



Australian Government

Australian Industrial Registry

Level 36,
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Michael Capezio
President
Australian Hotels Association
Australian Capital Territory Branch
PO Box 3250
MANUKA ACT 2603

Dear Michael,

**Re: Australian Hotels Association – Australian Capital Territory Branch
Financial reports for year ended 31 December 2004
Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule) FR2004/647**

Thank you for the additional information received in this office on 24 February 2006 covering the branch's Operating Report and Committee of Management's statement for year ended 31 December 2004. The information has been filed.

In relation to the lodged financial reports, the following comments are additional to the comments raised in my letter of 10 January 2006, and are made to assist the branch when next preparing its financial reports.

General Purpose Financial Report:

The Registrar's Reporting Guidelines (attached) requires a reporting unit to contain in its General Purpose Financial Report certain disclosures in order to satisfy the requirements of s253 of the RAO Schedule. It would seem that your statement of Financial Performance does not provide any detail under 'Other Expenses from Ordinary Activities' other than a total figure of \$186,784.64.

So as to ensure compliance with s253, future documents should include particulars of all relevant disclosure requirements of the Industrial Registrar's Reporting Guidelines. Would you please bring this matter to the attention of your auditor.

Timescale requirements:

I note from your covering letter (also known as the Designated Officer's Certificate) that the full report was made available to members of the Branch on 31 August 2005, then subsequently presented to the AGM on 14 September 2005. Please note that such reports must be provided to the members of the reporting unit no less than 21 days before presentation of the full report to a general meeting of the members - refer s265(5)(a). Further, unless an extension is granted, financial documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented - refer s268 of the RAO Schedule.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the RAO Schedule, please contact me on (03) 8661 7817 or email: robert.pfeiffer@air.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Pfeiffer'.

Robert Pfeiffer
Statutory Services Branch, Melbourne

2 March 2006

Workplace Relations Act 1996

Schedule 1B

Australian Industrial Registry
Principal Registry
Nauru House
80 Collins Street
Melbourne Vic 3000

(Postal Address:
GPO Box 1994S
Melbourne Vic 3001)

Determination of reporting guidelines for the purposes of section 253 of RAO Schedule

Application

1. These reporting guidelines are made under section 255 of Schedule 1B (the RAO Schedule) of the *Workplace Relations Act 1996* (the Act).
2. These reporting guidelines apply to all general purpose financial reports of a reporting unit as defined in section 242 of the RAO Schedule except where a Registrar has issued a certificate under subsection 270(1) to the reporting unit in relation a financial year. Separate reporting guidelines made under section 255 of the RAO Schedule for purposes of section 270 apply to a general purpose financial report of a reporting unit in relation to the financial year for which a certificate has been issued under subsection 270(1).
3. In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations.

Operative Date

4. These reporting guidelines apply to each financial year of an organisation that starts on or after 1 July 2003.

Purpose of Reporting Guidelines

5. These reporting guidelines apply for purposes of section 253 of the RAO Schedule.
6. Under subsection 253(1) of the RAO Schedule a reporting unit is required to have a general purpose financial report (GPFR) prepared. The GPFR must be prepared in accordance with Australian Accounting Standards. These reporting guidelines prescribe certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the RAO Schedule.
7. The disclosure requirements prescribed by these reporting guidelines are directed towards providing members of a reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the GPFR about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

General Requirements for Presentation and Disclosures in GPFR

8. The reporting unit must disclose in the notes to the financial statements:
- (a) where the reporting unit is dependent on another reporting unit of the organisation for a significant volume of revenue or financial support and that dependency is not clearly discernible from a separate line item in the profit and loss statement or the balance sheet:
 - (i) the name of the reporting unit on which there is an economic dependency; and
 - (ii) the amount of revenue or financial support derived from the other reporting unit;
 - (b) information for the preceding corresponding financial year which corresponds to the disclosures specified for the current financial year must be disclosed, except where, in respect of the financial year to which these reporting guidelines are first applied, corresponding information was not required under the Act or the Workplace Relations Regulations or a superseded version of these reporting guidelines; and
 - (c) the notice required by subsection 272(5) of the RAO Schedule drawing attention to subsections (1), (2) and (3) of section 272 and setting out those subsections.
9. Where a reporting unit acquires during the financial year an asset or a liability as a result of:
- (a) an amalgamation under Chapter 3, Part 2 of the RAO Schedule in which the organisation was the amalgamated organisation; or
 - (b) a restructure of the branches of the organisation; or
 - (c) a determination by the Industrial Registrar under subsection 245(1) of the RAO Schedule of an alternative reporting structure for the organisation; or
 - (d) a revocation by the Industrial Registrar under subsection 249(1) of the RAO Schedule of a certificate issued to an organisation under subsection 245(1),
- the reporting unit must disclose in the notes to the financial statements in respect of each such asset or class of assets or each such liability or class of liabilities:
- (e) date acquired;
 - (f) description; and
 - (g) name of the entity (including a reporting unit of the organisation or that of another organisation) from which it was acquired.

Profit and Loss Statement

10. Balances for the following items of revenue must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) entrance fees or periodic subscriptions (in these guidelines referred to as membership subscriptions) in respect of membership of the organisation;
 - (b) where under the rules of the organisation or a branch of the organisation a reporting unit may receive from another reporting unit of the organisation as a contribution towards the general administrative expenses of the reporting unit a proportion of the total amount received by the other reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
 - (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the aggregate amount for all such reporting units;
 - (d) compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of particular purposes - the amount and a brief description of the purpose of each such levy or appeal; and

(e) donations or grants (other than voluntary contributions referred to in subparagraph (d)).

11. Balances for the following items of expense must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

- (a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions;
- (b) where under the rules of the organisation or the rules of a branch of the organisation the reporting unit must pay to another reporting unit of the organisation as a contribution towards the administrative expenses of the other reporting unit a proportion of the total amount derived by the reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
- (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the total amount in respect of all other reporting units;
- (d) fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;
- (e) compulsory levies imposed on the reporting unit - for each such levy, the amount, a brief description of purpose and the name of the entity imposing the levy (including another reporting unit of the organisation);
- (f) grants or donations;
- (g) employee benefits to holders of office of the reporting unit;
- (h) employee benefits to employees (other than holders of offices) of the reporting unit;
- (i) fees or allowances (other than any amount included in an amount referred to in subparagraphs (g) or (h) of this paragraph) to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;
- (j) legal costs and other expenses related to litigation or other legal matters;
- (k) expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible; and
- (l) penalties imposed on the reporting unit under the Act or Regulations.

12. Balances for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

- (a) where any amount (other than an amount included in an amount referred to elsewhere in these reporting guidelines) has been transferred to a fund or account kept for a specific purpose by the reporting unit or any such amount has been withdrawn from such a fund or account - the amount transferred to, or withdrawn from, that fund or account, as the case may be, and the name of the fund or account; and
- (b) the net surplus or net deficit of the reporting unit that has been transferred to the general fund.

Balance Sheet

13. Where an item is disclosed on the face of the balance sheet as:

- (a) a receivable or other right to receive cash; or

- (b) a payable or other financial liability; and
- (c) the item or a part of the item has been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation,

the following additional disclosures should be made in the notes to the financial statements about the item or the part of the item:

- (d) name of the other reporting unit; and
- (e) cost or value attributable to the other reporting unit.

14. Total amounts for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the balance sheet in accordance with Australian Accounting Standards:

Liabilities

- (a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
- (b) payables in respect of legal costs and other expenses related to litigation or other legal matters;
- (c) employee benefits in respect of holders of offices in the reporting unit;
- (d) employee benefits in respect of employees (other than holders of offices) of the reporting unit;

Equity

- (e) name and balance of each fund or account operated in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- (f) where moneys, or the balance of moneys, standing to the credit of a fund or account referred to in subparagraph (e) have been invested in any assets - the name of the fund or account and the value of those assets;
- (g) name and balance of each fund or account operated (other than the general fund or a fund referred to in (e)) the operation of which is required by the rules of the organisation including the rules of a branch of the organisation; and
- (h) the balance of the general fund.

Statement of Cash Flows

15. Where another reporting unit of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned.

Committee of Management Statement

16. For purposes of paragraph 253(2)(c) of the RAO Schedule the reporting unit must cause to be prepared a committee of management statement containing declarations by the committee of management in relation to the GPFR.

17. The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;

- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) 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; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

18. The committee of management statement must:

- (a) be made in accordance with such resolution as is passed by the committee of management of the reporting unit in relation to the matters requiring declaration;
- (b) specify the date of passage of the resolution;
- (c) be signed by a designated officer within the meaning of section 243 of the RAO Schedule; and
- (d) be dated as at the date the designated officer signs the statement.

Glossary of Terms

19. The following terms are used in these reporting guidelines - the meaning of any term defined in the Australian Accounting Standards is not modified by the following glossary:

amalgamated organisation has the meaning provided in section 35 of the RAO Schedule.

assets are future economic benefits controlled by the reporting unit as a result of past transactions or other past events.

Australian Accounting Standards means the accounting standards issued by the Australian Accounting Standards Board (AASB) or issued by CPA Australia and by The Institute of Chartered Accountants in Australia and adopted by the AASB (section 6 of the RAO Schedule).

cash flows means cash movements resulting from transactions with parties external to the reporting unit.

designated officer is an officer of the reporting unit within the meaning of section 243 of the RAO Schedule.

employee benefits means all forms of consideration given by the reporting unit in exchange for services rendered by holders of office or employees.

entity means any legal, administrative, or fiduciary arrangement, organisational structure (including a reporting unit of an organisation) or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

equity means the residual interest in the assets of the reporting unit after deduction of its liabilities.

financial liability includes an obligation to deliver cash to another entity.

financial records to the extent that they relate to finances or financial administration includes a register, any other record of information, financial reports or financial records, however compiled, recorded or stored, a document (section 6 of the RAO Schedule).

financial statements comprise a profit and loss statement, a balance sheet and a statement of cash flows (paragraph 253(2)(a) of RAO Schedule).

financial year in relation to an organisation means the period of 12 months commencing on 1 July in any year or another period of 12 months as is provided in the rules of the organisation (section 6 of RAO Schedule) or a different period in the special circumstances set out in section 240 of the RAO Schedule.

general administrative expenses includes expenses in respect of the office of the reporting unit, and other expenses that arise at the reporting unit level and relate to the reporting unit as a whole.

general fund means the equity of the reporting unit other than in relation to any fund operated by the reporting unit for a specific purpose.

general purpose financial report has the meaning set out in subsection 253(2) of the RAO Schedule.

grant or donation is taken to have the same meaning as used in section 149 or section 237 of the RAO Schedule though is not limited by amount.

liabilities are the future sacrifices of economic benefits that the reporting unit is presently obliged to make to other entities as a result of past transactions or other past events.

membership subscriptions means periodic subscriptions in respect of membership of the organisation.

notes to the financial statements comprise notes required by Australian Accounting Standards and information required by the reporting guidelines (paragraph 253(2)(b) of the RAO Schedule).

organisation means an organisation registered under the RAO Schedule.

payables are amounts owed by the reporting unit to other entities for goods or services delivered.

RAO Schedule means Schedule 1B to the *Workplace Relations Act 1996*.

RAO Regulations means the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003*.

receivables are amounts owed to the reporting unit by other entities (including members of the reporting unit) for goods or services delivered (including membership subscriptions).

reporting unit has the meaning set out in section 242 of the RAO Schedule.

rules of an organisation are the rules that an organisation must have under Chapter 5, Part 2 of the RAO Schedule.

Dated: 20th June 2003



Nicholas Wilson
Industrial Registrar



AUSTRALIAN HOTELS ASSOCIATION
ACT BRANCH

PO Box 3250 Manuka ACT 2603 * Level 2, National Press Club Building, 16 National Circuit Barton ACT 2600 AUSTRALIA * Phone: (02) 6273 6633 Facsimilie: (02) 6273 7439 Email: actaha@actaho.org.au

22 February 2006

Mr Robert Pfeiffer
Statutory Services Branch
Australian Industrial Registry
Level 35, 80 Collins Street
MELBOURNE VIC 3000

Dear Mr Pfeiffer

Re: FR2004/647 (Australian Hotels Association – ACT Branch)

In response to your letter dated 10 January 2006 in relation to the documents accompanying the financial reports for the Australian Hotels Association – ACT Branch, I enclose the following:

1. Revised Committee of Management Statement for the financial year ended 31 December 2004; and
2. Operating Report for the same period.

I also advise that these documents were made available to members of the Branch on 22 February 2006. The full report has been available to members since 31 August 2005.

Yours sincerely

Michael Capezio
President

COMMITTEE OF MANAGEMENT STATEMENT

On 4 August 2005, the Committee of Management of the Australian Hotels Association – ACT Branch (the Branch) passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the Branch for the year ended 31 December 2004:

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

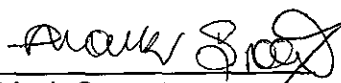
- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 31 December 2004;
- d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable;
- e) during the financial year ended 31 December 2004 and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the Australian Hotels Association including the rules of the ACT Branch; and
 - ii. the financial affairs of the Branch have been managed in accordance with the rules of the Australian Hotels Association including the rules of the ACT Branch; and
 - iii. the financial records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. the organisation consists of only one reporting unit;
 - v. no orders have been made by the Commission under section 273 of the RAO Schedule during the period;

For Committee of Management:



Michael Capezio
President

Date: 22 / 02 / 2006



Mark Sproat
Secretary/Treasurer

Date: 22/02/2006

OPERATING REPORT

I, Mark Sproat, being the Secretary/Treasurer and the designated officer responsible for preparing this report of the Australian Hotels Association – ACT Branch (the Branch) for the financial year ended 31 December 2004, report to the best of my knowledge as follows:

a) Principle Activities

- i. The Australian Hotels Association – ACT Branch is an employers' association representing the rights and interests of licensees particularly in relation to liquor licensing, gaming, small business, tourism, industrial relations and health.
- ii. The Branch considers all political developments both Commonwealth and in the Australian Capital Territory affecting its members and takes steps to initiate, promote, amend, modify or reject, as the case may be, all or any of such political measure. The Branch meets regularly with Members of Parliament and key Government representatives to consult key issues.
- iii. There were no significant changes in the nature of these activities during the year under review.

b) Significant financial changes

There were no significant changes in the Branch's financial affairs during the period to which this report relates.

c) Members advice

- i. Under section 174 of the RAO Schedule, a member may resign from membership by written notice addressed and delivered to the Branch Secretary (see rule 32, Australian Hotels Association Rules)
- ii. The register of members of the Branch was maintained in accordance with the RAO

d) To the best of my knowledge there are no officers or members of the Branch who are

- i. A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii. A director of a company that is a trustee of any superannuation entity or an exempt public sector superannuation scheme.

e) Prescribed and other information

- i. As at 31 December 2004, the end of the period to which this report relates, the number of members of the Branch was 104
- ii. As at 31 December 2004 the total number of employees employed by the Branch was one (1).

iii. The office bearers as members of the Committee of Management for the financial year were:

- Michael Capezio – President
- Peter Barclay – Vice President
- Mark Sproat – Secretary Treasurer
- Michael Parkes
- Josh Gray
- Manuel Notaras
- Bill Wojtaszak
- Jae Choi



Mark Sproat
Secretary/Treasurer

Date: / / 2006



Australian Government
Australian Industrial Registry

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80 Collins Street, Melbourne, VIC 3000
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Michael Capezio
President
Australian Hotels Association
Australian Capital Territory Branch
PO Box 3250
MANUKA ACT 2603

Dear Michael,

**Re: Australian Hotels Association – Australian Capital Territory Branch
Financial reports for year ended 31 December 2004
Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule) FR2004/647**

I acknowledge receipt of the financial reports of the Australian Capital Territory Branch of the Australian Hotels Association for the year ended 31 December 2004. The documents were lodged in the Industrial Registry on 20 January 2006.

On 8 May 2003 the Industrial Registrar wrote to all registered organisations and branches (reporting units) and provided a number of fact sheets covering various aspects of the new RAO Schedule. The letter and fact sheets indicated there would be substantial changes to financial reporting requirements and that the RAO Schedule would apply to a financial year that commences on or after the commencement of the reporting guidelines.¹

The Industrial Registrar then wrote to all reporting units on 7 July 2003 advising that he had issued reporting guidelines to apply to each financial year that starts on or after 1 July 2003.

Following the financial year ending 31 December 2004, Deputy Industrial Registrar Nassios wrote to you on 24 January 2005, outlining what the reporting unit must do to meet its financial reporting obligations under the RAO Schedule. I also wrote to you on 12 August 2005 along the same lines after our records showed the branch was late with the lodgement of its financial reports. Copies of those letters are attached.

An examination of the reports lodged reveal they have been prepared under the former provisions of the *Workplace Relations Act 1996*. The Industrial Registry cannot accept financial reports that have been lodged without any regard to the RAO Schedule.

Your branch is now requested to prepare, at the least, an Operating Report and a Committee of Management Statement, supply them to the members of the branch and lodge in the Industrial Registry at your earliest convenience.

I also direct your attention to the following comments concerning your lodged reports. I make these comments to assist you when you next prepare financial reports and, with the exception of my request concerning the 'Operating Report' and the 'Committee of Management Statement', you do not need to take any further action in respect of the financial reports already lodged.

Auditor's report:

The opinion of the auditor made under the auditor's report is expressed in terms previously required under former provisions of the *Workplace Relations Act 1996* (the Act). Subsection 257(5) of the RAO Schedule now sets out the matters upon which an auditor is required to make an opinion on whether the GPFR is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording would satisfy the requirements:

¹ Reporting Guidelines published in the Government Notices Gazette on 25 June 2003

“In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.”

A copy of this letter has also been forwarded to Mr Michael Papandrea of WWP Accounting Group Pty Ltd.

Certain Certificates:

The certificate of the Principal Accounting Officer and the certificate of the Committee of Management presented on pages 3 and 4 of your financial reports appear to replicate certificates previously required under former provisions of the *Workplace Relations Act 1996*. Please note that there is no requirement under the RAO Schedule to lodge such certificates.

General Purpose Financial Report:

Salaries:

Note 3 of the Notes to the Financial Statements (page 10) includes the item ‘Salaries and benefits’ shown as an expense. Future financial reports should show amounts of salaries as having been paid to either holders of office or employees as required by the reporting guidelines (items 11(g) and (h)).

Timescale Requirements:

Please note that unless an extension is granted, financial documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented - refer s268 of the RAO Schedule.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the RAO Schedule, please contact me on (03) 8661 7817 or email: robert.pfeiffer@air.gov.au. For your information, we examined earlier this year the financial reports of the AHA – Northern Territory Branch (FR2004/271). Apart from some minor discrepancies, the reports substantially followed the new timeline and reporting requirements of the RAO Schedule. That Branch’s financial reports can be viewed on our website at: <http://www.e-airc.gov.au/024nnt/>, select Financial Reports then FR2004/271.

Finally, if you believe your financial reports for year ending 31 December 2005, which are required to be lodged within six months of end of financial year, will be delayed or you have any concerns you wish to discuss, please contact me.

Yours sincerely,



Robert Pfeiffer
Statutory Services Branch, Melbourne

10 January 2006

cc Michael Papandrea
WWP Accounting Group P/L
PO Box 1975
WODEN ACT 2606



Ref: FR2004/647-[024N-ACT]

Mr Michael Capezio
President
Australian Hotels Association
Australian Capital Territory Branch
P.O. Box 3250
MANUKA ACT 2603

Dear Mr Capezio,

Financial Return - year ending 31 December, 2004

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

New legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- **a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)**
- **a greater emphasis given to Australian Accounting Standards**
- **the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)**
- **extensions of time are limited to one month**
- **restructured penalty provisions involving more extensive use of Civil Penalties**
- **the introduction of the Industrial Registrar's Reporting Guidelines**
- **organisations and their branches to report according to their financial structures, known as 'reporting units'.**

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (**RAO**) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as “*reporting units*”. Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar’s Guidelines

The Industrial Registrar’s reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit’s economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar’s Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor’s Report, comprise the reporting unit’s financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar’s Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/647**.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

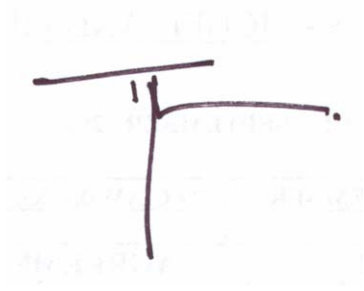
We encourage you to contact the Registry on (03) 8661 7817 or by e-mail at robert.pfeiffer@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



Deputy Industrial Registrar

24 January 2005

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
------------------------------------	-----

FIRST MEETING: Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /
--	-----

as soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
---	-----

within a reasonable time of having received the GPFR

Provide full report free of charge to members.	
(a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or	/ /
(b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.	/ /
<i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	

SECOND MEETING: Present full report to:	
(a) General Meeting of Members - s266 (1),(2), or	/ /
(b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ /

within 6 months of end of financial year

within 6 months of end of financial year

Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /
---	-----

within 14 days of meeting

Note: The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

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

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



Australian Government
Australian Industrial Registry

Australian Industrial Registry
Level 35,
80 Collins Street
MELBOURNE VIC 3000
Telephone: (03) 8661 7888
Fax: (03) 9654 6672

Ref: FR2004/647 -[024N-ACT]

Mr Michael Capezio
President
Australian Hotels Association
Australian Capital Territory Branch
P.O. Box 3250
MANUKA ACT 2603

Dear Mr Capezio,

**Re: Australian Hotels Association-Australian Capital Territory Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

The Accounts and Audit Part of Schedule 1B of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation, be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 December, 2004. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

In particular there is no record of lodgement of copies of:

- the general purpose financial report;
- the auditor's report; or
- the operating report.

These three reports are referred to as the "full report".

Section 268 of the RAO Schedule¹ requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266 (1) requires that the full report be presented to the meeting within 6 months of the end of the financial year. Therefore, lodgement of the documents in the Registry was required by **17 July, 2005.**

Section 305(2)(ze) of the RAO Schedule is a civil penalty provision. It provides that a failure to meet the requirements of s268 is a contravention of that civil penalty provision. The Federal Court may on application of the Industrial Registrar impose a pecuniary penalty on the person or organisation whose conduct contravened the civil penalty provision.

I also draw your attention to the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out the general duties of officers and employees of organisations and their branches in relation to financial management.

In the absence of lodgement of a copy of the full report, I request you state in writing by **2 September, 2005:**

- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report

¹ Schedule 1B of the Workplace Relations Act 1996

- whether the committee of management has prepared the operating report
- whether the full report has been provided to members, and if so, when
- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a certificate of the secretary or other authorised officer that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

If you wish to discuss this letter, please contact me on (03) 8661 7817. In reply please quote: **FR2004/647**.

Yours sincerely



Robert Pfeiffer
Statutory Services Branch, Melbourne

E-mail: robert.pfeiffer@air.gov.au

12 August, 2005



AUSTRALIAN HOTELS ASSOCIATION
ACT BRANCH

PO Box 3250 Manuka ACT 2603 * Level 2, National Press Club Building, 16 National Circuit Barton ACT 2600 AUSTRALIA * Phone: (02) 6273 6633 Facsimilie: (02) 6273 7439 Email: actaha@actaha.org.au

16 January 2006

FR 2004/647

Rec'd 20/1/06
Mr Robert Pfeiffer
Statutory Services Branch
Australian Industrial Registry
Level 35, 80 Collins Street
MELBOURNE VIC 3000

Dear Mr Pfeiffer

Re: FR2004/647 (Australian Hotels Association – ACT Branch)

In response to your letter dated 12 August 2005 please note the following in relation to the Branch's requirements under the Accounts and Audit Part of Schedule 1B of the *Workplace Relations Act 1996*:

1. An independent auditor has audited the full financial report of the ACT Branch of the Australian Hotels Association and approval was signed on 3 August 2005.
2. The Committee of Management has prepared the Committee of Management's Certificate as of 4 August 2005.
3. The full report was made available to members of the Branch on 31 August 2005.
4. The full report was presented at the Branch's Annual General Meeting on 14 September 2005.
5. In compliance with s266 and s268 please refer to a copy of the full report as attached for the Australian Hotels Association – ACT Branch for the financial year ended 31 December 2004, signed by the Honorary Secretary/Treasurer, Mr Mark Sproat.

Yours sincerely


Michael Capezio
President

**AUSTRALIAN HOTELS ASSOCIATION
ACT BRANCH**

**FINANCIAL REPORT
YEAR ENDED 31 DECEMBER 2004**

**Australian Hotels Association – ACT Branch
Financial Report Year Ended 31 December 2004**

CONTENTS

Certificate of Principal Accounting Officer

Committee of Management's Certificate

Statement of Financial Performance

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Independent Audit Report

Detailed Statement of Financial Performance

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

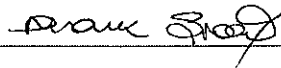
CERTIFICATE OF PRINCIPAL ACCOUNTING OFFICER

I, Mark Sproat, being the Honorary Secretary/Treasurer, the officer responsible for keeping the accounting records of the Australian Hotels Organisation - ACT Branch (the Organisation) certify that as at 31 December 2004, the number of members of the Organisation was 106.

In my opinion:

1. The accompanying Financial Statements show a true and fair view of the financial affairs of the Organisation as at 31 December 2004;
2. A record has been kept of all monies paid by, or collected from members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Organisation;
3. Before any expenditure was incurred by the Organisation 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 voluntary 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 of the Organisation and are disclosed in the attached financial statements; and
6. The register of members of the Organisation was maintained in accordance with Section 268 of the Workplace Relations Act 1996 (Cth).

Mark Sproat



Dated on the 4th Day of August 2005.

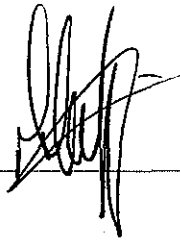
AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

COMMITTEE OF MANAGEMENT'S CERTIFICATE

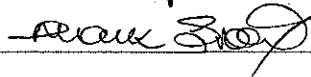
We, Michael Capezio and Mark Sproat, being two members of the Committee of Management of the Australian Hotels Association - ACT Branch do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:

1. In the opinion of the Committee of Management, the accompanying Financial Statements show a true and fair view of the financial affairs of the Organisation as at 31 December 2004;
2. In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 December 2004 in accordance with the rules of the Organisation;
3. The requirements under the Workplace Relations Act 1996 (Cth) in relation to Regulation 109 for the preceding year had been satisfied;
4. To the knowledge of any members of the Committee, there have been during the financial year to which the financial statements relate, no instances where the records of the Organisation or other documents, not being documents containing information available to a member of the Organisation have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996 (Cth), the Regulations thereto or the rules of the Organisation;
5. The Organisation has complied with subsections 279(1) and 279(6) of the Workplace Relations Act 1996 (Cth) in relation to the financial accounts in respect of the year ended 31 December 2004 and the Independent Audit Report thereon; and
6. There are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they fall due.

Michael Capezio



Mark Sproat



Dated on the 4th Day of August 2005.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

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

	Note	2004 \$	2003 \$
Revenues from Ordinary Activities	2	192,587.96	219,399.98
Employee Benefits Expense		(73,747.33)	(79,452.64)
Depreciation and Amortisation Expenses		(410.53)	(6,378.21)
Other Expenses from Ordinary Activities		<u>(186,784.64)</u>	<u>(137,175.06)</u>
LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	3	(68,354.54)	(3,605.93)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
NET LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		(68,354.54)	(3,605.93)
Total revenues, expenses and valuation adjustments recognised directly in equity		<u>-</u>	<u>-</u>
TOTAL CHANGES IN EQUITY		<u>(68,354.54)</u>	<u>(3,605.93)</u>

The notes form part of these financial statements.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

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

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash	4	51,615.76	42,964.28
Receivables	5	13,716.87	61,562.49
Other	6	1,598.00	15,080.45
TOTAL CURRENT ASSETS		66,930.63	119,607.22
NON-CURRENT ASSETS			
Office Furniture & Equipment	7	4,297.69	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		71,228.32	119,607.22
CURRENT LIABILITIES			
Accounts Payable	8	34,467.90	53,464.67
Other	9	70,636.18	31,663.77
TOTAL CURRENT LIABILITIES		105,104.08	85,128.44
TOTAL LIABILITIES		105,104.08	85,128.44
NET ASSETS/(LIABILITIES)		(33,875.76)	34,478.78
EQUITY			
Retained profits/(Accumulated losses)	11	(33,875.76)	34,478.78

The notes form part of these financial statements.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 \$	2003 \$
Cash Flow from Operating Activities:			
Receipts from Subscriptions		78,640.91	82,387.01
Receipts from Promotional and Sundry Activities		148,002.77	110,957.04
Interest Received		1,616.69	2,314.14
Payments to and on behalf of Employees		(71,611.96)	(79,452.64)
Payments for Promotional and Other Expenses		(143,288.71)	(165,678.97)
Net Cash Provided by (Used in) Operating Activities	12b	13,359.70	(49,473.42)
Cash Flows from Investing Activities:			
Proceeds from sale of Property, Plant and Equipment		-	38,545.45
Payment for Property, Plant and Equipment		(4,708.22)	(30,605.86)
Net Cash Provided by (Used in) Investing Activities		(4,708.22)	7,939.59
Net Increase (Decrease) in Cash Held		8,651.48	(41,533.83)
Cash at Beginning of Financial Year		42,964.28	84,498.11
CASH AT END OF FINANCIAL YEAR	12a	51,615.76	42,964.28

The notes form part of these financial statements.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report is for the entity Australian Hotels Organisation – National Body as an individual entity.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given at exchange of assets.

The following is a summary of the material accounting policies adopted by the Organisation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

The Organisation is exempt from income tax under Section 23(f) of the Income Tax Assessment Act.

(b) Employee Entitlements

Provision is made for the Organisation's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Organisation to an employee superannuation fund and are charged as expenses when incurred.

(c) Office Furniture & Equipment

Office furniture & Equipment are brought to account at cost less, where applicable any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The depreciable amount of the fixed assets are depreciated on a straight line basis over their useful lives to the Organisation commencing from the time the asset is held ready for use.

(d) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(f) Comparative Figures

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

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

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

	2004	2003
	\$	\$
NOTE 2: REVENUE		
Revenue from operating activities		
Awards For Excellence Income	27,205.45	20,960.00
Function Income	7,722.77	10,040.71
General Income	40.00	3,290.00
Interest Received	1,616.69	2,314.14
Profit on Sale of Non-current Assets	-	7,099.57
Sponsorship	80,300.48	95,898.55
Subscriptions	68,623.04	79,797.01
Training Income	7,079.53	-
Total Revenue	<u>192,587.96</u>	<u>219,399.98</u>
 NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expense has been determined after:		
Auditors' Remuneration	1,200.00	3,300.00
Depreciation	410.53	6,378.21
Other administrative expenses	185,584.64	133,875.06
Salaries and benefits	73,747.33	79,452.64
Total Expenses	<u>260,942.50</u>	<u>223,005.91</u>
 NOTE 4: CASH ASSETS		
Cash Management Account	51,615.76	42,917.07
Petty Cash	-	14.20
Imprest Account	-	33.01
	<u>51,615.76</u>	<u>42,964.28</u>
 NOTE 5: RECEIVABLES		
CURRENT		
Trade Debtors	4,365.25	31,413.24
Sundry Debtors	-	14,091.07
GST Paid	9,351.62	16,058.18
	<u>13,716.87</u>	<u>61,562.49</u>
 NOTE 6: OTHER ASSETS		
CURRENT		
Prepayments	<u>1,598.00</u>	<u>15,080.45</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

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

	2004	2003
	\$	\$
NOTE 7: OFFICE FURNITURE & EQUIPMENT		
Office Furniture & Equipment – at cost	4,708.22	-
Less: Accumulated Depreciation	410.53	-
	<u>4,297.69</u>	<u>-</u>
NOTE 7(b): OFFICE FURNITURE & EQUIPMENT RECONCILIATION		
Office Furniture & Equipment		
Carrying amount at beginning	-	-
Plus: Additions	4,708.22	-
Less: Depreciation	(410.53)	-
Less: Disposals	-	-
Carrying amount at end of year	<u>4,297.69</u>	<u>-</u>
NOTE 8: ACCOUNTS PAYABLE		
CURRENT		
Trade Creditors	8,946.95	8,701.61
Sundry Creditors	9,435.37	24,505.71
Accrued Expenditure	2,300.00	3,000.00
Provision for Annual Leave	1,276.71	2,276.08
Provision for Previous Accommodation President Allowance	2,747.31	2,747.31
GST Payable	9,761.56	12,233.96
	<u>34,467.90</u>	<u>53,464.67</u>
NOTE 9: OTHER LIABILITIES		
CURRENT		
Income in Advance	28,954.54	-
Subscriptions in Advance	41,681.64	31,663.77
	<u>70,636.18</u>	<u>31,663.77</u>
NOTE 10: SEGMENT REPORTING		
The Organisation is the representative body for hotels and other associated hospitality entities in the Australian Capital Territory.		
NOTE 11: RETAINED PROFITS		
Retained profits at the beginning of the year	34,478.78	38,084.71
Net operating loss for the year	<u>(68,354.54)</u>	<u>(3,605.93)</u>
Retained profits (Accumulated loss) at the end of the year	<u>(33,875.76)</u>	<u>34,478.78</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

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

	2004 \$	2003 \$
NOTE 12: NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash at the end of financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash Management Account	51,615.76	42,917.07
Petty Cash	-	14.20
Imprest Account	-	33.01
	<u>51,615.76</u>	<u>42,964.28</u>
(b) Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax		
Operating Profit (Loss) after Income Tax	(68,354.54)	(3,605.93)
Non Cash Flows in Operating Profit:		
Depreciation	410.53	6,378.21
Profit on Sale of Non-current Assets	-	(7,099.57)
Changes in Assets & Liabilities:		
Decrease (Increase) in Trade Debtors	27,047.99	17,605.45
Decrease (Increase) in Sundry Debtors	14,091.07	(14,091.07)
Decrease (Increase) in Net GST Paid	4,234.16	(3,082.58)
Decrease (Increase) in Prepayments	13,482.45	(15,072.45)
Increase (Decrease) in Trade Creditors	245.34	(18,665.54)
Increase (Decrease) in Accrued Charges	(700.00)	(1,469.89)
Increase (Decrease) in Provision for Annual Leave	(999.37)	(2,352.58)
Increase (Decrease) in Provision for Honorarium	-	-
Increase (Decrease) in Sundry Creditors	(15,070.34)	24,505.71
Increase (Decrease) in Income in Advance	38,972.41	(32,523.18)
Net Cash Provided (Used) by Operating Activities	<u>13,359.70</u>	<u>(49,473.42)</u>

Credit stand-by and financing facilities

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

Non-cash financing and investing activities

No non-cash financing or investing activities occurred during the financial year.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

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

NOTE 14: INFORMATION TO BE PROVIDED TO THE MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 (Cth), the attention of the members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274 which reads:

- 1) A member of an Organisation, or a Registrar, may apply to the Organisation for specified prescribed information in relation to the Organisation;
- 2) An Organisation shall, on the application made under subsection (1) by a member of the Organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time as prescribed; and
- 3) A Registrar may only make an application under subsection (1) at the request of a member of the Organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

NOTE 15: EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to 31 December 2004 and prior to the date of adoption of these financial statements which in the opinion of the Committee need to be included in these financial statements or referred to in the notes to the financial statements.

NOTE 16: RELATED PARTIES

Amounts paid to the National Office for rent expenses during the year were \$4,800. General Levies and Affiliation fees paid to the National Office were on normal commercial terms.

NOTE 17: CAPITAL AND LEASING COMMITMENTS

There are no capital or leasing commitments at year end.

NOTE 18: CONTINGENT LIABILITIES

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

NOTE 19: GOING CONCERN BASIS

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

NOTE 20: FINANCIAL INSTRUMENTS

The nature of the financial instruments of the Organisation are such that no disclosure is made of their accounting policies, terms and conditions as such disclosure will not provide relevant information to the users of these financial statements.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

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

NOTE 21: ORGANISATION DETAILS

The registered office and principal place of business of the Organisation is:
Australian Hotels Association – ACT Branch
National Press Club Building
Level 2, 16 National Circuit
BARTON ACT 2600



WWP Accounting Group Pty Ltd
ABN 18 096 138 331
72 Dundas Court
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PO Box 1975
Woden ACT 2606
Australia

phone: 02 6285 2766
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email: info@wwp.net.au
web: www.wwp.net.au

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH**

SCOPE

We have audited the financial report of the Australian Hotels Association – ACT Branch (the Association) for the financial year ended 31 December 2004 as set out on pages 2 to 14. The Committee of Management is responsible for the preparation and presentation of the financial report and the information they contain. We have conducted an independent audit of this financial report in order to express an opinion on them to the members of the Association.

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

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

AUDIT OPINION

In our opinion:

- (i) satisfactory accounting records were kept by the Association during the financial year including records of the sources and nature of income (including income from members) and of the nature and purpose of expenditure of the Association; and

- (ii) the accompanying financial report (including the statements by the members of the Committee of Management) set out on pages 2 to 14, are properly drawn up in accordance with the Section 273 of the Workplace Relations Act 1996 (Cth) and applicable accounting standards, professional reporting requirements and UIG Consensus Views, so as to give a true and fair view of:
 - (a) the financial position of the Association at 31 December 2004 and of its performance for the year ended on that date; and
 - (ii) all of the information and explanations that officers or employees of the Association were required to provide pursuant to Section 276(2) of the Workplace Relations Act 1996 (Cth) were provided.

WWP ACCOUNTING GROUP PTY LTD



Michael Papandrea

Dated in Canberra on the 3rd Day of August 2005