



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 2012 (FR2012/583)**

I refer to the above financial statements and accounts which were lodged with Fair Work Australia on 28 June 2013.

The financial report appears to have largely addressed the various issues raised by Mr Larry Powell of the Fair Work Commission in his correspondence in relation to the previous year's report. I wish to clarify however the correct interpretation of particular provisions of the *Fair Work (Registered Organisations) Act 2009* and the Fair Work (Registered Organisations) Regulations 2009. I set out the clarifications in the attached table.

You will be aware that new Reporting Guidelines were issued on 26 June 2013. The new Guidelines contain additional requirements. The relevant parts of the Act, the Regulations and the Reporting Guidelines should be read closely and applied accordingly.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

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 2012, 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.

Opinion

In our opinion, the general purpose financial report of the Australian Hotels Association – National Body 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*.

- (i) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards.

RSM Bird Cameron



GED STENHOUSE

Director

Registered Company Auditor No.: 165294

Canberra, Australian Capital Territory

Dated: 16 April 2013



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:
 - General Meeting of the organisation held on 25 June 2013; and
 - The Committee of Management meeting held on 16 April 2013 in respect of the financial year of the organisation ended 31 December 2012.
2. That the full report was distributed to the members of the organisation on 15 May 2013.

Colin Waller
Secretary-Treasurer

25 June 2013



AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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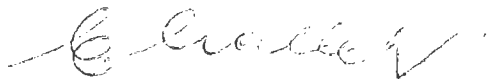
Statement of Principal Accounting Officer
Statement by the Committee of Management
Operating report
Statement of comprehensive income
Balance sheet
Statement of cash flows
Notes to the financial statements
Independent audit report
Income and expenditure statement

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 2012, the number of members of the Organisation was 5023.

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 2012;
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
Honorary Secretary / Treasurer

Dated this 16TH day of April 2013

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 2012:

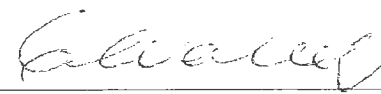
The Committee of Management declares in relation to the GPFR that in its opinion:

- a) The financial statement and notes complies with the reporting guidelines of the General Manager, Fair Work Australia;
- b) The financial statements and notes presents a true and fair view of the financial position and cash flows of Australian Hotels Association as at 31 December 2012 and its performance for the year ended on that date 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 and Regulations 2009*.
- 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 and Regulations 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 General Manager, Fair Work Australia duly made under section 272 of the *Fair Work (Registered Organisations) Act and Regulations 2009* during the period has been furnished accordingly; and
 - vi. No orders for inspection of financial records have been made by the Fair Work Australia 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



COLIN WALLER
National Secretary/Treasurer

Dated this 16TH day of April 2013

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
OPERATING REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2012

This operating report covers the results of those activities that were provided for the financial year ended 31 December 2012.

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.
- There were no other significant changes 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; 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 2012**

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

Mr Mark Robertson, Mr David Gibson, Mr Mark Vaile (who are executive members) are also directors of Hostplus Superannuation Industry Fund representing the National Body. Mr Neil Randall has been appointed as alternate director.

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 5023.

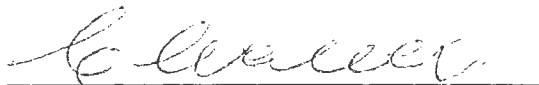
NUMBER OF EMPLOYEES

The number of persons who were, at the end of the reporting period, employees of the Association was 5 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 |
| Peter Crinis | – President Accommodation Division (appointed 1 March 2012) |
| John Dixon | – President Accommodation Division (resigned 1 March 2012) |



COLIN WALLER
National Secretary/Treasurer

Dated this 16TH day of April 2013

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	NOTE	2012 \$	2011 \$
Revenues	2	2,231,915	2,010,972
Accommodation divisional survey and operational costs		(550,743)	(205,714)
Employee benefits expenses		(558,904)	(462,328)
Depreciation expenses		(24,734)	(24,536)
Consultancy expenses		(143,307)	(243,254)
Legal expenses		(42,389)	(16,875)
Marketing and convention expenses		(151,207)	(161,902)
Executive and Council conferences and meetings		(19,193)	(14,137)
Travel expenses		(80,844)	(85,066)
Bank charges and finance costs		(2,924)	(3,234)
Administration expenses	3(b)	(617,458)	(565,473)
Current year surplus before income tax expense	3(a)	40,212	228,453
Income tax expense	1(a)	-	-
Net current year surplus		40,212	228,453
Other comprehensive income			
Revaluation of buildings		885,378	-
Total comprehensive income attributable to the members		925,590	228,453

The accompanying notes form part of the financial statements

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
BALANCE SHEET
AS AT 31 DECEMBER 2012

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	5	819,946	604,130
Accounts receivable and other debtors	6	283,266	365,121
Other current assets	7	27,009	7,885
TOTAL CURRENT ASSETS		1,130,221	977,136
NON-CURRENT ASSETS			
Financial assets	8	779	749
Property, plant and equipment	9	1,453,771	590,268
TOTAL NON-CURRENT ASSETS		1,454,550	591,017
TOTAL ASSETS		2,584,771	1,568,153
CURRENT LIABILITIES			
Accounts payable and other payables	10	867,396	776,367
TOTAL CURRENT LIABILITIES		867,396	776,367
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		867,396	776,367
NET ASSETS		1,717,375	791,786
EQUITY			
Reserves		885,378	-
Retained surplus		831,997	791,786
TOTAL EQUITY		1,717,375	791,786

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 2012

	Asset revaluation reserve	Retained surplus	Total
Balance at 1 January 2011	-	563,333	563,333
Net surplus attributable to members of the entity	-	228,452	228,452
Balance at 31 December 2011	-	791,785	791,785
Revaluation of buildings	885,378	-	885,378
Net surplus attributable to members of the entity	-	40,212	40,212
Balance at 31 December 2012	885,378	831,997	1,717,375

The accompanying notes form part of these financial statements

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	NOTE	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from capitation fees	12a	931,495	431,070
Receipts from promotional and sundry activities		1,287,211	1,202,711
Interest received		30,037	14,018
Dividends received		73	38
Receipts from Government grants		291,057	392,370
Payments to employees and for promotional and other expenses		(2,321,198)	(1,852,897)
Net cash provided by operating activities	12	<u>218,675</u>	<u>187,310</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(2,859)	(1,936)
Net cash (used in) investing activities		<u>(2,859)</u>	<u>(1,936)</u>
Net increase in cash held		215,816	185,374
Cash and cash equivalents at beginning of financial year		604,130	418,756
Cash and cash equivalents at end of financial year	5	<u>819,946</u>	<u>604,130</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 2012

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 association is a non-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The amounts presented in the financial statements have been rounded to the nearest dollar. The financial statements were authorised for issue on 14 April 2013 by the members of the committee.

(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 of fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Freehold property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Increases in the carrying amount arising on the revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss. As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the net amount is restated to the revalued amount of the asset. The valuation has taken into account the requirements of AASB 116 which defines 'fair value' and the concepts of 'market value'. The date of the valuation was 31 December 2012 and the property was inspected on 8 December 2012.

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.

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 fixed 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.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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.

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 effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss. The association does not designate any interest in subsidiaries, associates or joint ventures 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Financial instruments (cont)

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(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. Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within twelve months after the end of the reporting period, All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults. For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at the point of writing off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognised the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

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.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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. Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the class of asset.

(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) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

(i) Revenue and other income

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) 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.

(k) 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.

(l) Accounts payable 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.

(m) 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.

(n) Critical accounting estimates and judgments

The association evaluates estimates and judgments 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.

(i) Impairment - general

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 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) 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>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015	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	1 July 2013	Not expected to have a material impact on the entity
AASB 13	<i>Fair Value Measurement</i>	Provides a clear definition of fair value, a framework for measuring fair value and enhanced disclosures about fair value measurement	1 January 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 for amendments to AASB 9 in December 2010.	1 January 2015	Not expected to have a material impact on the entity
AASB 119	<i>Employee Benefits</i>	The amendments to this Standard eliminates the option for defined benefit plans to use the corridor approach to defer the recognition of actuarial gains and losses and introduce enhanced disclosures about defined benefit plans. The amendments also incorporate changes to accounting for termination benefits.	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 2012

	NOTES	2012 \$	2011 \$
NOTE 2: REVENUE			
Operating activities			
Affiliation fees		2,400	2,400
Capitation fees – general levy from states		420,000	420,000
Capitation fees – TAA levy from states		350,000	-
Dividends received		36	34
Income received from Government grants		168,307	379,155
Interest received		27,306	12,744
Promotional and sundry income		1,263,866	1,196,639
Total revenue		2,231,915	2,010,972
2(a) Breakdown of capitation fees – general levy from states			
New South Wales		134,400	134,400
Victoria		100,800	100,800
Queensland		75,600	75,600
South Australia		42,000	42,000
Western Australia		42,000	42,000
Tasmania		16,800	16,800
Australian Capital Territory		4,200	4,200
Northern Territory		4,200	4,200
		420,000	420,000
2(b) Breakdown of capitation fees – TAA levy from states			
New South Wales		112,000	-
Victoria		84,000	-
Queensland		63,000	-
South Australia		35,000	-
Western Australia		35,000	-
Tasmania		14,000	-
Australian Capital Territory		3,500	-
Northern Territory		3,500	-
		350,000	-
Donations			
Liberal National Party		150,000	250,000
Australian Labour Party		150,000	9,272
		300,000	259,272
3(b) Administration expenses includes:			
Industrial relations expense		46,573	23,953
Accounting expenses		61,950	48,858
Body corporate and outgoings		31,551	33,391
Completion of seminars in relation to LEA project		25,750	93,486
Expenses incurred in relation to smoking project		130,000	50,083
Gaming expenses		14,957	26,615
Insurance expenses		17,364	16,738
President's remuneration	3a	25,000	25,000
Publications expense		14,677	25,422
Secretary/Treasurer's remuneration	3a	10,000	10,000
Operating lease expenses		46,857	47,040
Subscriptions expenses		137,462	151,125
Other expenses		55,317	13,762
		617,458	565,473

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 4: AUDITORS' REMUNERATION		
Remuneration of the auditor of the association for:		
- auditing the financial statements	11,975	11,479
	<hr/>	<hr/>
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	-	1,000
Cash at bank	319,946	603,130
Short term investments – term deposits	500,000	-
	<hr/>	<hr/>
	819,946	604,130
	<hr/>	<hr/>
NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
Net GST refundable	2,501	-
Trade receivables	287,087	390,981
Less: Provision for doubtful debts	(6,322)	(25,860)
	<hr/>	<hr/>
	283,266	365,121
	<hr/>	<hr/>
NOTE 7: OTHER CURRENT ASSETS		
Prepayments	27,009	7,885
	<hr/>	<hr/>
	27,009	7,885
	<hr/>	<hr/>
NOTE 8: FINANCIAL ASSETS		
Available-for-sale financial assets	779	749
a. Available-for-sale financial assets comprise:		
Listed investments, at fair value		
- shares in listed corporations at market value	779	749
Total available-for-sale financial assets	<hr/>	<hr/>
	779	749
	<hr/>	<hr/>
NOTE 9(a): PROPERTY, PLANT & EQUIPMENT		
Building – 24 Brisbane Avenue, Barton at cost	-	1,067,166
Less: accumulated depreciation	-	(478,717)
	<hr/>	<hr/>
	-	588,449
	<hr/>	<hr/>
Building – 24 Brisbane Avenue, Barton at valuation	1,450,000	-
	<hr/>	<hr/>
	1,450,000	-
	<hr/>	<hr/>
Office equipment – at cost	34,396	309,690
Less: accumulated depreciation	(30,625)	(307,871)
	<hr/>	<hr/>
	3,771	1,819
	<hr/>	<hr/>
Total property, plant and equipment	1,453,771	590,268
	<hr/>	<hr/>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$	
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	Office equipment	Total
	\$	\$	\$
Balance at 31 December 2010	612,276	592	612,868
Additions	-	1,936	1,936
Depreciation expense	(23,827)	(709)	(24,536)
Balance at 31 December 2011	588,449	1,819	590,268
Additions	-	2,859	2,859
Revaluations	885,378	-	885,378
Depreciation expense	(23,827)	(907)	(24,734)
Carrying amount at 31 December 2012	<u>1,450,000</u>	<u>3,771</u>	<u>1,453,771</u>

The land and building, being located at Unit 1, 24 Brisbane Avenue, Barton was inspected by Marcus Hon AAPI of CBRE Valuations Pty Limited on 8 December 2012. The valuation of the property as at 31 December 2012 has been determined on a 'market value' basis. This is equivalent to fair value and in accordance with AASB 116

NOTE 10: ACCOUNTS PAYABLE AND OTHER PAYABLES

Current

Accounts payable	241,601	101,085
Accrued expenditure	59,863	75,854
Other payables	25,740	61,654
Income received in advance	513,213	510,301
Provision for annual leave	26,979	27,473
	1(l)	
	<u>867,396</u>	<u>776,367</u>

NOTE 11: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

Non-cancellable operating lease contracted for but not recognised in the financial statements

Receivables – minimum lease receipts

Not later than 12 months	126,370	127,458
Later than 12 months but not later than 5 years	447,553	499,211
	<u>573,923</u>	<u>626,669</u>

The property lease commitment is a non-cancellable operating lease with a five year term, with rent received monthly 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	46,450	46,850
Later than 1 year but not later than 5 years	164,508	183,496
	<u>210,958</u>	<u>230,346</u>

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

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 12: CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with surplus after income tax		
Surplus after income tax	40,212	228,453
Non-cash flows in profit:		
Depreciation expense	24,734	24,536
Changes in assets and liabilities:		
Decrease/(increase) in trade receivables	81,855	(33,570)
(Increase)/decrease in prepayments	(19,124)	57,287
Increase in trade and other payables	88,580	40,416
Increase in income received in advance	2,912	(138,293)
(Decrease) in provisions	(494)	8,481
	<u>218,675</u>	<u>187,310</u>

Credit stand-by and financing facilities

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

NOTE 12A: RECONCILIATION OF RECEIPTS OF CAPITATION FEES

Affiliation fees	2,400	2,400
General levy	420,000	420,000
TAA special levy from state	350,000	-
GST incurred	77,240	42,240
Decrease/(increase) in trade receivables	81,855	(33,570)
	<u>931,495</u>	<u>431,070</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
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 (up to 1 March 2012)
- Peter Crinis (from 1 March 2012 onwards)

(b) Key management personnel

Key management personnel compensation:

Short-term benefits	296,283	298,558
Total	296,283	298,558

(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	16,327	27,025
Amounts paid to the NSW Board for gaming consulting	50,000	50,000
Total	66,327	77,025

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 14: INFORMATION TO BE PROVIDED TO THE MEMBERS OR GENERAL MANAGER, FAIR WORK AUSTRALIA

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 the General Manager, Fair Work Australia, 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 the General Manager, Fair Work Australia, make the specified information available to the member or the General Manager, Fair Work Australia in such a manner, and within such time, as prescribed;
- The General Manager, Fair Work Australia may only make an application under subsection (1) at the request of a member of the reporting concerned, and the General Manager, Fair Work Australia shall provide to a member information received because of an application made at the request of the member.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

2012
\$

2011
\$

NOTE 15: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with bank, short term investments, and investments in listed shares, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets

Cash and cash equivalents	5	819,946	604,130
Accounts receivable and other debtors		283,266	365,121
Available-for-sale financial assets			
- Shares in listed companies	8	779	749
		1,103,991	970,000

Financial liabilities

Financial liabilities at amortised cost			
- Accounts payable and other payables	10	867,396	776,367

Financial risk management policies

The association's 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.

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. There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the association's objectives, policies and processes for managing or measuring the risks from the previous period.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the association. Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit-worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintains a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount 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. Accounts receivable and other debtors that are neither past due nor impaired are considered to be high credit quality. The association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 15: FINANCIAL RISK MANAGEMENT (CONT)

Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages its risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- only investing surplus cash with major financial institutions

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold directly any derivative financial liabilities.

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

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Accounts payable and other payables (excluding annual leave)	327,204	238,593	-	-	-	-	327,204	238,593
Total expected outflows	327,204	238,593	-	-	-	-	327,204	238,593
Financial assets – cash flows realisable								
Cash and cash equivalents	819,946	604,130	-	-	-	-	819,946	604,130
Accounts receivable and other debtors	283,266	365,121	-	-	-	-	283,266	365,121
Available-for-sale investments	779	749	-	-	-	-	779	749
Total anticipated inflows	1,103,991	970,000	-	-	-	-	1,103,991	970,000
Net (outflow)/inflow on financial instruments	776,787	731,407	-	-	-	-	776,787	731,407

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Footnote	2012		2011	
		Net carrying value \$	Net fair value \$	Net carrying value \$	Net fair value \$
Financial assets					
Cash and cash equivalents	(i)	819,946	819,946	604,130	604,130
Accounts receivable and other debtors	(i)	283,266	283,266	365,121	365,121
Available-for-sale financial assets – in listed share investments	(ii)	779	779	749	749
Total financial assets		1,103,991	1,103,991	970,000	970,000
Financial liabilities					
Accounts payable and other payables	(i)	867,396	867,396	776,367	776,367
Total financial liabilities		867,396	867,396	776,367	776,367

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.
- (ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at reporting date are used.

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 balance date 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.

	Financial assets	
	Profit \$	Equity \$
Year ended 31 December 2012		
+/- 1% in interest rates	8,200	8,200
+/- 10% in listed investments	78	78
Year ended 31 December 2011		
+/- 1% in interest rates	6,042	6,042
+/- 10% in listed investments	75	75

No sensitivity analysis has been performed on foreign exchange risk as the association has no significant exposure to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 17: CONTINGENT LIABILITIES

There are no contingent liabilities as at year end.

NOTE 18: ASSOCIATION DETAILS

The registered office and principal place of business of the association is:
Australian Hotels Association
24 Brisbane Avenue
BARTON ACT 2600

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
Revenue		
Affiliation fees	2,400	2,400
Capitation fees	770,000	420,000
Dividends received	66	34
Advertising income	2,000	23,900
Interest received	27,306	12,744
Income received from smoking project	130,000	50,082
Income received from government grants	168,308	329,072
Income received from national marketing and convention	996,562	1,038,869
Rental received from 24 Brisbane Avenue, Barton	135,273	133,871
Total revenue	2,231,915	2,010,972
Expenditure		
ACT Branch management fees	16,328	28,692
Annual leave expense	(494)	8,482
Accommodation divisional survey and operational costs	550,743	205,714
Audit and accounting fees	73,925	60,337
Bank charges	2,924	3,234
Body corporate and outgoings	31,551	33,391
Completion of seminars for LEA project	25,750	93,486
Consultancy expenses	143,307	243,254
Depreciation expense	24,734	24,536
Doubtful debts	3,355	(68,253)
Expenses incurred for the smoking project	130,000	50,083
Expenses incurred for the marketing convention	151,207	161,902
Executive and Council conference and meetings	19,193	14,137
Fringe benefits tax	8,000	1,934
Gaming expenses	14,957	26,615
Insurance expense	17,364	16,738
Industrial relations expense	46,573	23,953
Leasing of office premises	46,857	47,040
Legal expenses	42,389	16,875
Light and power	1,704	1,762
Media, training and monitoring	7,487	7,981
Office administrative expenses	4,526	14,621
Postage and freight	2,349	6,796
President's remuneration	25,000	25,000
Political events	4,462	2,118
Printing and stationery	5,011	8,595
Publications expense	14,677	25,422
Representations	15,076	24,310
Salaries, benefits and on-costs	524,398	418,846
Secretary/Treasurer's remuneration	10,000	10,000
Subscriptions expense	137,462	151,125
Telephone expense	10,044	8,727
Travel expenses	80,844	85,066
Total expenditure	2,191,703	1,782,519
Surplus for the year	40,212	228,453

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

**INCOME AND EXPENDITURE STATEMENT
SUPPORTING SCHEDULES
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
National marketing and convention		
Revenue		
Corporate sponsorship	875,272	934,764
Delegate registration	-	76,477
National awards for excellence sponsorship income	121,290	27,628
Total revenue	<u>996,562</u>	<u>1,038,869</u>
Expenditure		
Audio-visual and slide production	2,167	3,140
Consultancy expense	-	753
Entertainment, theming and production	8,033	11,410
Equipment hire	-	2,400
Food, beverages, golf and theme parks	62,918	80,020
National awards for excellence	24,208	24,653
Printing and stationery	7,770	2,465
Spring carnival	40,234	36,491
Travel, accommodation and consultants	5,877	-
VIP events	-	46
VIP gifts	-	524
Total expenditure	<u>151,207</u>	<u>161,902</u>
Surplus for the year	<u>845,355</u>	<u>876,967</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
INCOME AND EXPENDITURE STATEMENT
SUPPORTING SCHEDULES
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
LEA / SIAP projects		
Revenue		
Grants income received	25,000	92,754
Total revenue	<u>25,000</u>	<u>92,754</u>
Expenditure		
Completion of seminars	25,750	93,486
Total expenditure	<u>25,750</u>	<u>93,486</u>
Deficit for the year	<u>(750)</u>	<u>(732)</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY
INCOME AND EXPENDITURE STATEMENT
SUPPORTING SCHEDULES
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
HEEIP/WIP project		
Revenue		
Grants received	143,307	161,818
Total revenue	<u>143,307</u>	<u>161,818</u>
Expenditure		
Consultancy fees	143,307	161,087
Total expenditure	<u>143,307</u>	<u>161,087</u>
Surplus for the year	<u>-</u>	<u>731</u>

AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

INCOME AND EXPENDITURE STATEMENT
SUPPORTING SCHEDULES
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
ENBM project		
Revenue		
Grant income	-	74,500
Total revenue	-	74,500
Expenditure		
Consultancy fees	-	82,167
Total expenditure	-	82,167
Surplus / (deficit) for the year	-	(7,667)