



FAIR WORK
AUSTRALIA

15 March 2012

Mr Mark Sproat
Secretary/Treasurer
Australian Hotels Association, Australian Capital Territory Branch
email: actaha@actaha.org.au

Dear Mr Sproat

Re: Financial Report for the Australian Hotels Association, Australian Capital Territory Branch for year ended 31 December 2010 – FR2010/2892

I acknowledge receipt of the financial report and revised operating report for the Australian Hotels Association, Australian Capital Territory Branch (the Branch) for the year ended 31 December 2010. The financial report and operating report were lodged with Fair Work Australia (FWA) on 5 January and 15 February 2012 respectively. I apologise for the delay in processing this matter.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Operating Report

Right of members to resign

Subsection 254(2)(c) of the Fair Work (Registered Organisations) Act 2009 (the Act) requires the operating report to 'give details' of the right of members to resign from the reporting unit under section 174 of the Act. This 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 Australian Hotels Association Rules is applicable.

Trustee of superannuation entity

Subsection 254(2)(d) of the Act requires details of any *officer or member* of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme to be provided in the operating report '*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*'.

If no officers or members of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the s254(2)(d) is:

'No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.'

Notes to the financial statements

Notice under Section 272(5) of the Act

As you are aware, the Notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information that is prescribed by the Fair Work (Registered Organisations) Regulations 2009 is available to members on request.

The wording of section 272(5) of the Act is as follows (emphasis added):

'(5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section **and setting out those subsections.**'

Would you please ensure in future that the Notes contain this extract of the Act, word for word:

'272 Information to be provided to members or General Manager

(1) A member of a reporting unit, or the General Manager, 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.

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

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

Note: This subsection is a civil penalty provision (see section 305).'

Committee of Management statement

Reference to the 'Industrial Registrar' where appearing in the Committee of Management statement should properly refer to the 'General Manager, Fair Work Australia'.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely



Kevin Donnellan

Organisations, Research and Advice

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

**Australian Hotels Association - ACT Branch
Committee members' report
31 December 2010
(continued)**

Information on the Executive Committee

Michael Capezio - President

Manuel Notaras - Vice President

Mark Sproat - Hon Secretary/Treasurer

No committee members were involved in trusteeships or directorships on behalf of the Association as directors of any superannuation fund.

Meetings of the Executive Committee

The numbers of meetings of the Association's Executive Committee held during the year ended 31 December 2010, and the numbers of meetings attended by each committee member were:

	Full meetings of directors	
	A	B
Michael Capezio	3	5
Manuel Notaras	2	5
Mark Sproat	5	5

A = Number of meetings attended

B = Number of meetings held during the time the member held office during the year

Insurance of officers

During the financial year, Australian Hotels Association - ACT Branch paid a premium of \$1,507 (2009: \$2,184) to insure the directors and secretaries of the company and its Australian-based controlled entities, and the general managers of each of the divisions of the Company.

Auditor

PwC continues in office in accordance with section 256 of the *Fair Work (Registered Organisations) Act 2009*.


Michael Capezio
President

15.2.12

Mark Sproat
Secretary



21 December 2011

Mr Kevin Donnellan
Tribunal Services & Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Via Email: kevin.donnellan@fwa.gov.au



Dear Mr Donnellan

Financial documents for the year ended 31 December 2010

Please find enclosed:

1. Financial statements for the Branch as required for the year ended 31 December 2010 which were endorsed at a General Meeting of members on 21 December 2011; and
2. Designated Officer's certificate dated 21 December 2011.

Please contact me if further information is required.

Yours sincerely

Gwyn Rees
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 2010 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 30 November 2011; and
3. The full report was presented to a General Meeting of members of the Branch on 21 December 2011 in accordance with Section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed:

Dated: 21 December 2011

**Australian Hotels Association
ACT Branch
Annual report
for the year ended 31 December 2010**

Australian Hotels Association - ACT Branch ABN 37 315 422 917
Annual report - 31 December 2010

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Committee members' report

Your committee members present their report on the Australian Hotels Association - ACT Branch (the Association) for the year ended 31 December 2010.

Executive Committee

The following persons comprised the Executive Committee of the Association during the whole of the year and up to the date of this report:

Michael Capezio
Manuel Notaras
Mark Sproat

Registered Rules of the Association

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.

Branch members & employees

The number of Branch members as at 31 December 2010 was 96 (2009: 97).
The number of Branch employees as at 31 December 2010 was 3 (2009: 2).

Principal activities

During the year the principal continuing activities of the Association was to represent and further the interests of the licensed hospitality industry of the Australian Capital Territory.

Operating results

The operating surplus of the Association amounted to \$37,001 (2009: deficit of \$4,542). This figure represents a true and fair view of the results achieved during the reporting period.

Dividends - Australian Hotels Association - ACT Branch

The Association is a not-for-profit entity. No dividend has been paid or declared.

Significant changes in the state of affairs

In the opinion of the committee members there were no significant changes in the state of affairs that occurred during the financial year under review.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2010 that has significantly affected, or may significantly affect:

- (a) the Association's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Association's state of affairs in future financial years.

Likely developments and expected results of operations

There were no likely developments in the Association's operations that were not finalised at the date of this report.

Environmental regulation

The Association is not subject to any significant environmental regulation.

**Australian Hotels Association - ACT Branch
Committee members' report
31 December 2010
(continued)**

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Manuel Notaras - Vice President

Mark Sproat - Hon Secretary/Treasurer

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Michael Capezio
President

Mark Sproat
Secretary

Australian Hotels Association - ACT Branch ABN 37 315 422 917
Annual report - 31 December 2010

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These financial statements of the Australian Hotels Association - ACT Branch as an individual entity. The financial statements are presented in the Australian currency.

Australian Hotels Association - ACT Branch is an association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Australian Hotels Association - ACT Branch
Commerce House
Level 4, 24 Brisbane Avenue
Barton ACT 2600

The financial statements were authorised for issue by the Committee of Management on November 2011. The Committee has the power to amend and reissue the financial statements.

**Australian Hotels Association - ACT Branch
Statement of comprehensive income
For the year ended 31 December 2010**

	Notes	2010 \$	2009 \$
Revenue from continuing operations	4	348,462	299,561
Employee benefits expense	5	(143,144)	(120,367)
Depreciation and amortisation expense	5	(1,372)	(1,882)
Other expenses	5	(166,935)	(181,854)
Profit/(loss) before income tax		<u>37,001</u>	<u>(4,542)</u>
Profit/(loss) for the year		<u>37,001</u>	<u>(4,542)</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>37,001</u>	<u>(4,542)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**Australian Hotels Association - ACT Branch
Balance sheet
As at 31 December 2010**

	Notes	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	154,273	61,567
Trade and other receivables	7	52,182	13,618
Other current assets	8	<u>1,751</u>	<u>1,132</u>
Total current assets		<u>208,206</u>	<u>76,317</u>
Non-current assets			
Computer equipment	9	<u>1,830</u>	<u>3,202</u>
Total non-current assets		<u>1,830</u>	<u>3,202</u>
Total assets		<u>210,036</u>	<u>79,519</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	48,297	27,794
Other current liabilities	11	<u>112,305</u>	<u>39,292</u>
Total current liabilities		<u>160,602</u>	<u>67,086</u>
Total liabilities		<u>160,602</u>	<u>67,086</u>
Net assets		<u>49,434</u>	<u>12,433</u>
EQUITY			
Retained earnings		<u>49,434</u>	<u>12,433</u>
Total equity		<u>49,434</u>	<u>12,433</u>

The above balance sheet should be read in conjunction with the accompanying notes.

**Australian Hotels Association - ACT Branch
Statement of changes in equity
For the year ended 31 December 2010**

	Notes	Retained earnings \$	Total equity \$
Balance at 1 January 2009		<u>16,975</u>	<u>16,975</u>
Total comprehensive income for the year		<u>(4,542)</u>	<u>(4,542)</u>
Balance at 31 December 2009		<u>12,433</u>	<u>12,433</u>
Total comprehensive income for the year		<u>37,001</u>	<u>37,001</u>
Balance at 31 December 2010		<u>49,434</u>	<u>49,434</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Australian Hotels Association - ACT Branch
Statement of cash flows
For the year ended 31 December 2010

	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from subscriptions		101,821	114,230
Receipts from sponsorship		131,406	128,173
Receipts from promotional and sundry activities		208,397	94,985
Receipts for Convention Centre levy		-	94
Interest received		5,145	3,174
Payments to and on behalf of employees		(143,144)	(121,209)
Payments for promotional and other expenses		<u>(210,919)</u>	<u>(250,048)</u>
Net cash outflow (inflow) from operating activities	15	<u>92,706</u>	<u>(30,601)</u>
Cash flows from investing activities			
Payment for property, plant and equipment		-	(4,117)
Net cash (outflow) inflow from investing activities		<u>-</u>	<u>(4,117)</u>
Net increase (decrease) in cash and cash equivalents		92,706	(34,718)
Cash and cash equivalents at the beginning of the financial year		<u>61,567</u>	<u>96,285</u>
Cash and cash equivalents at end of year	6	<u>154,273</u>	<u>61,567</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

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1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Fair Work (Registered Organisations) Act 2009*.

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*.

Compliance with AIFRS

The financial statements of the Association also comply with Australian equivalents to International Financial Reporting Standards (AIFRS).

Financial statement presentation

The Association has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Association had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Association's activities as described below. The Association bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Goods and services

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

(ii) Interest

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

(c) Income tax

No taxation has been provided for as the Association is exempt from taxation under Section 50-40 of the *Income Tax Assessment Act 1997*.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of two months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

1 Summary of significant accounting policies (continued)

(e) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(f) Office furniture and equipment

Office furniture and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

- Computer equipment

2-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1).

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

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

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

2 Financial risk management

The Association's activities expose it to a variety of financial risks: credit risk, liquidity risk and cash flow interest rate risk. The Association's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Association. The Association uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and aging analysis for credit risk.

Risk management is carried out by management under policies approved by the Executive Committee.

The Association holds the following financial instruments:

	2010	2009
	\$	\$
Financial assets		
Cash and cash equivalents	154,273	61,567
Trade and other receivables	<u>62,182</u>	<u>13,818</u>
	<u>206,455</u>	<u>75,185</u>
Financial liabilities		
Trade and other payables	<u>48,297</u>	<u>27,794</u>

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The Association does not operate in any currencies other than the entity's functional currency and therefore is not exposed to foreign exchange risk.

(ii) Price risk

Price risk arises from investments subject to changes in prices and values. The Association does not hold any assets subject to changes in values and therefore is not exposed to price risk.

(iii) Cash flow and fair value interest rate risk

The Association's only interest rate risk arises from cash equivalents with variable interest rates.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available funding. The Association has sufficient funds to meet debt obligations. Therefore, the Association is not exposed to significant liquidity risk. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

(c) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying amounts of the Association's assets and liabilities at the balance sheet date equal their fair values.

(d) Credit risk

Credit risk is managed by the Association and arises from trade and other receivables. Credit risk arising from trade debtors is managed through regular reviews of compliance with payment terms.

3 Critical accounting estimates and judgements

(i) Critical judgements in applying the entity's accounting policies

There were no critical judgements in the process of applying the Association's accounting policies.

(ii) Key sources of estimation uncertainty

There are no significant key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

4 Revenue

	2010	2009
	\$	\$
From continuing operations		
<i>Sales revenue</i>		
Awards For Excellence income	52,869	54,388
AHIS income	896	12,581
Convention Centre levy	-	8,000
Function income	4,937	4,230
National Office Management Fees	48,178	9,158
Sponsorship	131,406	111,067
Subscriptions	101,821	94,591
Advertising & agreement income	3,200	-
Training income	-	2,373
	343,307	296,388
 <i>Other revenue</i>		
Interest	5,146	3,173
	348,452	299,561

5 Expenses

	2010	2009
	\$	\$
<i>Other Expenses</i>		
ACTive hospitality	13,579	12,170
Audit fee	3,500	2,650
Awards for Excellence	45,853	67,999
Bad debts expense	10,414	-
Bank fees	2,311	1,905
Bookkeeping	616	1,296
Consulting fees	2,640	2,440
Function expenses	7,723	8,035
Honarium expenses	19,830	26,253
Insurance	2,134	2,493
Legal fees	1,860	-
National Capitation levy	1,186	11,000
Office expenses	8,777	5,499
Previous years Income written off	1,000	-
Rental expense	8,692	8,000
Representations	8,106	1,227
Seminars, information, courses and events	3,164	762
Subscriptions	1,149	767
Telephone	5,717	10,806
Travel and meetings	<u>18,686</u>	<u>18,552</u>
Total other expenses	<u>166,935</u>	<u>181,854</u>
 <i>Depreciation</i>		
Computer equipment	<u>1,372</u>	<u>1,882</u>
Total depreciation	<u>1,372</u>	<u>1,882</u>
 <i>Employee benefits expense</i>		
Salaries, benefits and oncosts	144,497	119,479
Annual leave	<u>(1,353)</u>	<u>888</u>
	<u>143,144</u>	<u>120,367</u>

6 Current assets - Cash and cash equivalents

	2010	2009
	\$	\$
Cash management account	39,355	41,791
Business investment account	<u>114,918</u>	<u>19,776</u>
	<u>154,273</u>	<u>61,567</u>

6 Current assets - Cash and cash equivalents (continued)

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2010 \$	2009 \$
Balances as above	<u>154,273</u>	<u>61,567</u>
Balances per statement of cash flows	<u>154,273</u>	<u>61,567</u>

(b) Risk exposure

The Association's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

(c) Cash at bank and on hand

Cash at bank is bearing variable interest rates.

(d) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

7 Current assets - Trade and other receivables

	2010 \$	2009 \$
Net trade receivables		
Trade debtors	<u>52,182</u>	<u>13,618</u>
	<u>52,182</u>	<u>13,618</u>

(a) Impaired trade receivables

As at 31 December 2010 there were no impaired trade receivables for the Association.

(b) Past due but not impaired

As at 31 December 2010, trade receivables of \$52,182 (2009: \$13,618) were past due but not impaired.

(c) Credit risk

There is no concentration of credit risk with respect to current receivables. Refer to note 2 for more information on the risk management policy of the Association.

(d) Foreign exchange and interest rate risk

Information about the Association's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 2.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

7 Current assets - Trade and other receivables (continued)

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. The fair value of securities held for certain trade receivable is insignificant as is the fair value of any collateral sold or repledged. Refer to note 2 for more information on the risk management policy of the Association and the credit quality of the entity's trade receivables.

8 Current assets - Other current assets

	2010 \$	2009 \$
Prepayments	<u>1,751</u>	<u>1,132</u>

9 Non-current assets - Computer equipment

	Computer equipment \$	Total \$
At 1 January 2009		
Cost or fair value	4,708	4,708
Accumulated depreciation	<u>(3,741)</u>	<u>(3,741)</u>
Net book amount	<u>967</u>	<u>967</u>
Year ended 31 December 2009		
Opening net book amount	967	967
Additions	4,117	4,117
Depreciation charge	<u>(1,882)</u>	<u>(1,882)</u>
Closing net book amount	<u>3,202</u>	<u>3,202</u>
At 31 December 2009		
Cost or fair value	4,117	4,117
Accumulated depreciation	<u>(915)</u>	<u>(915)</u>
Net book amount	<u>3,202</u>	<u>3,202</u>
Year ended 31 December 2010		
Opening net book amount	3,202	3,202
Additions	-	-
Depreciation charge	<u>(1,372)</u>	<u>(1,372)</u>
Closing net book amount	<u>1,830</u>	<u>1,830</u>
At 31 December 2010		
Cost or fair value	4,117	4,117
Accumulated depreciation	<u>(2,287)</u>	<u>(2,287)</u>
Net book amount	<u>1,830</u>	<u>1,830</u>

10 Current liabilities - Trade and other payables

	2010 \$	2009 \$
Trade creditors	16,822	12,757
GST payable	14,864	7,387
PAYG withholding payable	8,487	6,044
Superannuation payable	2,816	2,614
Employee benefits	5,489	(1,008)
	<u>48,297</u>	<u>27,794</u>

11 Current liabilities - Other liabilities

	2010 \$	2009 \$
Subscriptions in advance	89,419	39,292
Sponsorships in advance	<u>22,886</u>	<u>-</u>
	<u>112,305</u>	<u>39,292</u>

12 Contingencies

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

13 Commitments

(i) Non-cancellable operating leases

The Association did not enter any non-cancellable operating leases during the period.

(ii) Cancellable operating leases

The Association did not enter any cancellable operating leases during the period.

(iii) Finance leases

The Association did not enter any finance leases during the period.

14 Related party transactions

(a) Transactions with related parties

From 1 August 2010 the Association began to receive additional payments from the National Office under an agreement relating to Steven Fanner's employment. Mr Fanner will spend 50% of his time performing duties on behalf of the national body. The ACT AHA remains Mr Fanner's employer and pays his entitlements. The ACT AHA invoices the National Office monthly for an amount of \$6,515.30.

The Association pays affiliation fees to the AHA National Office of \$7,585.96. This represents the ACT share of the total National Office funding by state/territory branches as agreed by the AHA National Board.

The Association rents office space within the National Office on Level 4, 24 Brisbane Avenue, Barton. The Association pays 20% of the rent and outgoings for the shared offices with National Office. The annual rent outgoings amounted to \$9,327.60 (2009: \$8,000).

14 Related party transactions (continued)

The Association entered into an office management service agreement with National Office for the provision of office management services to National Office, effective March 2007. The income received from National Office amounted to \$11,000 for the year (2009: \$11,000).

The Association received income from Willis Pty Ltd, in the form of endorsement fees for its ACT hospitality clients. This is part of an agreement between the parties through which the AHA endorses Willis's hospitality arm 'Australian Hospitality Insurance Services' exclusively as its preferred provider of insurance. The amounts paid to the AHA represent a portion of the management fee levied by Willis to its clients.

15 Reconciliation of profit after income tax to net cash inflow from operating activities

	2010 \$	2009 \$
Profit for the year	37,001	(4,542)
Depreciation	1,372	1,882
Changes in Assets & Liabilities:		
Decrease (Increase) in trade debtors	(38,564)	15,322
Decrease (Increase) in prepayments	(819)	309
Decrease (Increase) in employee benefits	6,497	(841)
Increase (Decrease) in trade creditors	4,066	-
Increase (Decrease) in net GST payable	7,487	1,368
Increase (Decrease) in PAYG withholding tax	2,444	-
Increase (Decrease) in income in advance	<u>73,013</u>	<u>(44,099)</u>
Net cash inflow (outflow) from operating activities	<u>92,706</u>	<u>(30,801)</u>

**Australian Hotels Association - ACT Branch
Committee members' declaration
31 December 2010**

The Committee of Management of the Australian Hotels Association - ACT Branch passed the following resolution in relation to the general purpose report (GPFR) of the reporting unit for the year ended 31 December 2010.

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

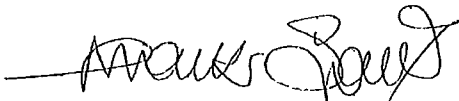
1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the year to which they relate;
4. 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;
5. during the year to which the GPFR relates and since the end of that year:
 - (a) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the branch concerned;
 - (b) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned;
 - (c) the financial records of the reporting unit have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*;
 - (d) the organisation consists of one reporting unit;
 - (e) the information sought in any request of a member of the reporting unit or a Registrar duly made under the *Fair Work (Registered Organisations) Regulations 2009* has been furnished to the member or Registrar; and
 - (f) no orders for inspection of financial records have been made by the Commission under the *Fair Work (Registered Organisations) Regulations 2009*.

For the Committee of Management:



Michael Capezio
President

Dated: 30.11.11



Mark Sproat
Secretary

Dated: 30/11/11



Independent auditor's report to the members of Australian Hotels Association – ACT Branch

Report on the financial report

We have audited the accompanying financial report of Australian Hotels Association – ACT Branch (the association), which comprises the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee's declaration.

Committee's responsibility for the financial report

The committee of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the committee of the association determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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



Auditor's opinion

In our opinion:

The general purpose financial report of Australian Hotels Association – ACT Branch:

- a) presents fairly, in all material respects the association's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
- b) complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- c) is presented in accordance with other mandatory professional reporting requirements in Australian and the *Fair Work (Registered Organisations) Act 2009*.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'David Murphy', written over a faint, illegible background.

David Murphy
Partner

Canberra
30 November 2011