non-cash flows in profit:		
Depreciation expense	24,536	31,559
Net gain on disposal of motor vehicles	-	399
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	(33,570)	(182,351)
(Increase)/decrease in prepayments	57,287	34,823
(Decrease)/increase in trade and other payables	40,416	146,609
Increase/(Decrease) in income received in advance	(138,293)	79,840
(Decrease)/increase in provisions	8,481	(37,029)
	187,310	267,417

Credit stand-by and financing facilities

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

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTES	2011 \$	2010 \$
NOTE 13: RELATED PARTY TRANSACTIONS		
(a) Directors' Remuneration		
Remuneration received or receivable by all directors of the association		
- from the entity or any related party in connection with the management of the association	35,000	35,000

The names of directors who have held office during the financial year are:

- Peter Hurley
- Colin Waller
- Peter Burnett
- Scott Leach
- John Dixon

(b) Key management personnel

Key management personnel compensation:

Short term benefits	275,000	435,909
Post-employment benefits	23,558	38,961
Total	298,558	474,870

(c) Other related parties

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

Amounts paid to the ACT Branch for general administration	27,025	44,177
Amounts paid to the NSW Board for gaming consulting	50,000	50,000
Total	77,025	94,177

All State Branches receive remuneration for actual expenses incurred and these amounts are disclosed in the relevant expense category of the statement of comprehensive income. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NOTE 15: INFORMATION TO BE PROVIDED TO THE MEMBERS OR REGISTRAR

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 which reads:

- A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit;
- 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;
- A Registrar may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

NOTE 16: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Associations' Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

The Treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, whilst minimising potential adverse effects of cash flow shortfalls.

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTES	2011 \$	2010 \$
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NOTE 16: FINANCIAL INSTRUMENTS (CONT)

The Association does not have any derivative instruments at 31 December 2011.

Specific financial risk exposures and management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating cash investments

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

Credit risk

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. There is no collateral held by the association securing trade and other receivables.

Credit risk is managed by the Association and reviewed regularly by the Committee. It arises from exposures to customers as well as through deposits with financial institutions.

Financial liability and financial asset maturity analysis

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of the realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Weighted average effective interest rate		Floating interest rate		Fixed interest rate maturing		Non-interest bearing		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Cash at bank	2.10	3.80	603,130	417,756	-	-	-	-	603,130	417,756
Cash on hand	-	-	-	-	-	-	1,000	1,000	1,000	1,000
Receivables	-	-	-	-	-	-	365,121	331,491	365,121	331,491
Total			603,130	417,756	-	-	366,121	332,491	969,251	750,247
Financial liabilities										
Trade and sundry payables	-	-	-	-	-	-	238,593	198,119	238,593	198,119
Total			-	-	-	-	238,593	198,119	238,593	198,119

Trade and sundry payables are expected to be paid as follows:

Account payables

Less than 12 months

Total trade and sundry payables

	2011 \$	2010 \$
	238,593	198,119
Total trade and sundry payables	238,593	198,119

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 16: FINANCIAL INSTRUMENTS CONT

Net fair values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Sensitivity analysis:

The following table illustrates sensitivities to the association's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

As at 31 December 2011, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2011 \$	2010 \$
Change in profit		
- Increase in interest rate by 1%	6,041	4,178
- Decrease in interest rate by 1%	<u>(6,041)</u>	<u>(4,178)</u>
Change in equity		
- Increase in interest rate by 1%	6,041	4,178
- Decrease in interest rate by 1%	<u>(6,041)</u>	<u>(4,178)</u>

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTE 17: 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

Chartered Accountants

RSM Bird Cameron
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

AUDITOR'S DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of the Australian Hotels Association – National Body (AHA) which have been subjected to the auditing procedures applied in our audit of the AHA for the year 31 December 2011. 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
Chartered Accountants



GED STENHOUSE
Director

Canberra, Australian Capital Territory
Dated: 19 April 2012

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

CONTENTS

Unaudited Detailed Income Statement for National Office*

Unaudited Detailed Income Statement for National Marketing and Convention*

Unaudited Detailed Income Statement for Work Choice Project*

Unaudited Detailed Income Statement for National Industry Skills Execution of Contracts (NICS)*

Unaudited Detailed Income Statement for Welfare to Work*

* The unaudited income statements do not include all the activities of the Australian Hotels Association – National Body and therefore do not reconcile with the audited income statement.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**UNAUDITED DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$
National Office		
Affiliation fees	2,400	2,400
Capitation fees	420,000	399,333
Dividends received	34	28
Hotel news advertising	23,900	27,259
Interest received	12,744	6,746
Net grants income	(7,668)	9,401
Net profit - National marketing and convention	876,967	1,008,455
Rental received – 24 Brisbane Avenue, Barton	133,872	134,623
Total revenue	<u>1,462,249</u>	<u>1,588,245</u>
Expenditure		
ACT Branch management fees	28,692	44,177
Accountancy fees	45,858	48,658
Accrued annual leave	8,482	(1,575)
Accommodation divisional survey and operational costs	205,714	117,057
Auditor's remuneration	14,479	11,175
Bank charges	3,234	2,495
Body corporate and outgoings	33,391	27,454
Depreciation expense – Office furniture	709	7,732
Depreciation expense – Building	23,827	23,827
Doubtful debts	(68,253)	70,258
Fringe benefits tax	1,934	7,654
Gaming expenses	26,615	-
Insurance expense	16,738	21,964
Industrial relations expense	23,953	36,074
Leasing of office premises	47,040	44,103
Legal expenses	16,875	16,450
Light and power	1,762	1,737
Loss on sale of non-current assets	-	400
Media, training and monitoring	7,981	6,093
Office expenses	7,472	6,193
Other expenses	-	(13,220)
Postage and freight	6,796	14,073
President's remuneration	25,000	25,000
Political events	2,118	-
Printing and stationery	8,595	4,224
Publications expense	25,422	35,407
Representations	24,310	22,728
Research and special projects	1,080	-
Salaries, benefits and on-costs	418,846	525,781
Secretary/Treasurer's remuneration	10,000	10,000
Staff recruitment	6,069	-
Subscriptions expense	151,125	123,865
Telephone expense	8,729	30,254
Travel and meetings	99,203	124,644
Total expenditure	<u>1,233,796</u>	<u>1,394,682</u>
Surplus for the year	<u>228,453</u>	<u>193,563</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**UNAUDITED DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$
National Marketing and Convention		
Revenue		
Corporate sponsorship	934,764	1,036,137
Delegate registration	76,477	115,847
NAFE income	27,628	30,764
Trade booths	-	3,732
Spring carnival	-	329,916
Total revenue	<u>1,038,869</u>	<u>1,516,396</u>
Expenditure		
Audio-visual and slide production	3,140	31,361
Consultancy expense	753	622
Delegate transport	-	1,400
Entertainment, theming and production	11,410	23,199
Equipment hire	2,400	2,750
Food, beverages, golf and theme parks	80,020	35,451
National awards for excellence	24,653	28,308
Postage and freight	-	571
Printing and stationery	2,465	9,296
Spring carnival	36,491	364,681
Travel, accommodation and consultants	-	3,894
VIP events	46	1,982
VIP gifts	524	4,426
Total expenditure	<u>161,902</u>	<u>507,941</u>
Surplus for the year	<u>876,967</u>	<u>1,008,455</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**UNAUDITED DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
SIAP / Workchoice Projects		
Revenue		
Grants Income received	92,754	53,386
Total revenue	<u>92,754</u>	<u>53,386</u>
Expenditure		
Completion of seminars	93,486	47,667
Total expenditure	<u>93,486</u>	<u>47,667</u>
(Deficit) / surplus for the year	<u>(732)</u>	<u>5,719</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
UNAUDITED DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
WIP Project		
Revenue		
Grants received	161,818	106,364
Total revenue	<u>161,818</u>	<u>106,364</u>
Expenditure		
Consultancy fees	161,087	106,364
Total expenditure	<u>161,087</u>	<u>106,364</u>
Surplus for the year	<u>731</u>	<u>-</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**UNAUDITED DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
ENBM Project		
Revenue		
Grant income	74,500	50,000
Total revenue	<u>74,500</u>	<u>50,000</u>
Expenditure		
Consultancy fees	82,167	46,318
Total expenditure	<u>82,167</u>	<u>46,318</u>
(Deficit) / surplus for the year	<u>(7,667)</u>	<u>3,682</u>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

We have audited the accompanying financial report of the Australian Hotels Association – National Body ("the association"), which comprises the balance sheet as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Committee of Management.

Committee's Responsibility for the Financial Report

The Committee is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1991 (ACT)* and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

RSM Bird Cameron

Chartered Accountants

Opinion

In our opinion, the financial report of the Australian Hotels Association – National Body is in accordance with the *Associations Incorporation Act 1991 (ACT)* and the *Fair Work (Registered Organisations) Act 2009*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards

RSM Bird Cameron
Chartered Accountants



Canberra, Australian Capital Territory
Dated: 19 April 2012

GED STENHOUSE
Director