



FAIR WORK
AUSTRALIA

27 April 2011

Mr Steven Fanner
General Manager
Australian Hotels Association - Australian Capital Territory Branch

Email: fanner@aha.org.au

Dear Mr Fanner

Financial reports of the Australian Capital Territory Branch of the Australian Hotels Association for the years ended 31 December 2005, 2006, 2007, 2008 and 2009 (FR2005/620, 2006/538, 2007/594, 2008/619 and 2009/10295)

Thank you for lodging the financial reports of the Australian Capital Territory Branch of the abovenamed organisation for the years ended 31 December 2005, 2006, 2007, 2008 and 2009. The documents were lodged in this office on 4 April 2011.

Examination of the financial report for the year ended 31 December 2005 has shown that matters requiring advice have either been corrected or repeated in relation to the organisation's financial report for the years ended 31 December 2006, 2007, 2008 and 2009. The following comments are in relation to the year ended 31 December 2009.

In light of the organisation's circumstances I propose on this occasion to file the financial reports.

In future, the various elements comprising the reporting process must be done in sequence as required by the relevant legislative requirements. Future financial reports will not be filed in the absence of full compliance with all the legislative requirements.

I direct your attention to the following comments concerning the above report and the financial reporting obligations under the Fair Work (Registered Organisations) Act 2009 (the RO Act). Please note that these matters are required to be addressed in the preparation of future financial reports. No further action is required in respect of the subject documents.

1. Auditor's Report

(a) Opinion

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

In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the RO Act.

(b) Auditor's qualifications

Regulation 4 of the Fair Work (Registered Organisations) Regulations 2009 (the RO Regulations) defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants, and holds a current Public Practice Certificate. In all likelihood the auditor is such a person. However, it is our preference that this is made explicit in future auditor's reports.

2. Timescale Requirements

As you are aware, reporting units are required to undertake their financial reporting obligations in accordance with specified timelines. As the 2009 report has been completed, the relevant timelines are incapable of being remedied. However it should be noted that the preparation and lodgment of future financial reports must occur within these timelines.

In particular, sections 253 and 254 of the RO Act require that a General Purpose Financial Report (GPFR) and an Operating Report be prepared as soon as practicable after the end of the financial year. Further, section 266 requires that the financial report be presented to a general meeting of members or a committee of management meeting within six months after the end of the financial year. In the absence of an extension of time for holding a general meeting [see section 265(5)] the latest possible date of lodgment with Fair Work Australia is six months and 14 days after the end of the financial year.

In future years the financial reports need to be prepared in sufficient time to enable presentation to a meeting within six months after the end of the financial year and lodged with Fair Work Australia no later than 14 days after that meeting.

3. Entity

Note 1 of the Notes to the Financial Statements states:

The financial report covers the Australian Hotels Association - ACT Branch Incorporated as an individual entity. Australian Hotels Association - Act Branch Incorporated is an Association registered in Australia under the Fair Work (Registered Organisations) Act 2009.

It should be noted that although a branch of a registered organisation can be a reporting unit under the RO Act (section 242) it does not have a discrete legal personality; it is a creation of the rules of the organisation only. The Australian Hotels Association is registered under the RO Act and the Branch is a reporting entity.

Also, the inclusion of the word "Incorporated" when referring to the ACT Branch should not be included as it does not form part of the name of the branch.

4. Operating Report

(a) Results of principal activities

I refer to the Operating Report, in particular to the "Operating results". I note that section 254(2)(a) of the RO Act requires the operating report to include a review of the principal activities of the reporting entity, the results of those activities and any significant changes in the nature of those activities.

The 'results of operation' requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entities

financial result, particularly as measured in dollar 'surplus' or 'loss' terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss statement.

(b) Right of members to resign

Subsection 254(2)(c) requires the operating report to 'give details' of the right of members to resign from the reporting unit under section 174 of the RO Act. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 32 of the organisation's rules is applicable.

The information provided does not accurately reflect the resignation rule.

(c) Dating and signing of documents

It is noted that the Operating Report is undated.

All documents should be dated as a matter of course.

(d) Operating Report name

The document lodged is titled the Committee Member's Report rather than Operating Report as required by the RO Act.

Future financial documents should be identified in accordance with the RO Act provisions.

(e) Unnecessary information

It should be noted that the Operating Report need only provide information as required by the RO Act.

5. **Committee of Management Statement**

(a) Reporting Unit

The Committee of Management statement states that 'the organisation consists of one reporting unit'.

Section 242(3) of the RO Act provides that where an organisation is divided into branches each branch will be a reporting unit. As the Australian Hotels Association has several branches it consists of 2 or more reporting units.

Reporting guideline 25(e)(iv) requires the committee of management of a reporting unit to declare where the organisation consists of 2 or more reporting units, whether 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.

The reporting unit should in future provide a declaration as mentioned above.

(b) Date of resolution

Item 26 of the Reporting Guidelines (the Guidelines) requires that the Committee of Management's statement must be made in accordance with such resolution as is passed by the Committee of Management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided.

6. References

I note the Committee of Management Statement contains references to the Industrial Registrar and Registrar. These references should be to the General Manager, Fair Work Australia. Also, the reference to Commission in paragraph (f) should read Fair Work Australia.

I also note that the Auditor's Report and paragraph (f) of the Committee of Management Statement refer to the Fair Work (Registered Organisations) Regulations 2009. Such reference should be to the Fair Work (Registered Organisations) Act 2009.

7. Notice to members

There should be included in the financial report a notice drawing attention to provisions of the Act that prescribed information is available to members on request and which sets out a copy of subsections 272(1), (2) and (3) - refer subsection 272(5) of the RO Act and regulation 161(f) of the RO Regulations.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at larry.powell@fwa.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L Powell'.

Larry Powell
Tribunal Services and Organisations



AUSTRALIAN HOTELS ASSOCIATION

ACT BRANCH

PO Box 3250 Manuka ACT 2603 • 24 Brisbane Avenue, Barton ACT 2600 Australia
Telephone: (02) 6273 6633 Facsimile: (02) 6273 7439 Email: actaha@actaha.org.au

21 December 2010

Mr Larry Powell
Tribunal Services & Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001
Via Email: larry.powell@fwa.gov.au

Dear Mr Powell

Financial documents for the year ended 31 December 2005

Please find enclosed:

1. Financial statements for the Branch as required for the year ended 31 December 2005 which were endorsed at a General Meeting of members on 15 December 2010; and
2. Designated Officer's certificate dated 15 December 2010.

Please contact me if further information is required.

Yours sincerely

Steven Fanner
General Manager

Designated Officer's Certificate
S268 Fair Work (Registered Organisations) Act 2009

I, Mark Sproat, being the Secretary/Treasurer of the Australian Hotels Association – Australian Capital Territory Branch, certify that:

1. The documents lodged herewith for the year ended 31 December 2005 are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. A copy of the full report was provided to members on 24 November 2010; and
3. The full report was presented to a General Meeting of members of the Branch on 15 December 2010 in accordance with Section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed: 

Dated: 15 December 2010

**AUSTRALIAN HOTELS ASSOCIATION
ACT BRANCH**

**FINANCIAL REPORT
YEAR ENDED 31 DECEMBER 2005**

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AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

OPERATING REPORT

Your Committee Members present their report on the Australian Hotels Association – ACT Branch for the financial year ended 31 December 2005.

The names of the Executive Committee in office at any time during or since the end of the year are:

Michael Capezio – President
Peter Barclay – Vice - President
Mark Sproat – Hon Secretary / Treasurer

Committee Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

No Committee Members were involved in trusteeships or directorships on behalf of the Association as Directors of any superannuation fund.

The Registered Rules of the Association provide that a member of the Association may resign their membership by notice in writing if:

- they cease to be an employer in the (hotel and hospitality) industry or ceases to be engaged therein;
- on giving the Association's Secretary notice of their intention so to do and payment of all dues to the date of their resignation.

The same Rules also provide for the vacation of and/or resignation from elected office by elected members.

The number of Branch Members as at 31 December 2005 was 106.

The number of Branch employees as at 31 December 2005 was 2.

The net result for the year ended 31 December 2005 was operating profit after income tax of \$26,557.86 (2004: \$68,354.54 loss).

No significant changes in the Association's state of affairs occurred during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, of the state of affairs of the Association in future financial years.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

OPERATING REPORT (cont'd)

The principal activity of the Association during the financial was to represent and further the interests of the licensed hospitality industry of the Australian Capital Territory.

No significant change in the nature of these activities occurred during the year.

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Association.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of those proceedings.

The Association was not a party to any such proceedings during the year.


Signed in accordance with a resolution of the Committee of Management:

Michael Capezio



President

Mark Sproat



Secretary

Dated this 8th day of December 2009

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
Revenues from Ordinary Activities	2	236,810.54	192,587.96
Employee Benefits Expense		(35,456.63)	(73,747.33)
Depreciation and Amortisation Expenses		(1,564.00)	(410.53)
Other Expenses from Ordinary Activities		<u>(173,232.05)</u>	<u>(186,784.64)</u>
PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	3	26,557.86	(68,354.54)
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
NET PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		<u>26,557.86</u>	<u>(68,354.54)</u>
NET PROFIT (LOSS)		<u>26,557.86</u>	<u>(68,354.54)</u>
Total revenues, expenses and valuation adjustments recognised directly in equity	4	<u>10,466.01</u>	<u>-</u>
TOTAL CHANGES IN EQUITY	5	<u>37,023.87</u>	<u>(68,354.54)</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash	6	74,856.70	51,615.76
Receivables	7	3,698.20	13,716.87
Other	8	1,570.00	1,598.00
TOTAL CURRENT ASSETS		80,124.90	66,930.63
NON-CURRENT ASSETS			
Office Furniture & Equipment	9	2,733.69	4,297.69
TOTAL NON-CURRENT ASSETS		2,733.69	4,297.69
TOTAL ASSETS		82,858.59	71,228.32
CURRENT LIABILITIES			
Accounts Payable	10	15,845.48	34,467.90
Other	11	63,865.00	70,636.18
TOTAL CURRENT LIABILITIES		79,710.48	105,104.08
TOTAL LIABILITIES		79,710.48	105,104.08
NET ASSETS/(LIABILITIES)		3,148.11	(33,875.76)
EQUITY			
Retained profits/(Accumulated losses)	13	3,148.11	(33,875.76)

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
Cash Flow from Operating Activities:			
Receipts from Subscriptions		79,141.93	78,640.91
Receipts from Promotional and Sundry Activities		158,644.30	148,002.77
Interest Received		1,433.89	1,616.69
Payments to and on behalf of Employees		(35,456.63)	(71,611.96)
Payments for Promotional and Other Expenses		<u>(180,522.55)</u>	<u>(143,288.71)</u>
Net Cash Provided by (Used in) Operating Activities		<u>23,240.94</u>	<u>13,359.70</u>
Net Cash Flows	14b	<u>23,240.94</u>	<u>13,359.70</u>
Cash Flows from Investing Activities:			
Payment for Property, Plant and Equipment		<u>-</u>	<u>(4,708.22)</u>
Net Cash Provided by (Used in) Investing Activities		<u>-</u>	<u>(4,708.22)</u>
Net Increase (Decrease) in Cash Held		23,240.94	8,651.48
Cash at Beginning of Financial Year		51,615.76	42,964.28
CASH AT END OF FINANCIAL YEAR	14a	<u>74,856.70</u>	<u>51,615.76</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This 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 and the requirements of the Workplace Relations Act 1996.

The financial report covers the Australian Hotels Association – ACT Branch Incorporated as an individual entity. Australian Hotels Association – ACT Branch Incorporated is an Association registered in Australia under the Workplace Relations Act 1996

The financial report is 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 in exchange for assets.

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

Basis of Preparation

Adoption of Australian Equivalents to International Financial Reporting Standards

Australian Hotels Association – ACT Branch Incorporated has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

In accordance with the requirement of AASB 1: First-time Adoption of Australian equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of the Association to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented.

The impact of adoption of Australian Equivalents to International Financial Reporting Standards is immaterial.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Income Tax

No taxation has been provided for as the Association is exempt from taxation under Section 50-45 of the Income Tax Assessment Act 1997.

(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.

(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.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(f) Comparative Figures

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

(g) Revenue

Revenue from the provision of goods and services is recognised upon the delivery of the goods to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
NOTE 2: REVENUE		
Revenue from operating activities		
Awards For Excellence Income	27,998.18	27,205.45
Function Income	13,177.27	7,722.77
General Income	1,489.20	40.00
Interest Received	1,433.89	1,616.69
Sponsorship	101,121.26	80,300.48
Subscriptions	90,799.83	68,623.04
Training Income	790.91	7,079.53
Total Revenue	<u>236,810.54</u>	<u>192,587.96</u>

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

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

Auditors' Remuneration	2,500.00	1,200.00
Depreciation	1,564.00	410.53
Other administrative expenses	170,732.05	185,584.64
Salaries and benefits	35,456.63	73,747.33
Total Expenses	<u>210,252.68</u>	<u>260,942.50</u>

NOTE 4: PRIOR PERIOD EQUITY ADJUSTMENTS

The Entity received a refund of overpaid GST from the Australian Taxation Office. This amount should have been reportable on the balance sheet as a receivable in that financial year, however, the error was not discovered until the current financial year.

NOTE 5: EQUITY ADJUSTMENTS

There have been no adjustments made to Retained Equity as a result of the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

NOTE 6: CASH ASSETS

Cash Management Account	44,280.52	51,615.76
Maxi Direct Account	30,576.18	-
	<u>74,856.70</u>	<u>51,615.76</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
NOTE 7: RECEIVABLES		
CURRENT		
Trade Debtors	3,080.00	4,365.25
GST Paid	618.20	9,351.62
	<u>3,698.20</u>	<u>13,716.87</u>
NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	<u>1,570.00</u>	<u>1,598.00</u>
NOTE 9: OFFICE FURNITURE & EQUIPMENT		
Office Furniture & Equipment – at cost	4,708.22	4,708.22
Less: Accumulated Depreciation	1,974.53	410.53
	<u>2,733.69</u>	<u>4,297.69</u>
NOTE 9(b): OFFICE FURNITURE & EQUIPMENT RECONCILIATION		
Office Furniture & Equipment		
Carrying amount at beginning	4,297.69	-
Plus: Additions	-	4,708.22
Less: Depreciation	1,564.00	(410.53)
Less: Disposals	-	-
Carrying amount at end of year	<u>2,733.69</u>	<u>4,297.69</u>
NOTE 10: ACCOUNTS PAYABLE		
CURRENT		
Trade Creditors	6,800.30	8,946.95
Sundry Creditors		
Accrued Expenditure	2,500.00	2,300.00
Provision for Annual Leave	531.75	1,276.71
Provision for Previous Accommodation President		
Allowance	-	2,747.31
GST Payable	280.00	9,761.56
	<u>15,845.48</u>	<u>34,467.90</u>
NOTE 11: OTHER LIABILITIES		
CURRENT		
Income in Advance	22,090.00	28,954.54
Subscriptions in Advance	41,775.00	41,681.64
	<u>63,865.00</u>	<u>70,636.18</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 12: SEGMENT REPORTING

The Organisation is the representative body for hotels and other associated hospitality entities in the Australian Capital Territory.

NOTE 13: RETAINED PROFITS

Retained profits at the beginning of the year	(33,875.76)	34,478.78
Net operating profit/(loss) for the year	<u>37,023.87</u>	<u>(68,354.54)</u>
Retained profits (Accumulated loss) at the end of the year	<u>3,148.11</u>	<u>(33,875.76)</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
NOTE 14: 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	44,280.52	51,615.76
Maxi Direct Account	30,576.18	-
	<u>74,856.70</u>	<u>51,615.76</u>
(b) Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax		
Operating Profit (Loss) after Income Tax	37,023.87	(68,354.54)
Non Cash Flows in Operating Profit:		
Depreciation	1,564.00	410.53
Profit on Sale of Non-current Assets	-	-
Changes in Assets & Liabilities:		
Decrease (Increase) in Trade Debtors	1,285.25	27,047.99
Decrease (Increase) in Sundry Debtors	-	14,091.07
Decrease (Increase) in Net GST Paid	(748.14)	4,234.16
Decrease (Increase) in Prepayments	28.00	13,482.45
Increase (Decrease) in Trade Creditors	(2,146.65)	245.34
Increase (Decrease) in Accrued Charges	200.00	(700.00)
Increase (Decrease) in Provision for Annual Leave	(744.96)	(999.37)
Increase (Decrease) in Provision for Honorarium	(2,747.31)	-
Increase (Decrease) in Sundry Creditors	(3,701.94)	(15,070.34)
Increase (Decrease) in Income in Advance	(6,771.18)	38,972.41
Net Cash Provided (Used) by Operating Activities	<u>23,240.94</u>	<u>13,359.70</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 2005

NOTE 15: PRESCRIBED INFORMATION NOTICE

The following section of the Workplace Relations Act 1996 RAO Schedule is brought to the attention of members:

Section 272 Information to be provided to members or Registrar

- 1) A member of an reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application; and
- 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; and
- 3) A reporting unit must comply with an application made under subsection (1).

NOTE 16: EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to 31 December 2005 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 17: RELATED PARTIES

Amounts were paid to Capital Link for both executive services and rent. Executive services amounted to \$30,645.45, and Rent amounted to \$9,600.00.

General Levies and Affiliation fees paid to the National Office of \$7,585.96 were paid on normal commercial terms.

NOTE 18: CAPITAL AND LEASING COMMITMENTS

There are no capital or leasing commitments at year end.

NOTE 19: CONTINGENT LIABILITIES

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

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 2005**

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

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

COMMITTEE OF MANAGEMENT'S STATEMENT

On 8 December 2009, the Committee of Management of the Australian Hotels Association - ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2005.

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 Australian Hotels Association - ACT Branch 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 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 of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the organisation consists of one reporting unit;
 - (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) no orders for inspection of financial records have been made by the Commission under section 273 of the RAO Schedule.

For the Committee of Management:

Michael Capezio



President

Mark Sproat



Secretary

Dated this 8th day of December 2009

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

CERTIFICATE OF SECRETARY/TREASURER

I, Mark Sproat, being the Honorary Secretary/Treasurer of the Australian Hotels Organisation - ACT Branch (the Organisation) certify:

- (1) That the documents lodged herewith are copies of the full report referred to in Section 268 of the RAO Schedule; and
- (2) Financial reports were provided to members of the Association on 13 November 2009; and
- (3) That the full report was presented to a General Meeting of members of the Association on 8 December 2009 in accordance with section 266 of the RAO Schedule.

Mark Sproat


Secretary

Dated this 8th day of December 2009



Accountants
& Business Advisors

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

SCOPE

We have audited the accompanying financial report of the Australian Hotels Association – ACT Branch (the Association) for the financial year ended 31 December 2005. The Committee of the Association 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 (including the Australian Accounting Interpretations) 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.

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

We meet the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003.

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

AUDIT OPINION

In our opinion:

- (a) the financial report of the Australian Hotels Association – ACT Branch is in accordance with the Workplace Relations Act 1996, including:
 - (i) presenting fairly in all material respects the Associations' financial position as at 31 December 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

WWP ACCOUNTING GROUP PTY LTD
Certified Practising Accountants


Michael Papandrea
Director

Dated in Canberra on the 8th Day of December 2009



18 December 2009

Steven Fanner
General Manager
Australian Hotels Association
Australian Capital Territory Branch
PO Box 3250
MANUKA ACT 2603

email: actaha@actaha.org.au

Dear Mr Fanner,

Financial reports of the Australian Hotels Association – Australian Capital Territory Branch for financial years ended 31 December 2005, 2006, 2007 and 2008 (FR2005/620, 2006/538, 2007/594 and 2008/619)

Thank you for lodging the financial reports of the Australian Capital Territory Branch of the Australian Hotels Association for the years ended 31 December 2005, 2006, 2007 and 2008. The documents were lodged in this office on 14 December 2009 in response to my letter of 1 September 2009.

Examination of the financial report for the year ended 31 December 2005 has shown that matters requiring advice have either been corrected or repeated in relation to the Branch's financial reports for the years ended 31 December 2006, 31 December 2007 and 31 December 2008.

I direct your attention to the following comments concerning the above financial reports and the financial reporting obligations under Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule) [now Fair Work (Registered Organisations) Act 2009]. Please note that the financial reports will not be filed until the requested information has been lodged in this office.

1. Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in this office within certain timescale requirements. For your assistance I have enclosed a Diagrammatic summary of the reporting process.

As you will note from the enclosed diagram the reporting process begins with a meeting of the committee of management. At that meeting a resolution is passed authorising the making of a statement by the committee in which it makes certain declarations with respect to the reporting unit's compliance with various aspects of Schedule 1 and the Reporting Guidelines. This Committee of Management Statement and the General Purpose Financial Report are then audited.

The General Purpose Financial Report, including the Committee of Management Statement, the Operating Report and the Auditor's Report – known as the full report – are then provided to members. Depending on the rules of the reporting unit, a copy of the full report must be provided to members at least 21 days before they are presented to a General Meeting, or, if the rules allow for the full report to be presented to the committee of management, then the documents must be provided within 5 months of the end of the financial year.

The full report, accompanied by a Designated Officer's Certificate, must be lodged with this office within 14 days of its presentation to an appropriate meeting.

From the information available, the full reports which included the Committee of Management Statements, the Operating Reports and the Auditor's Reports (which are all dated 8 December 2009) were supplied to members on 12 November 2009 and presented to a General Meeting of members on 8 December 2009. If the dates on the documents are correct, it would appear that the Committee of Management Statements, the Operating Reports and the Auditor's Reports supplied to members were unsigned and undated.

Under these circumstances, this office cannot file the reports. Moreover, if the dates on the documents are accurate, I advise the Branch will need to repeat certain steps in the reporting process.

Specifically, the Branch is required to do the following:

- The reporting unit should supply the full reports to members.
- Present the full reports to a General Meeting of members at least 21 days after the provision of the full reports to members.
- Lodge the full reports in the Registry within 14 days of the relevant meeting accompanied by a Designated Officer's Certificate (s.268).

Should you wish to discuss this letter, I may be contacted on (03) 8661 7993 or by email at larry.powell@air.gov.au.

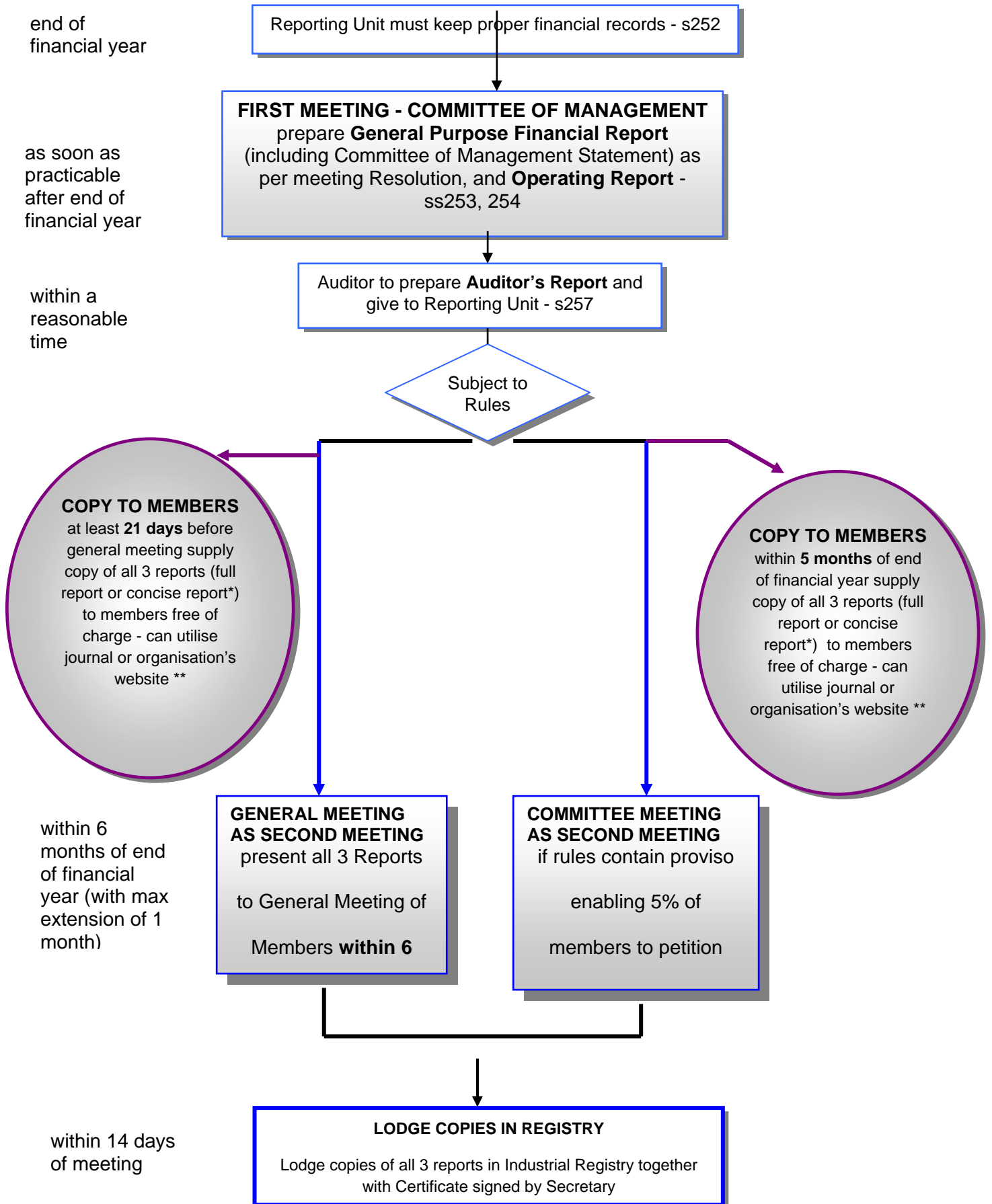
Yours sincerely

A handwritten signature in black ink, appearing to read 'L. Powell'.

Larry Powell

Tribunal Services and Organisations

Financial Reporting Timeline (RAO Schedule)



* concise report may be provided if s265(1)-(4) complied with. ** report may be supplied through organisation's journal or on organisation's website subject to particular specifications as per RAO



AUSTRALIAN HOTELS ASSOCIATION

ACT BRANCH

PO Box 3250 Manuka ACT 2603 • 24 Brisbane Avenue, Barton ACT 2600 Australia
Telephone: (02) 6273 6633 Facsimile: (02) 6273 7439 Email: actaha@actaha.org.au
www.actaha.org.au

8 December 2009

Mr Larry Pell
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Dear Mr Pell

Financial documents for the year ended 31 December 2005

Please find enclosed:

1. Financial statements for the Branch as required for the year ended 31 December 2005 which were endorsed at a General Meeting of members on 8 December 2009; and
2. Designated Officer's certificate dated 8 December 2009.

Please contact me if further information is required.

Yours sincerely

Steven Fanner
General Manager

SFJul14-5.3

Designated Officer's Certificate
S268 Fair Work (Registered Organisations) Act 2009

I, Mark Sproat, being the Secretary/Treasurer of the Australian Hotels Association – Australian Capital Territory Branch, certify that:

1. The documents lodged herewith for the year ended 31 December 2005 are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. A copy of the full report was provided to members on 12 November 2009; and
3. The full report was presented to a General Meeting of members of the Branch on 8 December 2009 in accordance with Section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed: Mark Sproat

Dated: 9 Dec 2009

WILSON WATT PAPANDREA

CERTIFIED PRACTISING ACCOUNTANTS

 BUSINESS CONSULTANTS



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

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web: www.wwp.net.au



inspiring business



**AUSTRALIAN HOTELS ASSOCIATION
ACT BRANCH**

**FINANCIAL REPORT
YEAR ENDED 31 DECEMBER 2005**

CONTENTS

Operating Report

Income Statement

Balance Sheet

Statement of Recognised Income and Expense

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Certificate of Secretary/Treasurer

Independent Audit Report

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

OPERATING REPORT

Your Committee Members present their report on the Australian Hotels Association – ACT Branch for the financial year ended 31 December 2005.

The names of the Executive Committee in office at any time during or since the end of the year are:

Michael Capczio – President
Peter Barclay – Vice - President
Mark Sproat – Hon Secretary / Treasurer

Committee Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

No Committee Members were involved in trusteeships or directorships on behalf of the Association as Directors of any superannuation fund.

The Registered Rules of the Association provide that a member of the Association may resign their membership by notice in writing if:

- they cease to be an employer in the (hotel and hospitality) industry or ceases to be engaged therein;
- on giving the Association's Secretary notice of their intention so to do and payment of all dues to the date of their resignation.

The same Rules also provide for the vacation of and/or resignation from elected office by elected members.

The number of Branch Members as at 31 December 2005 was 106.

The number of Branch employees as at 31 December 2005 was 2.

The net result for the year ended 31 December 2005 was operating profit after income tax of \$26,557.86 (2004: \$68,354.54 loss).

No significant changes in the Association's state of affairs occurred during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, of the state of affairs of the Association in future financial years.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

OPERATING REPORT (cont'd)

The principal activity of the Association during the financial was to represent and further the interests of the licensed hospitality industry of the Australian Capital Territory.

No significant change in the nature of these activities occurred during the year.

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Association.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of those proceedings.

The Association was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Committee of Management:

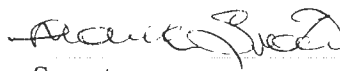
Michael Capezio

President



Mark Sproat

Secretary



Dated this 8th day of December 2009

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
Revenues from Ordinary Activities	2	236,810.54	192,587.96
Employee Benefits Expense		(35,456.63)	(73,747.33)
Depreciation and Amortisation Expenses		(1,564.00)	(410.53)
Other Expenses from Ordinary Activities		<u>(173,232.05)</u>	<u>(186,784.64)</u>
PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	3	26,557.86	(68,354.54)
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
NET PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		<u>26,557.86</u>	<u>(68,354.54)</u>
 NET PROFIT (LOSS)		 <u>26,557.86</u>	 <u>(68,354.54)</u>
 Total revenues, expenses and valuation adjustments recognised directly in equity	 4	 10,466.01	 -
TOTAL CHANGES IN EQUITY	5	<u>37,023.87</u>	<u>(68,354.54)</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash	6	74,856.70	51,615.76
Receivables	7	3,698.20	13,716.87
Other	8	1,570.00	1,598.00
TOTAL CURRENT ASSETS		80,124.90	66,930.63
NON-CURRENT ASSETS			
Office Furniture & Equipment	9	2,733.69	4,297.69
TOTAL NON-CURRENT ASSETS		2,733.69	4,297.69
TOTAL ASSETS		82,858.59	71,228.32
CURRENT LIABILITIES			
Accounts Payable	10	15,845.48	34,467.90
Other	11	63,865.00	70,636.18
TOTAL CURRENT LIABILITIES		79,710.48	105,104.08
TOTAL LIABILITIES		79,710.48	105,104.08
NET ASSETS/(LIABILITIES)		3,148.11	(33,875.76)
EQUITY			
Retained profits/(Accumulated losses)	13	3,148.11	(33,875.76)

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005	2004
		\$	\$
Cash Flow from Operating Activities:			
Receipts from Subscriptions		79,141.93	78,640.91
Receipts from Promotional and Sundry Activities		158,644.30	148,002.77
Interest Received		1,433.89	1,616.69
Payments to and on behalf of Employees		(35,456.63)	(71,611.96)
Payments for Promotional and Other Expenses		(180,522.55)	(143,288.71)
Net Cash Provided by (Used in) Operating Activities		23,240.94	13,359.70
Net Cash Flows	14b	23,240.94	13,359.70
Cash Flows from Investing Activities:			
Payment for Property, Plant and Equipment		-	(4,708.22)
Net Cash Provided by (Used in) Investing Activities		-	(4,708.22)
Net Increase (Decrease) in Cash Held		23,240.94	8,651.48
Cash at Beginning of Financial Year		51,615.76	42,964.28
CASH AT END OF FINANCIAL YEAR	14a	74,856.70	51,615.76

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This 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 and the requirements of the Workplace Relations Act 1996.

The financial report covers the Australian Hotels Association – ACT Branch Incorporated as an individual entity. Australian Hotels Association – ACT Branch Incorporated is an Association registered in Australia under the Workplace Relations Act 1996

The financial report is 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 in exchange for assets.

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

Basis of Preparation

Adoption of Australian Equivalents to International Financial Reporting Standards

Australian Hotels Association – ACT Branch Incorporated has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

In accordance with the requirement of AASB 1: First-time Adoption of Australian equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of the Association to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented.

The impact of adoption of Australian Equivalents to International Financial Reporting Standards is immaterial.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Income Tax

No taxation has been provided for as the Association is exempt from taxation under Section 50-45 of the Income Tax Assessment Act 1997.

(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.

(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.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(f) Comparative Figures

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

(g) Revenue

Revenue from the provision of goods and services is recognised upon the delivery of the goods to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
NOTE 2: REVENUE		
Revenue from operating activities		
Awards For Excellence Income	27,998.18	27,205.45
Function Income	13,177.27	7,722.77
General Income	1,489.20	40.00
Interest Received	1,433.89	1,616.69
Sponsorship	101,121.26	80,300.48
Subscriptions	90,799.83	68,623.04
Training Income	790.91	7,079.53
Total Revenue	<u>236,810.54</u>	<u>192,587.96</u>

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

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

Auditors' Remuneration	2,500.00	1,200.00
Depreciation	1,564.00	410.53
Other administrative expenses	170,732.05	185,584.64
Salaries and benefits	35,456.63	73,747.33
Total Expenses	<u>210,252.68</u>	<u>260,942.50</u>

NOTE 4: PRIOR PERIOD EQUITY ADJUSTMENTS

The Entity received a refund of overpaid GST from the Australian Taxation Office. This amount should have been reportable on the balance sheet as a receivable in that financial year, however, the error was not discovered until the current financial year.

NOTE 5: EQUITY ADJUSTMENTS

There have been no adjustments made to Retained Equity as a result of the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

NOTE 6: CASH ASSETS

Cash Management Account	44,280.52	51,615.76
Maxi Direct Account	30,576.18	-
	<u>74,856.70</u>	<u>51,615.76</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
NOTE 7: RECEIVABLES		
CURRENT		
Trade Debtors	3,080.00	4,365.25
GST Paid	618.20	9,351.62
	<u>3,698.20</u>	<u>13,716.87</u>
 NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	<u>1,570.00</u>	<u>1,598.00</u>
 NOTE 9: OFFICE FURNITURE & EQUIPMENT		
Office Furniture & Equipment – at cost	4,708.22	4,708.22
Less: Accumulated Depreciation	<u>1,974.53</u>	<u>410.53</u>
	<u>2,733.69</u>	<u>4,297.69</u>
 NOTE 9(b): OFFICE FURNITURE & EQUIPMENT RECONCILIATION		
Office Furniture & Equipment		
Carrying amount at beginning	4,297.69	-
Plus: Additions	-	4,708.22
Less: Depreciation	1,564.00	(410.53)
Less: Disposals	-	-
Carrying amount at end of year	<u>2,733.69</u>	<u>4,297.69</u>
 NOTE 10: ACCOUNTS PAYABLE		
CURRENT		
Trade Creditors	6,800.30	8,946.95
Sundry Creditors		
Accrued Expenditure	2,500.00	2,300.00
Provision for Annual Leave	531.75	1,276.71
Provision for Previous Accommodation President Allowance	-	2,747.31
GST Payable	280.00	9,761.56
	<u>15,845.48</u>	<u>34,467.90</u>
 NOTE 11: OTHER LIABILITIES		
CURRENT		
Income in Advance	22,090.00	28,954.54
Subscriptions in Advance	<u>41,775.00</u>	<u>41,681.64</u>
	<u>63,865.00</u>	<u>70,636.18</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 12: SEGMENT REPORTING

The Organisation is the representative body for hotels and other associated hospitality entities in the Australian Capital Territory.

NOTE 13: RETAINED PROFITS

Retained profits at the beginning of the year	(33,875.76)	34,478.78
Net operating profit/(loss) for the year	<u>37,023.87</u>	<u>(68,354.54)</u>
Retained profits (Accumulated loss) at the end of the year	<u>3,148.11</u>	<u>(33,875.76)</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
NOTE 14: 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	44,280.52	51,615.76
Maxi Direct Account	30,576.18	-
	74,856.70	51,615.76
(b) Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax		
Operating Profit (Loss) after Income Tax	37,023.87	(68,354.54)
Non Cash Flows in Operating Profit:		
Depreciation	1,564.00	410.53
Profit on Sale of Non-current Assets	-	-
Changes in Assets & Liabilities:		
Decrease (Increase) in Trade Debtors	1,285.25	27,047.99
Decrease (Increase) in Sundry Debtors	-	14,091.07
Decrease (Increase) in Net GST Paid	(748.14)	4,234.16
Decrease (Increase) in Prepayments	28.00	13,482.45
Increase (Decrease) in Trade Creditors	(2,146.65)	245.34
Increase (Decrease) in Accrued Charges	200.00	(700.00)
Increase (Decrease) in Provision for Annual Leave	(744.96)	(999.37)
Increase (Decrease) in Provision for Honorarium	(2,747.31)	-
Increase (Decrease) in Sundry Creditors	(3,701.94)	(15,070.34)
Increase (Decrease) in Income in Advance	(6,771.18)	38,972.41
Net Cash Provided (Used) by Operating Activities	23,240.94	13,359.70

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 2005

NOTE 15: PRESCRIBED INFORMATION NOTICE

The following section of the Workplace Relations Act 1996 RAO Schedule is brought to the attention of members:

Section 272 Information to be provided to members or Registrar

- 1) A member of an reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application; and
- 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; and
- 3) A reporting unit must comply with an application made under subsection (1).

NOTE 16: EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to 31 December 2005 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 17: RELATED PARTIES

Amounts were paid to Capital Link for both executive services and rent. Executive services amounted to \$30,645.45, and Rent amounted to \$9,600.00.

General Levies and Affiliation fees paid to the National Office of \$7,585.96 were paid on normal commercial terms.

NOTE 18: CAPITAL AND LEASING COMMITMENTS

There are no capital or leasing commitments at year end.

NOTE 19: CONTINGENT LIABILITIES

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

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 2005**

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

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

COMMITTEE OF MANAGEMENT'S STATEMENT

On 8 December 2009, the Committee of Management of the Australian Hotels Association - ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2005.

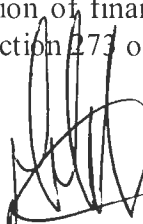
The Committee of Management declares in relation to the GPFR that in its opinion:

- (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 Australian Hotels Association - ACT Branch 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 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 of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the organisation consists of one reporting unit;
 - (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) no orders for inspection of financial records have been made by the Commission under section 273 of the RAO Schedule.

For the Committee of Management:

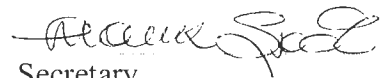
Michael Capezio

President



Mark Sproat

Secretary



Dated this 8th day of December 2009

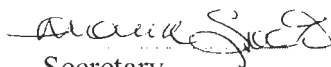
AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

CERTIFICATE OF SECRETARY/TREASURER

I, Mark Sproat, being the Honorary Secretary/Treasurer of the Australian Hotels Organisation - ACT Branch (the Organisation) certify:

- (1) That the documents lodged herewith are copies of the full report referred to in Section 268 of the RAO Schedule; and
- (2) Financial reports were provided to members of the Association on 13 November 2009; and
- (3) That the full report was presented to a General Meeting of members of the Association on 8 December 2009 in accordance with section 266 of the RAO Schedule.

Mark Sproat


Secretary

Dated this 8th day of December 2009



Accountants
& Business Advisors

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

SCOPE

We have audited the accompanying financial report of the Australian Hotels Association – ACT Branch (the Association) for the financial year ended 31 December 2005. The Committee of the Association 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 (including the Australian Accounting Interpretations) 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.

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

We meet the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003.

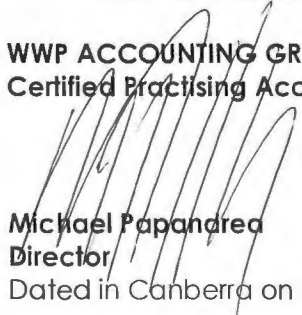
The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion:

- (a) the financial report of the Australian Hotels Association – ACT Branch is in accordance with the Workplace Relations Act 1996, including:
 - (i) presenting fairly in all material respects the Associations' financial position as at 31 December 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

WWP ACCOUNTING GROUP PTY LTD
Certified Practising Accountants


Michael Papandrea
Director

Dated in Canberra on the 8th Day of December 2009



Fair Work Australia

1 September 2009

Steven Fanner
General Manger
Australian Hotels Association
Australian Capital Territory Branch
PO Box 3250
Manuka ACT 2603
By email: actaha@actaha.org.au

Dear Mr Fanner,

Financial reports of the Australian Hotels Association – Australian Capital Territory Branch for financial years ended 31 December 2005, 2006, 2007 and 2008 (FR2005/620, 2006/538, 2007/594 and 2008/619)

Thank you for lodging the financial reports of the Australian Capital Territory Branch of the Australian Hotels Association for the years ended 31 December 2005, 2006, 2007 and 2008. The documents were lodged in this office on 19 August 2009.

As you would be aware, the Workplace Relations (Registration and Accountability of Organisations) legislation came into operation on 12 May 2003. The accounts for the period covered by the abovementioned documents should have been prepared in accordance with the relevant provisions of Schedule 1 of the Workplace Relations Act 1996 “the RAO Schedule”, the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 and the Reporting Guidelines.

An examination of the above financial reports reveals substantial non-compliance with the RAO Schedule. Indeed it appears from the Scope of the Auditor’s Report(s) that the financial reports have been prepared in order to satisfy the requirements of the Association Incorporations Act 1991. Whilst that legislation may make provisions which coincidentally traverse similar or identical subject matter, the Branch, as a reporting unit under the RAO Schedule, is required to comply with the obligations referred to in the preceding paragraph.

I have identified a variety of shortcomings in the reports lodged. The Branch should prepare fresh reports in keeping with the relevant legislative requirements and lodge those reports in due course. In order to assist the Branch I advise this Office is always prepared to examine documentation in draft form.

Finally, I note our letter of 10 January 2006 in relation to the Branch’s financial report for the year ended 31 December 2004 advised you of deficiencies in relation to those documents. A search of our records suggests the branch has yet to respond to that correspondence.

If you wish to discuss any matters further, I can be contacted on (03) 8661 7993 or by email at larry.powell@fwa.gov.au

Yours sincerely

Larry Powell
Tribunal Services and Organisations
Fair Work Australia

1. Operating report

The financial reports did not contain an operating report. Financial documents lodged must contain an operating report. The Committee of Management must as soon as practicable after the end of each financial year cause an operating report to be prepared in relation to the financial year - refer s254 of the RAO Schedule and regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. The operating report must contain the following:

(a) *Review of principal activities:*

The report must contain a review of the reporting unit's principal activities during the financial year, the results of those activities and any significant changes in the nature of those activities during the year.

(b) *Significant changes in financial affairs:*

The report must give details of any significant changes in the reporting unit's financial affairs during the year.

(c) *Right of members to resign:*

Subsection 254(2)(c) requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 32 of the organisation's rules is applicable.

(d) *Trustees of superannuation entities:*

The report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- (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 a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation

(e) *Number of members and number of employees:*

Subsection 254(2)(f) of the RAO Schedule and regulation 159(a) and (b) of the RAO Regulations require the operating report to contain information pertaining to the number of persons that were members and the number of persons who were employees of the reporting unit at the end of the financial year.

(f) *Membership of Committee of Management:*

The operating report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position - refer regulation 159(c) of the RAO Regulations.

2. Accounting Officer's Certificate

There is no requirement under the RAO Schedule to lodge an accounting officer's certificate. Such certificate was previously required by section 273(2) of the RAO Schedule and regulation 109(1)(a) of the *Workplace Relations Regulations*.

3. Committee of Management Statement

It would appear that the document titled "Committee's Certificate" appears to have been produced in accordance with regulation 109(1)(b) of the superseded *Workplace Relations Regulations*.

A Committee of Management Statement should comply with the reporting guidelines issued for the purposes of s253 of the RAO Schedule. Under item 25 of the reporting guidelines, the committee of management statement must include declarations as to whether in the opinion of the committee of management:

- (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.*

In addition to these requirements, the committee of management statement must be made in accordance with such resolution passed by the committee in relation to the matters requiring declaration. The statement must also specify the date of the resolution.

Please note that under paragraph 26(d) of the guidelines, for the purposes of s253, this Statement need only be signed by the designated officer. The expression "designated officer" is defined by s243(a) of the RAO Schedule to be "an officer who, under the rules of the reporting unit, is responsible (whether alone or with others) for undertaking the functions necessary to enable the reporting unit to comply with this Part". In the present case that officer would appear to be the Secretary/Treasurer.

A Committee of Management Statement should be prepared in accordance with the above.

4. Auditor's Report

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

"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 1 of the Workplace Relations Act 1996."

- (b) It is not clear from the Report whether or not the Auditor is an approved auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the RAO Regulations. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

5. Auditor's Disclaimer to Detailed Income Statement

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

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

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

As the information contained in the Detailed Income Statement does not appear to form part of the audited "accounts and statements" the financial documents as lodged do not satisfy the requirements of s253 of the RAO Schedule.

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

6. Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged with Fair Work Australia within certain timescale requirements. I have for your information enclosed a diagrammatic summary of the financial reporting process and timelines (Attachment B).

I note that the Committee of Management Statement for each financial year is dated after the date of the Auditor's Report. As the Auditor must take the Committee of Management Statement into account in the preparation of their report such documents should be prepared before the Auditor has made their report.

I also note that the financial reports were not provided to members at least 21 days before the General Meetings of members as required by s265(5)(a) of the RAO Schedule.

Also, unless an extension is granted, financial reports should be lodged with Fair Work Australia within 14 days of the meeting at which they were presented - refer subsection 268.

7. Notice to members

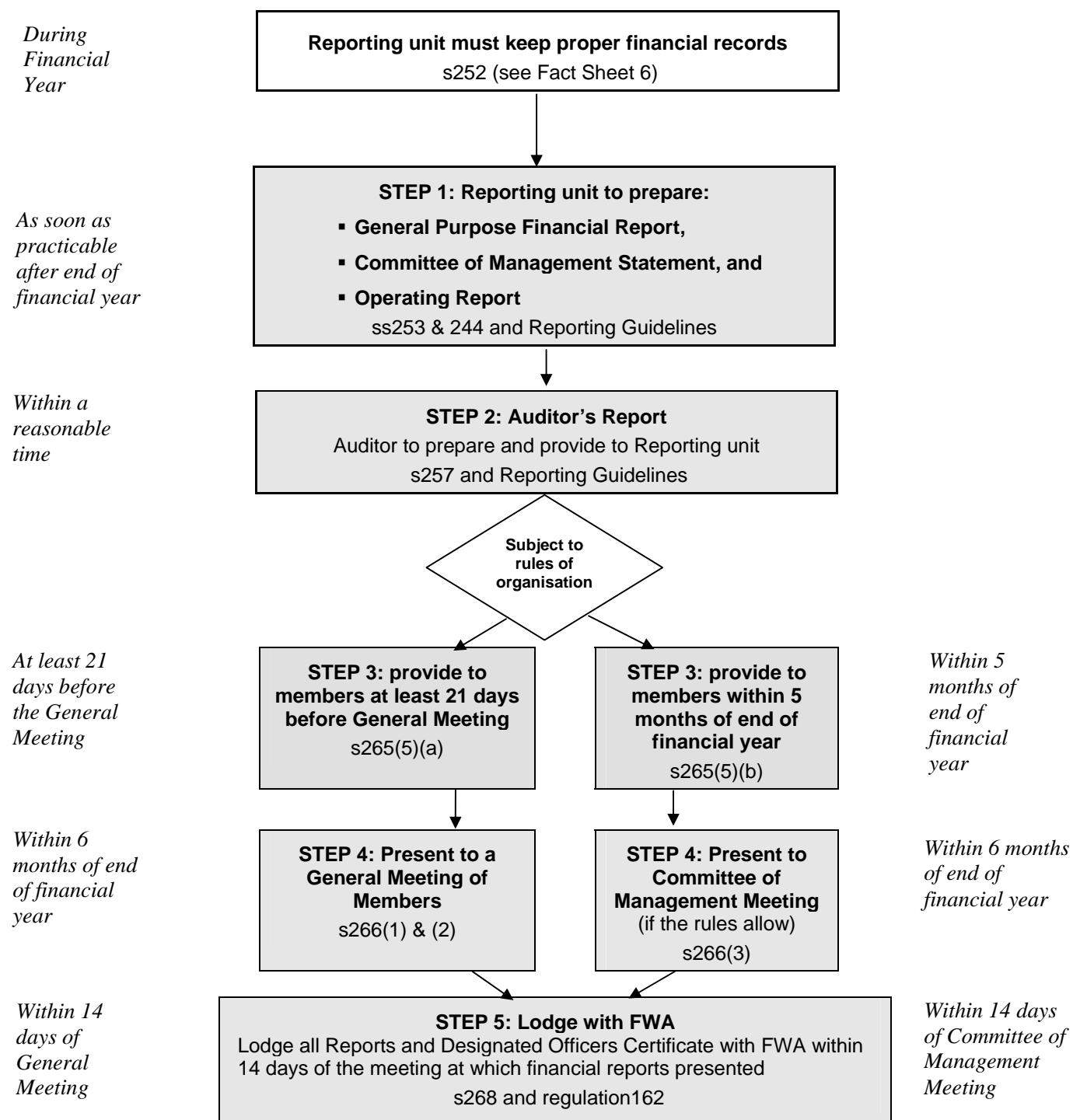
I note that the notice to members provides the provisions of section 274 of the Workplace Relations Act 1996. The accounts should set out the provisions of subsections 272(1), (2) and (3) of the RAO Schedule.

RO Fact Sheet No. 09/2009 1 July 2009

Fair Work (Registered Organisations) Act 2009 Legislation Fact Sheet

Diagrammatic Summary of Financial Reporting Time-lines

Financial reports are to be lodged with FWA within 6½ months of end of financial year by completing the steps as outlined below. See Fact Sheet 8 for an explanation of each of these steps.





AUSTRALIAN HOTELS ASSOCIATION

ACT BRANCH

PO Box 3250 Manuka ACT 2603 • 24 Brisbane Avenue, Barton ACT 2600 Australia
Telephone: (02) 6273 6633 Facsimile: (02) 6273 7439 Email: actaha@actaha.org.au
www.actaha.org.au

28 July 2009

Mr Larry Pell
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Dear Mr Pell

Financial documents for the year ended 31 December 2005

Please find enclosed:

1. Financial statements for the Branch as required for the year ended 31 December 2005 which were endorsed by members at the Annual General Meeting on 29 August 2006; and
2. Designated Officer's certificate dated 28 July 2009.

Please contact me if further information is required.

Yours sincerely

Steven Fanner
General Manager

SFJul14-5.3

Designated Officer's Certificate
S268 Fair Work (Registered Organisations) Act 2009

I, Mark Sproat, being the Secretary/Treasurer of the Australian Hotels Association – Australian Capital Territory Branch, certify that:

1. The documents lodged herewith for the year ended 31 December 2005 are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. A copy of the full report was made available to members on 14 August 2006; and
3. The full report was presented to the Annual General Meeting of members of the Branch on 29 August 2006 in accordance with Section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed: Mark Sproat

Dated: 28th JULY 2009

**AUSTRALIAN HOTELS ASSOCIATION
ACT BRANCH**

**FINANCIAL REPORT
YEAR ENDED 31 DECEMBER 2005**

**Australian Hotels Association – ACT Branch
Financial Report
Year Ended 31 December 2005**

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Certificate of Principal Accounting Officer

Committee of Management’s Certificate

Independent Audit Report

Income Statement

Balance Sheet

Statement of Cash Flows

Notes to the Financial Statements

Auditors Disclaimer

Detailed Income Statement

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

COMMITTEE OF MANAGEMENT'S CERTIFICATE

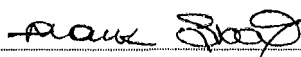
We, Michael Capezio and Mark Sproat, being two members of the Committee of Management of the Australian Hotels Association - ACT Branch do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:

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 2005;
2. In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 December 2005 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 2005 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 ^{3rd} Day of May 2006.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

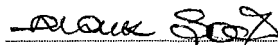
CERTIFICATE OF PRINCIPAL ACCOUNTING OFFICER

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 2005, 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 2005;
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 24th Day of April 2006.



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

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

phone: 02 6285 2766
fax: 02 6285 2833

email: info@wwp.net.au
web: www.wwp.net.au

SCOPE

We have audited the financial report of the Australian Hotels Association – ACT Branch (the Association) for the financial year ended 31 December 2005 as set out on pages 6 to 16. 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 2005 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 2nd Day of March, 2006

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
Revenues from Ordinary Activities	2	236,810.54	192,587.96
Employee Benefits Expense		(35,456.63)	(73,747.33)
Depreciation and Amortisation Expenses		(1,564.00)	(410.53)
Other Expenses from Ordinary Activities		<u>(173,232.05)</u>	<u>(186,784.64)</u>
PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	3	26,557.86	(68,354.54)
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
NET PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		<u>26,557.86</u>	<u>(68,354.54)</u>
NET PROFIT (LOSS)		<u>26,557.86</u>	<u>(68,354.54)</u>
Total revenues, expenses and valuation adjustments recognised directly in equity	4	<u>10,466.01</u>	<u>-</u>
TOTAL CHANGES IN EQUITY	5	<u>37,023.87</u>	<u>(68,354.54)</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash	6	74,856.70	51,615.76
Receivables	7	3,698.20	13,716.87
Other	8	1,570.00	1,598.00
TOTAL CURRENT ASSETS		80,124.90	66,930.63
NON-CURRENT ASSETS			
Office Furniture & Equipment	9	2,733.69	4,297.69
TOTAL NON-CURRENT ASSETS		2,733.69	4,297.69
TOTAL ASSETS		82,858.59	71,228.32
CURRENT LIABILITIES			
Accounts Payable	10	15,845.48	34,467.90
Other	11	63,865.00	70,636.18
TOTAL CURRENT LIABILITIES		79,710.48	105,104.08
TOTAL LIABILITIES		79,710.48	105,104.08
NET ASSETS/(LIABILITIES)		3,148.11	(33,875.76)
EQUITY			
Retained profits/(Accumulated losses)	13	3,148.11	(33,875.76)

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
Cash Flow from Operating Activities:			
Receipts from Subscriptions		79,141.93	78,640.91
Receipts from Promotional and Sundry Activities		158,644.30	148,002.77
Interest Received		1,433.89	1,616.69
Payments to and on behalf of Employees		(35,456.63)	(71,611.96)
Payments for Promotional and Other Expenses		<u>(180,522.55)</u>	<u>(143,288.71)</u>
Net Cash Provided by (Used in) Operating Activities		<u>23,240.94</u>	<u>13,359.70</u>
Net Cash Flows	14b	<u>23,240.94</u>	<u>13,359.70</u>
Cash Flows from Investing Activities:			
Payment for Property, Plant and Equipment		<u>-</u>	<u>(4,708.22)</u>
Net Cash Provided by (Used in) Investing Activities		<u>-</u>	<u>(4,708.22)</u>
Net Increase (Decrease) in Cash Held		23,240.94	8,651.48
Cash at Beginning of Financial Year		51,615.76	42,964.28
CASH AT END OF FINANCIAL YEAR	14a	<u><u>74,856.70</u></u>	<u><u>51,615.76</u></u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This 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 and the requirements of the *Associations Incorporation Act 1991*.

The financial report covers the Australian Hotels Association – ACT Branch Incorporated as an individual entity. Australian Hotels Association – ACT Branch Incorporated is an Association incorporated in the ACT under the *Association Incorporations Act 1991*.

The financial report is 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 in exchange for assets.

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

Basis of Preparation

Adoption of Australian Equivalents to International Financial Reporting Standards

Australian Hotels Association – ACT Branch Incorporated has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

In accordance with the requirement of AASB 1: First-time Adoption of Australian equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of the Association to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented.

The impact of adoption of Australian Equivalents to International Financial Reporting Standards is immaterial.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

(a) Income Tax

No taxation has been provided for as the Association is exempt from taxation under Section 50-45 of the *Income Tax Assessment Act 1997*.

(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.

(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.

(g) Revenue

Revenue from the provision of goods and services is recognised upon the delivery of the goods to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
NOTE 2: REVENUE		
Revenue from operating activities		
Awards For Excellence Income	27,998.18	27,205.45
Function Income	13,177.27	7,722.77
General Income	1,489.20	40.00
Interest Received	1,433.89	1,616.69
Sponsorship	101,121.26	80,300.48
Subscriptions	90,799.83	68,623.04
Training Income	790.91	7,079.53
Total Revenue	<u>236,810.54</u>	<u>192,587.96</u>

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

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

Auditors' Remuneration	2,500.00	1,200.00
Depreciation	1,564.00	410.53
Other administrative expenses	170,732.05	185,584.64
Salaries and benefits	35,456.63	73,747.33
Total Expenses	<u>210,252.68</u>	<u>260,942.50</u>

NOTE 4: PRIOR PERIOD EQUITY ADJUSTMENTS

The Entity received a refund of overpaid GST from the Australian Taxation Office. This amount should have been reportable on the balance sheet as a receivable in that financial year, however, the error was not discovered until the current financial year.

NOTE 5: EQUITY ADJUSTMENTS

There have been no adjustments made to Retained Equity as a result of the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

NOTE 6: CASH ASSETS

Cash Management Account	44,280.52	51,615.76
Maxi Direct Account	30,576.18	-
	<u>74,856.70</u>	<u>51,615.76</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
NOTE 7: RECEIVABLES		
CURRENT		
Trade Debtors	3,080.00	4,365.25
GST Paid	618.20	9,351.62
	<u>3,698.20</u>	<u>13,716.87</u>
NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	<u>1,570.00</u>	<u>1,598.00</u>
NOTE 9: OFFICE FURNITURE & EQUIPMENT		
Office Furniture & Equipment – at cost	4,708.22	4,708.22
Less: Accumulated Depreciation	<u>1,974.53</u>	<u>410.53</u>
	<u>2,733.69</u>	<u>4,297.69</u>
NOTE 9(b): OFFICE FURNITURE & EQUIPMENT RECONCILIATION		
Office Furniture & Equipment		
Carrying amount at beginning	4,297.69	-
Plus: Additions	-	4,708.22
Less: Depreciation	1,564.00	(410.53)
Less: Disposals	-	-
Carrying amount at end of year	<u>2,733.69</u>	<u>4,297.69</u>
NOTE 10: ACCOUNTS PAYABLE		
CURRENT		
Trade Creditors	6,800.30	8,946.95
Sundry Creditors		
Accrued Expenditure	2,500.00	2,300.00
Provision for Annual Leave	531.75	1,276.71
Provision for Previous Accommodation President Allowance	-	2,747.31
GST Payable	280.00	9,761.56
	<u>15,845.48</u>	<u>34,467.90</u>
NOTE 11: OTHER LIABILITIES		
CURRENT		
Income in Advance	22,090.00	28,954.54
Subscriptions in Advance	<u>41,775.00</u>	<u>41,681.64</u>
	<u>63,865.00</u>	<u>70,636.18</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 12: SEGMENT REPORTING

The Organisation is the representative body for hotels and other associated hospitality entities in the Australian Capital Territory.

NOTE 13: RETAINED PROFITS

Retained profits at the beginning of the year	(33,875.76)	34,478.78
Net operating profit/(loss) for the year	<u>37,023.87</u>	<u>(68,354.54)</u>
Retained profits (Accumulated loss) at the end of the year	<u>3,148.11</u>	<u>(33,875.76)</u>

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
NOTE 14: 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	44,280.52	51,615.76
Maxi Direct Account	30,576.18	-
	<u>74,856.70</u>	<u>51,615.76</u>
(b) Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax		
Operating Profit (Loss) after Income Tax	37,023.87	(68,354.54)
Non Cash Flows in Operating Profit:		
Depreciation	1,564.00	410.53
Profit on Sale of Non-current Assets	-	-
Changes in Assets & Liabilities:		
Decrease (Increase) in Trade Debtors	1,285.25	27,047.99
Decrease (Increase) in Sundry Debtors	-	14,091.07
Decrease (Increase) in Net GST Paid	(748.14)	4,234.16
Decrease (Increase) in Prepayments	28.00	13,482.45
Increase (Decrease) in Trade Creditors	(2,146.65)	245.34
Increase (Decrease) in Accrued Charges	200.00	(700.00)
Increase (Decrease) in Provision for Annual Leave	(744.96)	(999.37)
Increase (Decrease) in Provision for Honorarium	(2,747.31)	-
Increase (Decrease) in Sundry Creditors	(3,701.94)	(15,070.34)
Increase (Decrease) in Income in Advance	(6,771.18)	38,972.41
Net Cash Provided (Used) by Operating Activities	<u>23,240.94</u>	<u>13,359.70</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 2005**

NOTE 16: 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 17: EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to 31 December 2005 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 18: RELATED PARTIES

Amounts were paid to Capital Link for both executive services and rent. Executive services amounted to \$30,645.45, and Rent amounted to \$9,600.00. General Levies and Affiliation fees paid to the National Office of \$7,585.96 were paid on normal commercial terms.

NOTE 19: CAPITAL AND LEASING COMMITMENTS

There are no capital or leasing commitments at year end.

NOTE 20: CONTINGENT LIABILITIES

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

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 22: 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.

NOTE 23: 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

**AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH
AUDITED FINANCIAL STATEMENTS**

2005

AUDITOR'S DISCLAIMER

TO THE MEMBERS

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

The additional financial data presented in the following page is in accordance with the books and records of the Australian Hotels Association – ACT Branch, which have been subjected to the auditing procedures applied to our audit of the Association for the year ended 31 December 2005. It will be appreciated that our audit did not cover all details of the additional financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes any responsibility in any way whatsoever to any person (other than Australian Hotels Association – ACT Branch.) in respect of such data including any errors or omissions therein however caused.

WWP ACCOUNTING GROUP PTY LTD

CANBERRA

AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
INCOME		
Awards For Excellence Income	27,998.18	27,205.45
Function Income	13,177.27	7,722.77
General Income	1,489.20	40.00
Interest Received	1,433.89	1,616.69
Other Income		
Sponsorship	101,121.26	80,300.48
Subscriptions	90,799.83	68,623.04
Training Income	790.91	7,079.53
	<u>236,810.54</u>	<u>192,587.96</u>
EXPENDITURE		
ACTive Hospitality	12,285.72	13,841.33
Advertising	1,913.06	818.18
Affiliation Fees	300.00	300.00
Accrued Annual Leave	(744.96)	(999.37)
Auditor's Remuneration	2,500.00	1,200.00
Awards for Excellence	24,754.15	25,978.71
Bank Charges	1,958.93	2,283.19
Consultancy Fees	30,645.45	20,581.82
Depreciation	1,564.00	410.53
Donations	-	3,140.93
Golf Day & Lawn Bowls Expenses	12,576.18	11,517.89
Honorariums	20,257.49	35,095.45
Insurance	2,079.63	5,292.55
Legal Costs	2,951.58	2,264.09
Office Expenses	357.16	1,554.40
Postage & Freight	898.21	1,638.22
Printing & Stationery	4,630.44	3,967.69
Publications	308.16	352.10
Rent	9,600.00	6,000.00
Repairs & Maintenance	-	514.40
Representations	1,830.00	300.00
Salaries, Benefits and On Costs	35,456.63	73,747.33
Seminars	2,313.62	310.91
State Capitations Fees	7,585.96	7,585.96
Subscriptions	767.28	595.73
Telephone	10,018.12	11,237.04
Training Courses	750.91	4,766.05
Travel & Meetings	22,694.96	26,647.37
	<u>210,252.68</u>	<u>260,942.50</u>
NET OPERATING PROFIT/ (LOSS)	<u>26,557.86</u>	<u>(68,354.54)</u>