



FAIR WORK
COMMISSION

9 January 2013

Mr Brad Watts
General Manager
Australian Hotels Association (AHA) ACT Branch
PO Box 3250
MANUKA ACT 2603

Dear Mr Watts,

Re: Lodgement of Financial Statements and Accounts - Australian Hotels Association (AHA), ACT Branch - for year ended 31 December 2011 (FR2011/2897)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia (now known as the Fair Work Commission) on 21 December 2012. I also acknowledge receipt of a further copy of the financial statements including a corrected Committee of Management Statement today, 9 January 2013.

The documents have been filed. However, in the wake of recent amendments to the *Fair Work (Registered Organisations) Act 2009* ('the RO Act') which reflect the importance of reporting transparency and strict compliance I have reviewed the Branch's report in detail as well as previous reports and correspondence previously sent to the Branch.

Therefore I must draw your attention to the following matters for your reference in preparing future reports.

- (1) Firstly and most importantly, the report was lodged approximately five and a half months later than the prescribed period. The dating of the documents shows that the financial statements were not finalised for audit until 1 December 2012 which means that the Branch was not in a position to comply with the time-frames prescribed in subsections 265(5), 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* ('the RO Act'). These particular provisions are civil penalty provisions which provide a basis for the Federal Court to impose a pecuniary penalty upon a person or organisation where the requirements of section 268 have not been met.

The Fair Work Commission will be paying particular regard to compliance with prescribed time-frames where future reports are concerned and I urge the Branch to take appropriate steps to so comply. A financial year has just concluded and the next audited financial report, must be lodged, in the ordinary course of events, by 14 July 2013.

- (2) Secondly, Note 1 Summary of Accounting Policies does not comply with the Australian Accounting Standards in the following respects:
 - (i) it does not state explicitly that the general purpose financial report has been prepared "in accordance with the Australian Accounting Standards" (that is, in addition to being prepared in accordance with the RO Act).

Paragraph 7 of Australian Accounting Standard (AASB) 1054¹ states:

“An entity whose financial statements comply with the Australian Accounting Standards shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Australian Accounting Standards unless they comply with all the requirements of Australian Accounting Standards”.

The reader might reasonably presume that the financial statements comply with the Australian Accounting Standards because the Committee of Management Statement signed on 1 December 2012 declares that “the financial statements and notes comply with the Australian Accounting Standards”. However AASB 1054 is quite specific that the Notes must include an explicit statement of compliance.

I note that in previous years the Notes have included this explicit statement, so the reason for its omission in this report is not apparent. This should be brought to your Auditor’s attention and included in next year’s report.

- (ii) The Notes did not include the Branch’s accounting policy for treating Employee Benefits.

Paragraph 117 of Australian Accounting Standard (AASB) 101² states (in part):

“An entity shall disclose in the summary of significant accounting policies:

- (b) the other accounting policies used that are relevant to an understanding of the financial statements.”*

Employee Benefits are a significant item about whose expenditure a member might reasonably be interested and the application of Australian Accounting Standard (AASB) 119 to this item highlights its significance.³

I note that in previous years the Notes have included the Accounting policy for Employee Benefits, so the reason for its omission in this report is not apparent. This should also be brought to your Auditor’s attention and included in next year’s report.

- (3) Thirdly, the Operating Report could be improved to more correctly reflect certain provisions of section 254 of the RO Act, as follows:

- (i) Sub-section 254(2)(a) requires an Operating Report to contain a review of the principal activities, the results of those activities and any significant changes to the nature of these activities. Your Operating Report described the principal “continuing” activities as “represent and further the interests of the licensed hospitality industry...etc”. However, apart from the paragraph described as “Operating Result”, it did not include any specific information that might be properly said to be characterized as “results of those activities”.

Although a surplus is a result of the financial activities of the Branch, strictly speaking, the Operating result of the surplus of \$41,575 disclosed is not a result in the sense intended by this sub-section. The “results” contemplated are those which may be said to follow on from engaging in the activities which the Report described above. These activities naturally encompass more than merely financial transactions, the results of which are amply reflected in the financial statements themselves.

The kinds of results which these activities might have may vary but the sorts of things that reflect results of “representing and furthering the industry’s interests”

¹ See *Financial Reporting Handbook* (ICAA) page 1500

² (*Ibid*) Page 477

³ (*Ibid*) Pages 676-720

could include things like whether membership had increased, disputes had been satisfactorily resolved, agreements successfully negotiated, governments successfully lobbied etc. I notice that the Branch has a website link at <http://www.actaha.org.au/> where news and these kinds of results may appear in detail throughout the year, and the Operating Report does not have to duplicate the detail of such information but rather more simply present in brief and concise form significant non-financial results for the relevant year.

This requirement of subsection 254(2)(a) is commonly misread and has not always been pointed out but I note that it was explained in a letter dated 27 April 2011 to a Mr Steven Fanner, by Mr Larry Powell of FWA, in relation to previous reports lodged for the years 2005 through to 2009. Without being prescriptive, I recommend the Branch consider how it might, however briefly and concisely, describe any results of its activities, in non-financial terms, in future Operating Reports.

- (ii) Your Operating Report states, under the heading “Significant changes to the state of affairs” that there were no significant changes in the “state of affairs occurring during the financial year”.

The reference here to “state of affairs” is ambiguous. Subsection 254(2)(a) requires that the Operating Report’s review include “any significant changes in the nature of these (i.e. Branch’s principal) activities during the year” and subsection 254(2)(b) requires that the report “give details of any significant changes in the reporting unit’s financial affairs during the year”.

It is not clear whether the “state of affairs” refers to the former or the latter, although it is closer in wording to the latter. There should be no doubt that the Branch has turned its mind to informing on both, and so, where there are no significant changes to either the nature of the activities or to the Branch’s financial affairs, future Operating Reports should include a separate statement to that effect in respect of each.

- (ii) Regulation 159(c) requires that, in addition to the name of the persons who were at any time members of the committee of management, the Operating Report must indicate the “period for which he or she held such a position”.

Your Operating Report lists the names of the Committee members but does not indicate the period for each person. As the previous report complied by stating that the members of the Executive held office “during the whole of the year and up to the date of this report”, the omission in this year’s report appears to have been a clerical omission, but future Operating Reports must indicate the period.

There is no further action required in respect of this return. If you wish to discuss any aspect of the financial reporting requirements for the future, please do not hesitate to contact me on (02) 6723 7237.

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

21 December 2012

Ms Cynthia Lo-Booth
Tribunal Services & Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Via Email: Cynthia.Lo-Booth@fwa.gov.au

Dear Ms Lo-Booth,

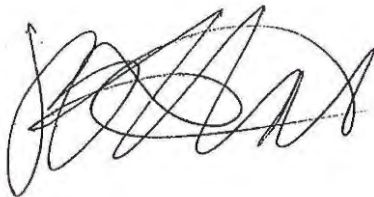
Financial documents for the year ended 31 December 2011

Please find enclosed:

1. Financial statements for the Branch as required for the year ended 31 December 2011 which were endorsed at a General Meeting of members on 21 December 2012; and
2. Designated Officer's certificate dated 21 December 2012.

Please contact me if further information is required.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brad Watts', written over a light blue horizontal line.

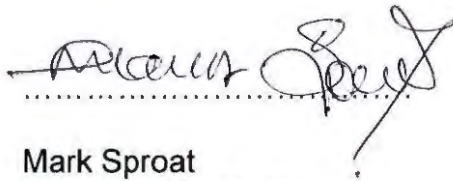
Brad Watts
General Manager
AHA ACT Branch

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

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

1. The documents lodged herewith for the year ended 31 December 2011 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 financial report was provided to AHA-ACT Branch members on 1 December 2012; and
3. The full report was presented to a General Meeting of members of the Branch on 21 December 2012 in accordance with Section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed,

A handwritten signature in black ink, appearing to read 'Mark Sproat', written over a dotted line.

Mark Sproat
Secretary/Treasurer
AHA ACT Branch

21 December 2012

Australian Hotels Association - ACT Branch

ABN 37 315 422 917

Financial Statements

For the year ended 31 December 2011

MCS Audit Pty Ltd

Unit 2 / 35 Curtin Place

Curtin ACT 2605

Phone: 02 6260 3588

Email: pwm@mcsaccounting.com.au

**Australian Hotels Association - ACT Branch
ABN 37 315 422 917**

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**Australian Hotels Association – ACT Branch
ABN 37 315 422 917**

**OPERATING REPORT
FOR THE YEAR ENDED 31 December 2011**

In accordance with sec 254 of Fair Work (Registered Organisations) Act 2009, your Committee of Management report as follows:

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 Result

The operating surplus of the Association amounted to \$41,575 (2010: surplus of \$37,000). This figure represents a true and fair view of the results achieved during the reporting period.

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.

Rights of Members

All members of the Union have the right to resign from the Union in accordance with Rule 17(e) of the Union Rules, (and section 174 of the Fair Work (Registered Organisations) Act 2009); namely, by providing written notice addressed:

- they cease to be an employer in the (hotel and hospitality) industry or cease to be engaged therein;
- on giving the Association's Board or Executive 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.

Information on the Executive Committee

Michael Capezio – President

Manuel Notaras – Vice President

Mark Sproat – Honorary Secretary / Treasurer

Superannuation Office-holders

No members were involved in trusteeships or directorships on behalf of the Association as directors of any superannuation fund where the criterion for the officer or member to be the trustee is that the person is an officer or member of a registered organisation.

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisation) Regulation 2009

Australian Hotels Association – ACT Branch
ABN 37 315 422 917

OPERATING REPORT
FOR THE YEAR ENDED 31 December 2011

- (a) the number of persons that were at the end of financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 82.
- (b) a register of members of the Branch has been kept and maintained during the immediately preceding calendar year (2010) as required by ss230 (1) (a) and (2).
- (c) one-and-a-half full-time equivalent employees were employed by the ACT Branch between the financial reporting period.
- (d) the name of those who have been officers of the Committee of Management of the branch at any time during the financial year and the period for which he or she held office were –

Mr Michael Capezio
President / Representative to the National Board

Mr Manuel Notaras
Vice President

Mr Mark Sproat
Secretary Treasurer
President – Accommodation Division
Representative to the National Accommodation Division

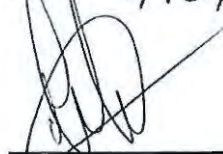
Mr Peter Barclary
Divisional Representative to the Board – Molonglo Division

Mr Josh Gray
Divisional Representative to the Board – Molonglo Division

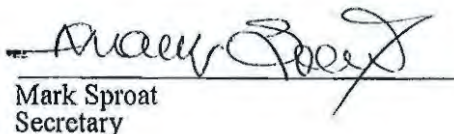
Mr Gil Miller
Divisional Representative to the Board – Ginninderra Division

Signed for and on behalf of the Committee of Management –

Date: 1/12/12



Michael Capezio
President



Mark Sproat
Secretary

Australian Hotels Association - ACT Branch
ABN 37 315 422 917
Statement by Members of the Committee
For the year ended 31 December 2011

The Committee of management of the Australian Hotels Association – ACT Branch passed the following resolution on 1 December 2012 in relation to the general purpose financial report of the reporting unit for the year ended 31 December 2011.

The committee of Management declares in relation to the general purpose financial report 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 General Manager;
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 general purpose financial report relates and since the end of the year;
 - (a) Meeting 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 Fair Work (Registered Organisations) Act 2009;
 - (d) The organisation consists of nine reporting units and financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other nine reporting units of the organisation;
 - (e) The information sought in any request of a member of the reporting unit or a General Manager duly made under the Fair Work (Registered Organisations) Act 2009 has been furnished to the member of General Manager;
 - (f) No orders for inspection of financial records have been made by the Tribunal under the Fair Work (Registered Organisations) Act 2009;

For the Committee of Management:



Michael Capezio

President



Mark Sproat

Treasurer

Date: 1st December 2012.

Australian Hotels Association - ACT Branch
ABN 37 315 422 917
Balance Sheet As At 31 December 2011

	Note	2011 \$	2010 \$
Current Assets			
Cash assets	2	151,328	154,273
Receivables	3	82,452	52,182
Other	4	1,751	1,751
Total Current Assets		<u>235,531</u>	<u>208,206</u>
Non-Current Assets			
Property, plant and equipment	5	1,918	1,830
Total Non-Current Assets		<u>1,918</u>	<u>1,830</u>
Total Assets		<u>237,449</u>	<u>210,037</u>
Current Liabilities			
Payables	6	21,010	24,926
Current tax liabilities	7	20,042	23,371
Other	8	105,387	112,305
Total Current Liabilities		<u>146,439</u>	<u>160,602</u>
Total Liabilities		<u>146,439</u>	<u>160,602</u>
Net Assets		<u>91,009</u>	<u>49,434</u>
Members' Funds			
Retained profits		91,009	49,434
Total Members' Funds		<u>91,009</u>	<u>49,434</u>

The accompanying notes form part of these financial statements.

Australian Hotels Association - ACT Branch
ABN 37 315 422 917
Statement of changes in equity
Balance Sheet As At 31 December 2011

	Notes	Retained earnings \$	Total Equity \$
Balance at 1 January 2010		<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>
Total comprehensive income for the year		<u>41,575</u>	<u>41,575</u>
Balance at 31 December 2011		<u>91,009</u>	<u>91,009</u>

The accompanying notes form part of these financial statements.

Australian Hotels Association - ACT Branch
ABN 37 315 422 917
Statement of cash flows
Balance Sheet As At 31 December 2011

	Notes	2011 \$	2010 \$
Cash flow from operating activities			
Receipts from subscriptions		86,282	101,821
Receipts from sponsorship		136,182	131,406
Receipts from promotional and sundry activities		18,330	208,397
Receipts for Convention Centre levy		-	-
Interest received		6,992	5,145
Payments to and on behalf of employees		(122,862)	(143,144)
Payments for promotional and other expenses		(126,726)	(210,919)
Net cash outflow (Inflow) from operating activities	10	<u>(1,802)</u>	<u>92,706</u>
Cash flows from Investing activities			
Payment for property, plant and equipment		(1,143)	-
Net cash (outflow) Inflow from Investing activities		<u>(1,143)</u>	<u>-</u>
Net Increase (decrease) in cash and cash equivalents		(2,945)	92,706
Cash and cash equivalents at the beginning of the financial year		154,273	61,567
Cash and cash equivalent at the end of year	2	<u>151,328</u>	<u>154,273</u>

The accompanying notes form part of these financial statements.

Australian Hotels Association - ACT Branch
ABN 37 315 422 917
Notes to the Financial Statements
For the year ended 31 December 2011

Note 1: Summary of Significant Accounting Policies

This financial report is a general purpose financial report prepared in order to satisfy the financial reporting requirements of the Fair Work (Registered Organisations) Act 2009. The committee has determined that the union is a reporting entity.

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

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(b) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(d) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Australian Hotels Association - ACT Branch
ABN 37 315 422 917
Notes to the Financial Statements
For the year ended 31 December 2011

(d) Revenue and Other Income (Continued)

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

All revenue is stated net of the amount of goods and services tax (GST).

(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 Tax 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 assets and liabilities statement are shown inclusive of GST.

(f) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Australian Hotels Association - ACT Branch

ABN 37 315 422 917

Notes to the Financial Statements

For the year ended 31 December 2011

	2011	2010
	\$	\$
Note 2: Cash assets		
Bank accounts:		
Cash Management Account	39,420	39,355
Business Investment Account	<u>111,908</u>	<u>114,918</u>
	<u>151,328</u>	<u>154,273</u>
 Note 3: Receivables		
Current		
Trade debtors	<u>82,452</u>	<u>52,182</u>
	<u>82,452</u>	<u>52,182</u>
 Note 4: Other Assets		
Current		
Prepayments	<u>1,751</u>	<u>1,751</u>
	<u>1,751</u>	<u>1,751</u>
 Note 5: Property, Plant and Equipment		
Other plant and equipment:		
- At cost	5,260	4,117
- Less: Accumulated depreciation	<u>(3342)</u>	<u>(2287)</u>
	<u>1,918</u>	<u>1,830</u>
	<u>1,918</u>	<u>1,830</u>

The accompanying notes form part of these financial statements.

Australian Hotels Association - ACT Branch

ABN 37 315 422 917

Notes to the Financial Statements

For the year ended 31 December 2011

	2011	2010
	\$	\$
Note 6: Payables		
Unsecured:		
- Trade creditors	10,452	16,822
- Other creditors		
Annual Leave Provision - Employees	6,983	5,489
Superannuation Payables - Employees	3,576	2,615
	<u>21,011</u>	<u>24,926</u>
 Note 7: Tax Liabilities		
Current		
GST Liability	16,530	14,884
PAYG Payable	3,512	8,487
	<u>20,042</u>	<u>23,371</u>
 Note 8: Other Liabilities		
Current		
Advance payments	19,399	22,886
Sundry	85,988	89,419
	<u>105,386</u>	<u>112,305</u>
 Note 9: Related Party Transaction		
Honorarium to the President	1,004	14,177
Honorarium to the Vice President	2,500	2,500
Accommodation to the Divisional President	4,159	3,152
	<u>7,663</u>	<u>19,829</u>

Apart from the above Related Party Transaction, there is no other related party transaction occurred for the year ended 31 December 2012.

The accompanying notes form part of these financial statements.

Australian Hotels Association - ACT Branch
ABN 37 315 422 917
Income and Expenditure Statement
For the year ended 31 December 2011

	2011	2010
	\$	\$
Notes10: Reconciliation of profit after income tax to net cash inflow from operating activities		
Profit for the year	41,575	37,001
Depreciation	1,055	1,372
Changes in Assets & Liabilities:		
Decrease (Increase) in trade debtors	(30,270)	(38,564)
Decrease (Increase) in prepayments	-	(619)
Decrease (Increase) in employee benefits	2,455	6,497
Increase (Decrease) in trade creditors	(6,370)	4,065
Increase (Decrease) in net GST payable	1,646	7,497
Increase (Decrease) in PAYG withholding tax	(4,975)	2,444
Increase (Decrease) in income in advance	(6,918)	73,013
Net cash inflow (outflow) from operating activities	<u>(1,802)</u>	<u>92,706</u>

Notes 11: S272(1), S272(2), S272(3) of Fair Work Registered Organisation Act.

S272 (1) of Fair Work (Registered Organisations) Act 2009, 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.

S272 (2) of Fair Work (Registered Organisations) Act 2009, 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.

S272 (1) of Fair Work (Registered Organisations) Act 2009, a reporting unit must comply with an application made under subsection (1).

Note 12: National Office Management Fees

Included in the detailed Income and Expenditure Statement are National Office Management Fee income totalling \$37,119 (2010 \$48,178). This income relates to consultation fees received by AHA ACT Branch for services and strategic advice provided to the National AHA Head Office on normal commercial terms.

The accompanying notes form part of these financial statements.

Australian Hotels Association - ACT Branch
ABN 37 315 422 917

Income and Expenditure Statement
For the year ended 31 December 2011

	Note	2011 \$	2010 \$
Income			
Advertising		-	1,618
Agreement Making Income		909	1,582
Sponsorship General		136,182	131,406
AFE Income		44,627	52,869
Subscriptions (Membership Fee)		86,282	101,821
Golf Day Income		1,829	3,337
Lawn Bowls Day		1,309	1,600
Interest Received		6,992	5,145
National Office Management Fees	12	37,119	48,178
Reimbursement - ACT Executives		1,221	896
Other Income		858	-
Total income		<u>317,328</u>	<u>348,452</u>
Expenses			
ACTive Hospitality		4,418	13,579
Annual Leave (for employees other than officer holders)		1,494	(1353)
Awards for Excellence		47,407	45,852
Consulting Fees		3,044	2,640
Audit Fee		9,200	3,500
Bad Debts		-	10,414
Bookkeeping		-	615
Bank Charges		1,671	2,312
Golf Day Expense		4,698	4,899
Depreciation		1,055	1,372
Insurance		3,316	2,134
Legal		3,600	1,860
Late Lodgement Fees		110	-
Superannuation (for employees other than officer holders)		9,590	-
Donations		200	-
Expense Clearing Account		(350)	-
Postage & Freight		1,494	853
Printing & Stationery		3,829	3,204
Publications		1,112	3,672

The accompanying notes form part of these financial statements.

Australian Hotels Association - ACT Branch

ABN 37 315 422 917

**Income and Expenditure Statement
For the year ended 31 December 2011**

	2011	2010
	\$	\$
VIP Dinner Expense	(67)	935
Office Expenses	405	169
Representations	2,011	8,105
Salaries, Benefits & On cost (for employees other than officer holders)	116,678	144,498
Signage	620	880
Seminars & Information, Courses & Events	5,270	3,164
Subscriptions	6,090	1,149
Rent	8,807	8,692
Telephone	7,417	5,717
Travel & Meetings	18,651	18,686
Pres Honorarium	1,004	14,177
Vice Pres Honorarium	2,500	2,500
Accom Div Pres Honorarium	4,159	3,152
National Capital Levy	4,500	1,186
Lawn Bowls Day	1,818	1,889
Prev Years Income Written Off	-	1,000
Total expenses	<u>275,753</u>	<u>311,452</u>
Profit from ordinary activities before income tax	41,575	37,000
Income tax revenue relating to ordinary activities	-	-
Net profit attributable to the association	<u>41,575</u>	<u>37,000</u>
Total changes in equity of the association	<u>41,575</u>	<u>37,000</u>
Opening retained profits	49,434	12,435
Net profit attributable to the association	41,575	37,000
Closing retained profits	<u>91,009</u>	<u>49,434</u>

The accompanying notes form part of these financial statements.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION – ACT BRANCH
ABN: 37 315 422 917**

PRINCIPAL : Phillip W Miller CA

Unit 2 / 35 Curtin Place
PO Box 281
Curtin ACT 2605

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Report on the Financial Report

We have audited the accompanying general purpose financial report of Australian Hotels Association – ACT Branch for the year ended 31 December 2011, comprising the Income Statement, Statement of Financial Position as at 31 December 2011, Statement of Changes in Equity, Statement of Cash flows, Notes to the Financial Statements and the Statement by Members of the Committee.

Committee of Management Responsibility for the Financial Report

The Unions Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal controls as the Committee of Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on my audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting my audit, we have complied with the independence requirements of the Australian professional accounting bodies.


Auditors Opinion

In our opinion, the financial report presents fairly, in all material respects the financial position of Australian Hotels Association – ACT Branch as of 31 December 2011 and of its financial performance and cash flows for the year then ended in accordance with Australian accounting standards and the *Fair Work (Registered Organisations) Act 2009*.

Name of Firm:
MCS Audit Pty Ltd

**Chartered Accountants
Authorised Audit Company**

Name of director:



**Phillip W Miller CA
Registered Company Auditor
Public Practice Certificate Holder**

Address:

Unit 2 / 35 Curtin Place, Curtin ACT 2605

Dated:

1 December 2012



FAIR WORK
AUSTRALIA

22 August 2012

Mr Michael Capezio
President
Australian Hotels Association-Australian Capital Territory Branch
By email: m.capezio@bates-pickering.com.au

Dear Mr Capezio,

**Lodgement of Financial Documents for year ended 31 December 2011 [FR2011/2897]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The RO Act requires the Australian Capital Territory Branch of the Australian Hotels Association to lodge audited financial accounts and statements with Fair Work Australia within 6 months and 14 days of the end of its financial year.

This office has no record of lodgement of financial documents for year ended 31 December 2011, which should have been lodged with Fair Work Australia by 15 July 2012.

In order to avoid exposure to a civil (pecuniary) penalty, you are required to lodge the following documents without further delay:

- A *general purpose financial report* (see section 253(2)(a) of the RO Act);
- A *committee of management statement* (see the Financial Reporting Guidelines);
- An *operating report* (see section 254(2));
- An *auditor's report* (see sections 257(5) to 257(11)); and
- A *certificate of the secretary or other authorised officer* (see section 268)).

I note for your information that the general purpose financial report must be prepared in accordance with not only the applicable Australian Accounting Standards but also the Financial Reporting Guidelines. A copy of the Guidelines is available on our website (details of which are provided below).

The RO Act sets out a particular chronological order in which these documents and statements must be prepared, made available to members and presented to a meeting. All of these events must occur within timeframes that are also specified in the RO Act. Detailed information can be found on our website at <http://www.fwa.gov.au/regorgfactsheets> including:

- Fact sheets – the following fact sheets provide information regarding financial reporting:
 - Sheet 8 – Financial Reporting Process and Time-Lines;
 - Sheet 9 – Diagrammatic Summary of Financial Reporting Process and Time-Lines; and
 - Sheet 10 – Auditors.
- Sample Documents – a sample Designated Officer's Certificate is available;
- RO Act and RO Regulations;

- Financial Reporting Guidelines – the Guidelines set out requirements that must be met **in addition to** those required by Australian Accounting Standards; and
- Document Checklist and Timeline Planner to assist with meeting timeframes.

In the absence of lodgement of the outstanding documents, I request that you state in writing by 12 September 2012:

- whether a committee of management statement and operating report have been prepared;
- whether the auditor has audited the general purpose financial report and, if so, the date upon which the auditor signed the audit report;
- whether (and, if so, when) members have been provided with the full report. The 'full report' is made up of the general purpose financial report (including the committee of management statement), the auditor's report and the operating report;
- if it has been provided to members, whether the full report has also been presented to a general meeting or committee of management meeting and, if so, when; and
- when a copy of the full report will be lodged in this office.

I draw your attention to the civil penalty provisions of the RO Act [see section 305(2)(ze)] which allow the Federal Court to impose a pecuniary penalty upon a person or organisation where the requirements of section 268 have not been met. You should also be aware of the provisions of Part 1 of Chapter 9 of the RO Act which set out general duties of officers and employees of organisations and their branches in relation to financial management.

This office strongly encourages you to lodge documents electronically by sending an email with the documents attached to orgs@fwa.gov.au. Alternatively, you can send the documents by fax to (03) 9655 0410.

Yours sincerely,



Robert Pfeiffer
Senior Advisor, Organisations
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement. (b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report <u>must</u> be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report. 	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.



FAIR WORK
AUSTRALIA

3 February 2012

Mr Michael Capezio
President
Australian Hotels Association-Australian Capital Territory Branch

m.capezio@bates-pickering.com.au

Dear Mr Capezio,

**Lodgement of Financial Documents for year ended 31 December 2011 [FR2011/2897]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Australian Hotels Association-Australian Capital Territory Branch (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at www.fwa.gov.au – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at orgs@fwa.gov.au. Alternatively, you can forward the documents by fax to (03) 9655 0410.

Please do not hesitate to contact me on (03) 8661 7764 or by email at kevin.donnellan@fwa.gov.au if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Kevin Donnellan
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

Provide full report free of charge to members – s265 The full report includes:	/ /
<ul style="list-style-type: none"> • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report. 	

(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,

or

(b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.*

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

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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Within 14 days of meeting

* *the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.*

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ *The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.*