



FAIR WORK  
COMMISSION

15 July 2014

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 - for year ended 31 December 2013 (FR2013/507)**

I acknowledge receipt of the financial report of the Australian Hotels Association ('the reporting unit') for the year ended 31 December 2013, which was lodged on 6 June 2014.

The financial report has been filed. It has been filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2014 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged for 2013. The Fair Work Commission will however confirm these matters have been addressed prior to filing next year's report.

Auditor's report: declaration regarding going concern

Paragraph 39<sup>1</sup> of the new reporting guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statement.<sup>2</sup>

Disclosure of employee expenses to office holders and other employees

The Reporting Guidelines require reporting units to disclose in the Statement of Comprehensive Income or in the notes to the financial statements employee expenses to holders of office (item 16(f)) and employee expenses to other employees (item 16(g))<sup>3</sup>.

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<sup>1</sup> item 45 of the previous Reporting Guidelines that applied to 2013

<sup>2</sup> See also item 38 of the new Reporting Guidelines which requires an auditor to make a declaration in respect of his or her approved status under the Act.

<sup>3</sup> Items 17(f) and 17(g) of the previous Reporting Guidelines that applied to 2013

The Reporting Guidelines also require separate disclosure of wages and salaries, leave entitlements, superannuation, separation/redundancy and other employee expenses.

The statement of comprehensive income and the statement of income and expenditure do not distinguish between employee expenses for office holders and other employees. Nor do they disclose any balances for superannuation, separation/redundancy or other employee benefits expenses.

All employee benefits expenses should be separately disclosed for each category by office-holder and other employee.

#### Disclosure of employee provisions to office holders and other employees

The Reporting Guidelines require reporting units to disclose in the Statement of Financial position or in the notes to the financial statements liabilities for employee benefits provisions to holders of office (item 20(c)) and other employees (item 20(d))<sup>4</sup>.

The Reporting Guidelines also require separate disclosure of annual leave, long service leave, separation/redundancy and other employee provisions.

The statement of financial position and the notes do not make any provisions disclosures.

In future years please ensure that any expenses/provisions for office holders and other employees are disclosed correctly in accordance with the Reporting Guidelines, or a statement of non-activity or nil balance is made (see following paragraph).

#### Disclosure of non-occurring Activities under Reporting Guidelines

Items 13, 15, 17, 19, 21, 23, and 25 of the new Reporting Guidelines<sup>5</sup> state that if the activities identified in the items to which each relates have not occurred in the reporting period, a statement to this effect (or a nil balance for each such activity<sup>6</sup>) must be included in the notes to the GPFR. If in future, any activity category described by the Reporting Guidelines does not occur, please ensure that a statement is included.

#### Notice setting out sections 272(1), (2) & (3)

The notice at Note 14 includes the wording of subsection 272(1) but does not reflect the wording of subsections 272 (2) & (3) which is as follows:

*(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.*

*(3) A reporting unit must comply with an application made under subsection (1).*

If you have any queries regarding this letter, I may be contacted on (02) 6746 3283 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely



Stephen Kellett  
Senior Adviser, Regulatory Compliance Branch

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<sup>4</sup> Items 21(c) and 21(d) of the previous Reporting Guidelines that applied to 2013

<sup>5</sup> Items 14, 16, 18, 20, 22, 24 and 26 of the previous Reporting Guidelines

<sup>6</sup> E.g. Note 8A, Note 17, in model financial statements at

[https://www.fwc.gov.au/documents/documents/organisations/reporting\\_guidelines/Model-financial-statements.pdf](https://www.fwc.gov.au/documents/documents/organisations/reporting_guidelines/Model-financial-statements.pdf)



# AUSTRALIAN HOTELS ASSOCIATION

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## AUSTRALIAN HOTELS ASSOCIATION

### CERTIFICATE OF SECRETARY

I, Colin Waller, duly authorised officer of 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:

1(a) General Meeting of Members of the organisation held on 2 June 2014; and

1(b) The Committee of Management meeting held on 29 April 2014 in respect of the financial year of the organisation ended 31 December 2013.

2. That the full report was distributed to the members of the organisation on 1 May 2014.

Colin Waller

Secretary/Treasurer

2 June 2014

**AUSTRALIAN HOTELS ASSOCIATION - NATIONAL BODY**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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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 2013, the number of members of the Organisation was 4,930.

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 2013;
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

29<sup>th</sup> day of April 2014

**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 2013:

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 2013 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 BURNETT**  
National President



**COLIN WALLER**  
National Secretary/Treasurer

29<sup>th</sup> day of April 2014

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

This operating report covers the results of those activities that were provided for the financial year ended 31 December 2013.

**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 31<sup>ST</sup> DECEMBER 2013**

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

Mr Mark Robertson (who is an executive member) is also director of Hostplus Superannuation Industry Fund representing the National Body.

**NUMBER OF MEMBERS**

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Association was 4,930.

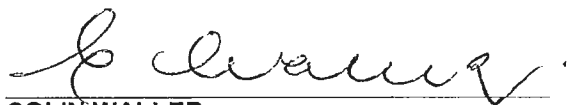
**NUMBER OF EMPLOYEES**

The number of persons who were, at the end of the reporting period, employees of the Association was 2 comprised of 1 full time and 1 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/President
Scott Leach	– Vice President
Peter Crinis	– President Accommodation Division
Tom McGuire	– Senior Vice President



**COLIN WALLER**  
National Secretary/Treasurer

29<sup>th</sup> day of April 2014

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
Revenues			
Membership subscription	2	-	-
Affiliation fees	2	2,400	2,400
Capitation fees	2	782,600	770,000
Interest income	2	17,917	27,306
Other income	2	1,351,469	1,432,209
		<u>2,154,386</u>	<u>2,231,915</u>
Accommodation divisional survey and operational costs		(627,545)	(550,743)
Employee benefits expenses		(559,398)	(558,904)
Depreciation expenses		(34,260)	(24,734)
Consultancy expenses		(294,564)	(143,307)
Legal expenses		(7,857)	(42,389)
Marketing and convention expenses		(126,969)	(151,207)
Executive and Council conferences and meetings		(27,048)	(19,193)
Travel expenses		(92,235)	(80,844)
Bank charges and finance costs		(21,826)	(2,924)
Administration expenses	3(a)	(448,238)	(617,458)
Current year surplus/(deficit) before income tax expense		<u>(85,554)</u>	<u>40,212</u>
Income tax expense	1(a)	-	-
Net current year surplus		<u>(85,554)</u>	<u>40,212</u>
<b>Other comprehensive income</b>			
Revaluation of buildings		-	885,378
Total comprehensive income attributable to the members		<u>(85,554)</u>	<u>925,590</u>

The accompanying notes form part of the financial statements

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	731,025	819,946
Accounts receivable and other debtors	6	154,637	283,266
Other current assets	7	49,588	27,009
<b>TOTAL CURRENT ASSETS</b>		<u>935,250</u>	<u>1,130,221</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	8	779	779
Property, plant and equipment	9	1,419,511	1,453,771
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,420,290</u>	<u>1,454,550</u>
<b>TOTAL ASSETS</b>		<u>2,355,540</u>	<u>2,584,771</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	10	723,719	867,396
<b>TOTAL CURRENT LIABILITIES</b>		<u>723,719</u>	<u>867,396</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>723,719</u>	<u>867,396</u>
<b>NET ASSETS</b>		<u>1,631,821</u>	<u>1,717,375</u>
<b>EQUITY</b>			
Reserves		885,378	885,378
Retained surplus		746,443	831,997
<b>TOTAL EQUITY</b>		<u>1,631,821</u>	<u>1,717,375</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 2013**

	<b>Asset revaluation reserve</b>	<b>Retained surplus</b>	<b>Total</b>
<b>Balance at 1 January 2012</b>	-	791,785	791,785
Net surplus attributable to members of the entity	-	40,212	40,122
Revaluation of Buildings		885,378	<b>885,378</b>
<b>Balance at 31 December 2012</b>	-	<b>1,717,375</b>	<b>1,717,375</b>
Revaluation of buildings	-	-	-
Net surplus/(deficit) attributable to members of the entity	-	(85,554)	(85,554)
<b>Balance at 31 December 2013</b>	-	<b>1,631,821</b>	<b>1,631,821</b>

The accompanying notes form part of these financial statements

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from capitation fees	12a	992,129	931,495
Receipts from promotional and sundry activities		1,314,077	1,287,211
Interest received		17,917	30,037
Dividends received		77	73
Receipts from Government grants		424,071	291,057
Payments to employees and for promotional and other expenses		(2,837,192)	(2,321,198)
<b>Net cash provided by operating activities</b>	<b>12</b>	<u>(88,921)</u>	<u>218,675</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		-	(2,859)
<b>Net cash (used in) investing activities</b>		<u>-</u>	<u>(2,859)</u>
Net increase in cash held		(88,921)	215,816
Cash and cash equivalents at beginning of financial year		819,946	604,130
Cash and cash equivalents at end of financial year	<b>5</b>	<u>731,025</u>	<u>819,946</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 2013**

**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 29 April 2014 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:

<b>Class of fixed asset</b>	<b>Depreciation rate</b>
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 2013**

**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 2013**

**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 many 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 2013**

**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 2013**

**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**  
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**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's financial statements.
2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2015	Not expected to have a material impact on the entity's financial statements.
2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</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's financial statements.
2011-7 (Not-for-Profits Only)	<i>Amendments to Australian Accounting Standards arising from AASB 10, 11, 12, 127, 128</i>	Amends AASB 1,2,3,5,7,9,2009-11,101,107,112,118,121,124,132,133,136,138,139,1023 & 1038 and Interpretations 5,9,16 & 17 as a result of the issuance of AASB 10, 11, 12, 127 and 128	1 January 2014	Not expected to have a material impact on the entity's financial statements.
2012-1	<i>Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements</i>	This Standard makes amendments to AASB 3, 7, 13, 140 and 141 to establish reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> .	1 July 2013	Not expected to have a material impact on the entity's financial statements.
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's financial statements.
2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements and amends AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052.	1 July 2013	Not expected to have a material impact on the entity's financial statements.
2011-4	<i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i>	This Standard amends AASB 124 <i>Related Party Disclosures</i> to remove all the individual key management personnel (KMP) disclosures contained in Aus paragraphs 29.1 to 29.9.3.	1 July 2013	Not expected to have a material impact on the entity's financial statements
2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i>	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.	1 January 2014	Not expected to have a material impact on the entity's financial statements
2012-7	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This Standard adds to or amends the Australian Accounting Standards – Reduced Disclosure Requirements for AASB 7, 12, 101 and 127.	1 July 2013	Not expected to have a material impact on the entity's financial statements

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2012-11	<i>Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments</i>	The Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2).	1 July 2013	Not expected to have a material impact on the entity's financial statements
2013-3	<i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i>	This Standard amends the disclosure requirements in AASB 136 to include additional disclosures about the fair value measurement and discount rates when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	Not expected to have a material impact on the entity's financial statements
2013-6	<i>Amendments to AASB 136 arising from Reduced Disclosure Requirements</i>	This Standard amends the Australian Accounting Standards – Reduced Disclosure Requirements for AASB 136 <i>Impairment of Assets</i> .	1 January 2014	Not expected to have a material impact on the entity's financial statements
2013-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities</i>	This Standard adds Appendix E <i>Australian Implementation Guidance for Not-for-Profit Entities</i> to AASB 10 as an integral part of that Standard. The appendix explains the control principles in AASB 10 from the perspective of not-for-profit entities.	1 January 2014	Not expected to have a material impact on the entity's financial statements
2013-9A	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	Part A of 2013-9 updates references to the <i>Framework for the Preparation and Presentation of Financial Statements</i> (July 2004) in particular Australian Accounting Standards (including Interpretations), and makes various editorial corrections to Australian Accounting Standards.	20 December 2013	Not expected to have a material impact on the entity's financial statements
2013-9B	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	Part B of 2013-9 makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, and makes various editorial corrections to Australian Accounting Standards.	1 January 2014	Not expected to have a material impact on the entity's financial statements

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
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**NOTE 2: REVENUE**

**Operating activities**

Membership subscription	-	-
Affiliation fees	2,400	2,400
Capitation fees – general levy from states	432,600	420,000
Capitation fees – TAA levy from states	350,000	350,000
Dividends received	77	36
Income received from Government grants	294,564	168,307
Interest received	17,917	27,306
Promotional and sundry income	1,056,828	1,263,866
<b>Total revenue</b>	<b>2,154,386</b>	<b>2,231,915</b>
2(a) Breakdown of capitation fees – general levy from states		
New South Wales	139,513	134,400
Victoria	108,150	100,800
Queensland	87,602	75,600
South Australia	31,363	42,000
Western Australia	47,586	42,000
Tasmania	9,734	16,800
Australian Capital Territory	4,326	4,200
Northern Territory	4,326	4,200
	<b>432,600</b>	<b>420,000</b>
2(b) Breakdown of capitation fees – TAA levy from states		
New South Wales	112,875	112,000
Victoria	87,500	84,000
Queensland	70,875	63,000
South Australia	25,375	35,000
Western Australia	38,500	35,000
Tasmania	7,875	14,000
Australian Capital Territory	3,500	3,500
Northern Territory	3,500	3,500
	<b>350,000</b>	<b>350,000</b>
Donations		
Liberal National Party	-	150,000
Australian Labour Party	-	150,000
	<b>-</b>	<b>300,000</b>
3(a) Administration expenses includes:		
Industrial relations expense	30,956	46,573
Accounting expenses	66,953	61,950
Body corporate and outgoings	38,971	31,551
Completion of seminars in relation to LEA project	-	25,750
Expenses incurred in relation to special project	20,000	130,000
Gaming expenses	9,380	14,957
Insurance expenses	20,416	17,364
President's remuneration	<b>13a</b> 25,000	25,000
Publications expense	22,953	14,677
Secretary/Treasurer's remuneration	<b>13a</b> 10,000	10,000
Operating lease expenses	49,287	46,857
Subscriptions expenses	146,099	137,462
Other expenses	8,223	55,317
	<b>448,238</b>	<b>617,458</b>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
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	<b>2013</b> \$	<b>2012</b> \$
<b>NOTE 4: AUDITORS' REMUNERATION</b>		
Remuneration of the auditor of the association for:		
- auditing the financial statements	10,940	11,975
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	-	-
Cash at bank	231,025	319,946
Short term investments – term deposits	500,000	500,000
	<u>731,025</u>	<u>819,946</u>
<b>NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>		
Net GST refundable	41,361	2,501
Trade receivables	116,988	287,087
Less: Provision for doubtful debts	(3,712)	(6,322)
	<u>154,637</u>	<u>283,266</u>
<b>NOTE 7: OTHER CURRENT ASSETS</b>		
Prepayments	49,588	27,009
	<u>49,588</u>	<u>27,009</u>
<b>NOTE 8: FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
<b>Term deposits with</b>		
St George Bank	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
<b>NON-CURRENT</b>		
<b>Available-for-sale financial assets</b>		
a. Available-for-sale financial assets comprise:		
Listed investments, at fair value		
- shares in Insurance Australia Group Limited	779	779
Total available-for-sale financial assets	<u>779</u>	<u>779</u>
<b>NOTE 9: PROPERTY, PLANT &amp; EQUIPMENT</b>		
Building – 24 Brisbane Avenue, Barton at fair value	1,450,000	1,450,000
Less: accumulated depreciation	(33,398)	-
	<u>1,416,602</u>	<u>1,450,000</u>
Office equipment – at cost	34,396	34,396
Less: accumulated depreciation	(31,487)	(30,625)
	<u>2,909</u>	<u>3,771</u>
<b>Total property, plant and equipment</b>	<u>1,419,511</u>	<u>1,453,771</u>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
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**NOTE 9: PROPERTY, PLANT & EQUIPMENT (CONT)**

**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 \$
<b>Balance at 31 December 2011</b>	588,449	1,819	590,268
Additions/Revaluation	885,378	2,859	888,237
Depreciation expense	(23,827)	(907)	(24,734)
<b>Balance at 31 December 2012</b>	1,450,000	3,771	1,453,771
Additions	-	-	-
Revaluations	-	-	-
Depreciation expense	(33,398)	(862)	(34,260)
<b>Carrying amount at 31 December 2013</b>	1,416,602	2,909	1,419,511

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**

**NOTE**

**Current**

Accounts payable	125,253	241,601
Accrued expenditure	47,002	59,863
Other payables	27,243	25,740
Income received in advance	499,808	513,213
Provision for annual leave	24,413	26,979
	1(l) <u>723,719</u>	<u>867,396</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	126,370
Later than 12 months but not later than 5 years	321,183	447,553
	<u>447,553</u>	<u>573,923</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	46,450
Later than 1 year but not later than 5 years	118,058	164,508
	<u>164,508</u>	<u>210,958</u>

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**NOTE 11: CAPITAL AND LEASING COMMITMENTS (CONT)**

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.

**NOTE 12: CASH FLOW INFORMATION**

**Reconciliation of cash flow from operations with surplus after income tax**

(Deficit)/Surplus after income tax	(85,554)	40,212
Non-cash flows in profit:		
Depreciation expense	34,260	24,734
Changes in assets and liabilities:		
Decrease/(increase) in trade receivables	117,489	81,855
(Increase)/decrease in prepayments	(61,438)	(19,124)
Increase in trade and other payables	(77,707)	88,580
Increase in income received in advance	(13,405)	2,912
(Decrease) in provisions	(2,566)	(494)
	<u>(88,921)</u>	<u>218,675</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	432,600	420,000
TAA special levy from state	350,000	350,000
GST incurred	78,500	77,240
Decrease/(increase) in trade receivables	128,629	81,855
	<u>992,129</u>	<u>931,495</u>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	2013 \$	2012 \$
<b>NOTE 13: RELATED PARTY TRANSACTIONS</b>		
<b>(a) Directors' remuneration</b>		
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
- Tom McGuire

**(b) Key management personnel**

Key management personnel compensation:

Short-term benefits	279,371	296,283
Total	<u>279,371</u>	<u>296,283</u>

**(c) Other related parties**

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

Amounts paid to the NSW Branch for accounting service	34,497	-
Amounts paid to the ACT Branch for general administration	27,275	16,327
Amounts paid to the NSW Branch for gaming consulting	45,000	50,000
Total	<u>106,772</u>	<u>66,327</u>

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.

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**2013**  
\$

**2012**  
\$

**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	731,025	819,946
Accounts receivable and other debtors		154,637	283,266
Available-for-sale financial assets			
- Shares in listed companies	8	779	779
		<u>886,441</u>	<u>1,103,991</u>

**Financial liabilities**

Financial liabilities at amortised cost			
- Accounts payable and other payables	10	723,719	867,396

**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**  
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**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	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Accounts payable and other payables (excluding annual leave)	199,498	327,204	-	-	-	-	199,498	327,204
<b>Total expected outflows</b>	<b>199,498</b>	<b>327,204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>199,498</b>	<b>327,204</b>
<b>Financial assets – cash flows realisable</b>								
Cash and cash equivalents	731,025	819,946	-	-	-	-	731,025	819,946
Accounts receivable and other debtors	154,637	283,266	-	-	-	-	154,637	283,266
Available-for-sale investments	779	779	-	-	-	-	779	779
<b>Total anticipated inflows</b>	<b>886,441</b>	<b>1,103,991</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>886,441</b>	<b>1,103,991</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>686,943</b>	<b>776,787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>686,943</b>	<b>776,787</b>

**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 2013**

**NOTE 15: FINANCIAL RISK MANAGEMENT (CONT)**

		2013		2012	
	Footnote	Net carrying value	Net fair value	Net carrying value	Net fair value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	731,025	731,025	819,946	819,946
Accounts receivable and other debtors	(i)	154,637	154,637	283,266	283,266
Available-for-sale financial assets – in listed share investments	(ii)	779	779	779	779
<b>Total financial assets</b>		<b>886,441</b>	<b>886,441</b>	<b>1,103,991</b>	<b>1,103,991</b>
<b>Financial liabilities</b>					
Accounts payable and other payables	(i)	773,719	773,719	867,396	867,396
<b>Total financial liabilities</b>		<b>773,719</b>	<b>773,719</b>	<b>867,396</b>	<b>867,396</b>

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
	\$	\$
<b>Year ended 31 December 2013</b>		
+/- 1% in interest rates	5,000	5,000
+/- 10% in listed investments	78	78
<b>Year ended 31 December 2012</b>		
+/- 1% in interest rates	5,000	5,000
+/- 10% in listed investments	78	78

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 2013**

**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  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

# AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY

## INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
<b>Revenue</b>		
Affiliation fees	2,400	2,400
Capitation fees	782,600	770,000
Dividends received	77	66
Advertising income	23,154	2,000
Interest received	17,917	27,306
Income received from special project	-	130,000
Income received from government grants	294,565	168,308
Income received from national marketing and convention	891,816	996,562
Rental received from 24 Brisbane Avenue, Barton	141,857	135,273
<b>Total revenue</b>	<u>2,154,386</u>	<u>2,231,915</u>
<b>Expenditure</b>		
ACT Branch management fees	27,275	16,328
Annual Leave/LSL expense	17,655	(494)
Accommodation divisional survey and operational costs	635,046	550,743
Audit and accounting fees	77,893	73,925
Bank charges	1,826	2,924
Body corporate and outgoings	38,971	31,551
Completion of seminars for LEA project	-	25,750
Consultancy expenses	294,564	143,307
Depreciation expense	34,260	24,734
Doubtful debts	(2,610)	3,355
Expenses incurred for the special project	20,000	130,000
Expenses incurred for the marketing convention	126,969	151,207
Executive and Council conference and meetings	27,048	19,193
Fringe benefits tax	7,512	8,000
Gaming expenses	9,380	14,957
Insurance expense	20,416	17,364
Industrial relations expense	30,956	46,573
Leasing of office premises	49,287	46,857
Legal expenses	7,857	42,389
Light and power	1,931	1,704
Media, training and monitoring	8,110	7,487
Office administrative expenses	9,475	4,526
Postage and freight	2,688	2,349
President's remuneration	25,000	25,000
Political events	25,336	4,462
Printing and stationery	6,602	5,011
Publications expense	22,953	14,677
Representations	2,639	15,076
Salaries, benefits and on-costs	444,323	524,398
Secretary/Treasurer's remuneration	10,000	10,000
Staff Recruiting	6,548	-
Subscriptions expense	146,099	137,462
Telephone expense	11,696	10,044
Travel expenses	92,235	80,844
<b>Total expenditure</b>	<u>2,239,940</u>	<u>2,191,703</u>
<b>Surplus/(Deficit) for the year</b>	<u>(85,554)</u>	<u>40,212</u>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**

**INCOME AND EXPENDITURE STATEMENT  
SUPPORTING SCHEDULES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>National marketing and convention</b>		
<b>Revenue</b>		
Corporate sponsorship	797,411	875,272
Delegate registration	-	-
National awards for excellence sponsorship income	86,904	121,290
<b>Total revenue</b>	<u>884,315</u>	<u>996,562</u>
<b>Expenditure</b>		
Audio-visual and slide production	-	2,167
Consultancy expense	-	-
Entertainment, theming and production	7,495	8,033
Equipment hire	-	-
Food, beverages, golf and theme parks	55,544	62,918
National awards for excellence	21,082	24,208
Printing and stationery	6,225	7,770
Spring carnival	35,615	40,234
Travel, accommodation and consultants	1,008	5,877
VIP events	-	-
VIP gifts	-	-
<b>Total expenditure</b>	<u>126,969</u>	<u>151,207</u>
<b>Surplus for the year</b>	<u>757,346</u>	<u>845,355</u>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**  
**INCOME AND EXPENDITURE STATEMENT**  
**SUPPORTING SCHEDULES**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>
<b>LEA projects</b>		
<b>Revenue</b>		
Grants income received	-	25,000
<b>Total revenue</b>	-	25,000
<b>Expenditure</b>		
Completion of seminars	-	25,750
<b>Total expenditure</b>	-	25,750
<b>Deficit for the year</b>	-	(750)

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**

**INCOME AND EXPENDITURE STATEMENT**

**SUPPORTING SCHEDULES**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>HEEIP project</b>		
<b>Revenue</b>		
Grants received	123,719	143,307
<b>Total revenue</b>	<u>123,719</u>	<u>143,307</u>
<b>Expenditure</b>		
Consultancy fees	123,719	143,307
<b>Total expenditure</b>	<u>123,719</u>	<u>143,307</u>
<b>Surplus for the year</b>	<u>-</u>	<u>-</u>

**AUSTRALIAN HOTELS ASSOCIATION – NATIONAL BODY**

**INCOME AND EXPENDITURE STATEMENT**

**SUPPORTING SCHEDULES**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>WORK FORCE project</b>		
<b>Revenue</b>		
Grant income	170,845	-
<b>Total revenue</b>	<u>170,845</u>	<u>-</u>
<b>Expenditure</b>		
Consultancy fees	170,845	-
<b>Total expenditure</b>	<u>170,845</u>	<u>-</u>
<b>Surplus / (deficit) for the year</b>	<u>-</u>	<u>-</u>

**RSM Bird Cameron**

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**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 2013, 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.

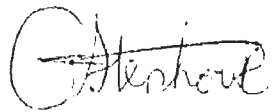
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the 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 2013 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: 21/1/2014



**RSM Bird Cameron**

**RSM Bird Cameron**

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**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 2013. 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: 15/12/2013