



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne,
VIC 3000
GPO Box 1994S, Melbourne,
VIC 3001
Telephone: (03) 8661 7985
Fax: (03) 9654 6672

Mr B Woods
Secretary/Treasurer
Australian Hotels Association
New South Wales Branch
Level 5, Prince Centre
8 Quay Street
SYDNEY NSW 2000

Attention: Mr P Fernando

Dear Mr Woods

Re: Financial Documents for year ended 31 December 2003 - FR2003/739

Receipt is acknowledged of the financial documents for the year ended 31 December 2003. The documents were lodged in the Australian Industrial Registry on 26 April 2004. Further, receipt is also acknowledged of your statement pursuant to section 269 of the *Workplace Relations Act 1996* (the Act) relating to particulars of donations made by the branch for the financial year ended 31 December 2003. The latter document was lodged in the Registry on 7 May 2004.

The contents of your section 269 statement have been noted and the statement has been placed on a file which is not available to the public.

While the remaining documents have been filed the following matters concerning the financial reporting requirements of the Act are drawn to your attention.

Auditor's Report - Registered Company Auditor

The signatory to the auditor's report has not indicated whether he is registered as a company auditor - refer regulation 112 of the *Workplace Relations Regulations*.

It is the attitude of this Office that this fact should be evident to members in the published financial documents.

Would you please draw this matter to your auditor's attention.

Income and Expenditure Statement - Salaries

The item "Salaries" shown in the income and expenditure statement as a total of \$1,652,226 should have been identified as having been paid to either of "holders of office" or "employees" - refer Regulation 107(a)(xiv) and (xv) of the *Workplace Relations Regulations*.

Secretary's Certificate - References to State legislation

There are a number of references in the Secretary's Certificate to State legislation, namely the *Industrial Relations Act 1991* and *Industrial Relations Act 1996* and their associated Regulations. The Secretary's Certificate should reflect the appropriate provisions of the federal *Workplace Relations Act 1996*.

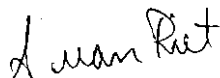
New legislation

The *Registration and Accountability of Organisations Schedule (Schedule 1B* to the *Workplace Relations Act 1996)* has altered the arrangements under which organisations are required to provide financial and other information to members and the Industrial Registrar. Future financial returns will be required to meet the requirements of *Schedule 1B*. Your organisation has been provided with documentation in relation to the new requirements. You may wish to refer to section 269 of *Schedule 1B* which provides for reduced reporting requirements if a reporting unit has substantial common membership with a State registered body.

Fact sheets about the new financial reporting requirements may be found on the Commission's website at http://www.airc.gov.au/fact_sheets/factsheets.html.

Should you wish to discuss this letter I may be contacted on 03-8661 7985.

Yours sincerely



Sylvia van Riet
Statutory Services Branch
10 May 2004

Recd 26/4/04

Attention: Margaret Williams
Industrial Organisation Section
Australian Industrial Registry
Level 35, Nauru House
80 Collins Street
MELBOURNE - VIC - 3000

FR2003/739

21 April 2004

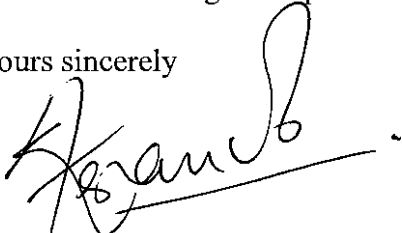
Dear Margaret

RE: Financial Lodgement as at 31/12/2003

Please find attached the financial report endorsed at the AGM on 20/04/2004 to comply by the requirement.

Please acknowledge receipt of the same.

Yours sincerely



PRABHU FERNANDO
Financial Accountant

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2003**

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**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2003**

	NOTE	2003	2002
		\$	\$
REVENUE			
Revenue from Ordinary Activities	2	4,725,209	4,522,207
Expenses from Ordinary Activities		<u>4,936,644</u>	<u>4,351,702</u>
(Loss)/Profit from Ordinary Activities before Income Tax	3	(211,435)	170,505
Income Tax Expense	4	<u>—</u>	<u>1,756</u>
(Loss)/Profit from Ordinary Activities after Income Tax		<u>(211,435)</u>	<u>168,749</u>

The Statement of Financial Performance is to be read in conjunction with the Notes to the Financial Statements set out on pages 4 to 13.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003**

	NOTE	2003 \$	2002 \$
CURRENT ASSETS			
Cash	5	2,462,677	2,834,087
Receivables	6	442,388	146,009
Inventories	7	-	2,097
Other	8	16,881	31,384
TOTAL CURRENT ASSETS		<u>2,921,946</u>	<u>3,013,577</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	2,215,602	2,261,486
Investments	10	25,010	10
TOTAL NON-CURRENT ASSETS		<u>2,240,612</u>	<u>2,261,496</u>
TOTAL ASSETS		<u>5,162,558</u>	<u>5,275,073</u>
CURRENT LIABILITIES			
Payables	11	1,590,959	1,610,892
Borrowings	12	36,329	59,526
Provisions	13	269,535	208,690
TOTAL CURRENT LIABILITIES		<u>1,896,823</u>	<u>1,879,108</u>
NON-CURRENT LIABILITIES			
Borrowings	14	81,205	-
TOTAL NON-CURRENT LIABILITIES		<u>81,205</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,978,028</u>	<u>1,879,108</u>
NET ASSETS		<u>3,184,530</u>	<u>3,395,965</u>
MEMBERS' ACCUMULATED FUNDS			
Reserves	15	184,253	271,838
Retained Profits	16	3,000,277	3,124,127
TOTAL MEMBERS' ACCUMULATED FUNDS		<u>3,184,530</u>	<u>3,395,965</u>

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 4 to 13.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2003**

	NOTE	2003 \$	2002 \$
Cash Flows From Operating Activities:			
Receipts from Members and Third parties		6,382,980	6,297,031
Payments to Suppliers and Employees		(6,915,766)	(5,830,195)
Interest Received		140,060	128,361
Income Tax Paid		—	(11,490)
Net Cash (used in)/provided by Operating Activities	21	<u>(392,726)</u>	<u>583,707</u>
Cash Flows from Investing Activities:			
Payment for Property, Plant and Equipment		(9,976)	(5,302)
Payment for investment in unlisted company		(25,000)	—
Proceeds from sale of equipment		<u>29,373</u>	<u>—</u>
Net Cash (used in) Investing Activities		<u>(5,603)</u>	<u>(5,302)</u>
Cash flows from Financing Activities:			
Transfer from/(to) Research & Development Foundation Reserve		87,585	(3,279)
Lease Principal Repayments		<u>(60,666)</u>	<u>(21,812)</u>
Net Cash provided by/(used in) Financial Activities		<u>26,919</u>	<u>(25,091)</u>
Net (Decrease)/Increase in Cash held		(371,410)	553,314
Cash at beginning of the Financial Year		<u>2,834,087</u>	<u>2,280,773</u>
Cash at the end of the Financial Year:	20	<u><u>2,462,677</u></u>	<u><u>2,834,087</u></u>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 4 to 13.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

1 STATEMENT OF ACCOUNTING POLICIES

The accounting policies adopted by the Association are in accordance with the accounting standards issued by the Australian Accounting Bodies, and generally accepted accounting principles. Where a choice exists between two or more acceptable accounting methods, the notes fully explain the method adopted.

(a) Historical Cost Convention

The Association's Financial Statements have been prepared under the historical cost convention. Fixed Assets, except Strata Units, are shown in the Statement of Financial Position at amounts equal to their cost or deemed cost when acquired, less, where appropriate, provision for depreciation, the amount of which is calculated on a prime cost basis. The Strata Units are recorded at independent valuations. The Financial Statements do not purport to disclose the current values of the Association's assets and do not reflect any changes in the purchasing power of money except for the Strata Units.

(b) Basis of Consolidation

The Consolidated Financial Statements include the Financial Statements of the New South Wales Hotels Association Inc, AHA Services Pty Limited and the Research and Development Foundation of the Australian Hotels Association.

(c) Members' Subscriptions

Members' subscriptions are levied annually for the calendar year and are payable in one instalment.

(d) Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost of each non-current asset during its expected useful life. Additions are depreciated on a pro-rata basis from the month of acquisition.

(e) Inventories

All inventories are valued at the lower of cost and net realisable value.

(f) Comparative figures

Comparative figures supplied reflect the accounting period for the twelve months ended 31 December 2002. Comparative figures may be adjusted to enhance comparability.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

1 STATEMENT OF ACCOUNTING POLICIES (cont.)

(g) Special Note concerning Basis of Financial Statements

- (i) The Financial Statements herein are a consolidation of the financial affairs of the following entities:
 - a) Australian Hotels Association (NSW), an organisation of employers registered under the Industrial Relations Act 1996 (NSW) (hereafter referred to as “the State Organisation”);
 - b) Australian Hotels Association, New South Wales Branch (hereafter referred to as “the Federal Branch”) being a branch of the Australian Hotels Association, an organisation of employers registered under the Workplace Relations Act 1996 (Cth) (hereafter referred to as “the Federal AHA”); and
 - c) certain entities associated with and controlled by the State Organisation, as referred to in paragraph (b) above.
- (ii) The Financial Statements of the abovementioned entities are prepared on a consolidated basis, in accordance with accounting standard AAS24, and in order to ensure that members of both the State Organisation and the Federal Branch are provided with a complete picture of the financial affairs of both bodies and their related entities for the reporting period.
- (iii) Notwithstanding the foregoing the following matters are of relevance in connection with these Financial Statements:
 - a) By reason of complementary provisions in the Rules of the Federal Branch and the Rules of the State Organisation, all membership fees collected in the State of New South Wales are the property of the State Organisation;
 - b) The Federal AHA has an entitlement to capitation fees in respect of membership fees so collected, and such capitation fees are the property of the Federal AHA through the Federal Branch; and
 - c) All other assets (including real property) and liabilities, including those held by the controlled entities referred to in paragraph (b) hereof, are assets and liabilities of the State Organisation.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

1 STATEMENT OF ACCOUNTING POLICIES (cont.)

(h) Notice pursuant to Section 274 of the Workplace Relations Act 1996 (Cth)

Members of the Australian Hotels Association, New South Wales Branch are asked to note the following provisions of Section 274 of the above Act:

- (i) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation;
- (ii) An organisation shall, on 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 is prescribed; and
- (iii) 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 the member information received because of an application made at the request of the member.

(i) Notice pursuant to Regulations under the Industrial Relations Act 1996 (NSW)

- (i) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation; and
- (ii) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

(j) Revenue Recognition

Subscription revenue from general division members is recognised on a receipt basis and is allocated to the relevant period. Other subscription revenue, training revenue, rent received, commission, interest received and other sundry revenues are recognised on an accruals basis.

(k) Employee Benefits

Provision is made, as a current liability for the legal liability to permanent employees for annual leave and long service leave. Long service leave is provided from the commencement of the employee's service. Sick leave is expensed as incurred. Leave entitlements have been measured at undiscounted amounts based on current wage and salary rates and include related on-costs.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred. The Association has no legal obligation to provide benefits to employees on retirement.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003	2002
	\$	\$
2 REVENUE		
Revenue from Operating Activities:		
Member Subscriptions	3,638,729	3,532,746
Revenue from Outside the Operating Activities:		
Interest	140,060	128,361
Commission	60,000	60,000
Training	444,587	328,529
Net Other Revenues	441,833	472,571
	<u>4,725,209</u>	<u>4,522,207</u>
3 PROFIT FROM ORDINARY ACTIVITIES		
Net Gains & Expenses		
Profit from ordinary activities before income tax includes the following specific gains and expenses:		
Net Gain	<u>—</u>	<u>—</u>
Expenses		
Auditor's remuneration		
Audit of the Financial Statements	18,040	16,425
Audit of related entities	6,600	6,088
Other Services	17,700	—
Depreciation	139,074	125,211
Loss on Disposal of Assets	6,087	—
President's Allowance	54,000	36,000
	<u>54,000</u>	<u>36,000</u>
4 INCOME TAX		

No provision has been made for income tax on the results of the Association and the Branch as they are exempted from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997. Income tax has been provided, where appropriate, on the results of AHA Services Pty Limited.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003	2002
	\$	\$
5 CASH		
Cash	2,099	2,099
Deposits at Call	981,596	1,817,301
Cash at Bank	<u>1,478,982</u>	<u>1,014,687</u>
	<u>2,462,677</u>	<u>2,834,087</u>
6 RECEIVABLES – CURRENT		
Trade Debtors	382,081	205,820
Less: Provision for Doubtful Debts	<u>94,597</u>	<u>60,999</u>
	287,484	144,821
Other Debtors	<u>154,904</u>	<u>1,188</u>
	<u>442,388</u>	<u>146,009</u>
7 INVENTORIES – CURRENT		
Members Supplies and Stationery	<u>-</u>	<u>2,097</u>
8 OTHER		
Prepayments	<u>16,881</u>	<u>31,384</u>
9 PROPERTY, PLANT & EQUIPMENT		
Strata Units – At Independent Valuation and Additions at Cost	2,659,891	2,659,891
Less: Provision for Depreciation	<u>638,877</u>	<u>572,393</u>
	<u>2,021,014</u>	<u>2,087,498</u>
Plant and Equipment – At Cost	861,412	851,436
Less: Provision for Depreciation	<u>788,215</u>	<u>739,310</u>
	<u>73,197</u>	<u>112,126</u>
Leased Motor Vehicles – At Cost	149,896	111,134
Less: Provision for Amortisation	<u>28,505</u>	<u>49,272</u>
	<u>121,391</u>	<u>61,862</u>
Total Property, Plant and Equipment	<u>2,215,602</u>	<u>2,261,486</u>

The basis of the valuation of Strata Units is fair market value based on existing use. The valuation dated 15 March 1994 was carried out by Mr D J Clark, a member of the Australian Institute of Valuers and Land Administrators Inc, and an employee of JLW Advisory.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003 \$	2002 \$
9 PROPERTY, PLANT & EQUIPMENT (continued)		
Reconciliations		
Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:		
<u>Strata Units at Independent valuation and additions at cost</u>		
Carrying amount at beginning of year	2,087,498	2,153,982
Additions	-	-
Depreciation	<u>(66,484)</u>	<u>(66,484)</u>
	<u>2,021,014</u>	<u>2,087,498</u>
<u>Plant & Equipment</u>		
Carrying amount at beginning of year	112,126	148,115
Additions	9,976	5,301
Depreciation	<u>(48,905)</u>	<u>(41,290)</u>
	<u>73,197</u>	<u>112,126</u>
<u>Motor Vehicles - Leased Assets</u>		
Carrying amount at beginning of year	61,862	79,299
Additions	83,214	-
Amortisation	<u>(23,685)</u>	<u>(17,437)</u>
	<u>121,391</u>	<u>61,862</u>
Total Property, Plant & Equipment	<u><u>2,215,602</u></u>	<u><u>2,261,486</u></u>
10 INVESTMENTS		
Shares in Subsidiary Company – At Cost	10	10
Shares in Unlisted Company – At Cost	<u>25,000</u>	<u>-</u>
	<u><u>25,010</u></u>	<u><u>10</u></u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003 \$	2002 \$
11 PAYABLES		
Trade Creditors	240,640	256,883
GST Payable	127,199	82,995
Hotels Have Hearts Fund	708	173,523
Subscriptions in Advance	1,181,469	971,230
Income in Advance	40,943	126,261
	<u>1,590,959</u>	<u>1,610,892</u>
12 BORROWINGS – CURRENT		
Lease Liability	<u>36,329</u>	<u>59,526</u>
13 PROVISIONS – CURRENT		
Employee Entitlements	<u>269,535</u>	<u>208,690</u>
14 BORROWINGS – NON CURRENT		
Lease Liability	<u>81,205</u>	–
15 RESERVES		
Research and Development Foundation Reserve	<u>184,253</u>	<u>271,838</u>
Transfers (from)/to Retained Profits	<u>(87,585)</u>	<u>3,279</u>
16 RETAINED PROFITS		
Balance at beginning of year	3,124,127	2,958,657
(Loss)/Profit for year	(211,435)	168,749
Transfer from/(to) Reserves	87,585	(3,279)
Balance at end of year	<u>3,000,277</u>	<u>3,124,127</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003	2002
	\$	\$

17 RELATED PARTY TRANSACTIONS

The names of members of the Executive Council who have held office during the year are:

John Thorpe	Paul Dirou	Michael Grant
Bevan Douglas	Robert Broomham	Lynnette Humphreys
Robert French	Nick Elliott	
John Daly	Douglas Brown	
Patrick Griffin	Nigel Corne	
Bruce Woods	Philip Webster	

Income received or due and receivable by all Executive members from the Association:

Number of Executive Members whose income from the entity was within the following bands:	No.	No.
\$30,000 - \$60,000	1	1

Retirement and Superannuation Payments:

Amounts paid to executive members and senior executives on retirement from office or to prescribed superannuation funds for the provision of retirement benefits for executive member and senior executives	<u>40,080</u>	<u>36,720</u>
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Related Parties

Robert French, a member of the Executive Council, was paid an amount of \$22,971 for training course services during the year.

18 SEGMENT REPORTING

The Association and its controlled entities operate as an employer association providing a range of services to members in the hospitality industry in the state of New South Wales.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003	2002
	\$	\$
19 LEASE COMMITMENTS		
Finance Lease		
Not later than one year	45,788	49,772
Later than one year but less than 2 years	33,348	12,537
Later than 2 years but less than 5 years	57,475	—
	<u>136,611</u>	<u>62,309</u>
Less Future Finance Charges	<u>19,078</u>	<u>2,783</u>
	<u>117,533</u>	<u>59,526</u>
Operating Lease		
Not later than one year	35,565	35,565
Later than one year but less than 2 years	35,565	35,565
Later than 2 years but less than 5 years	—	35,565
	<u>71,130</u>	<u>106,695</u>
Less Future Finance Charges	<u>10,363</u>	<u>15,545</u>
	<u>60,767</u>	<u>91,150</u>

20 RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash	2,099	2,099
Deposits at Call	981,596	1,817,301
Cash at Bank	<u>1,478,982</u>	<u>1,014,687</u>
	<u>2,462,677</u>	<u>2,834,087</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003	2002
	\$	\$
21 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO NET OPERATING REVENUE		
(Loss)/Profit from Ordinary Activities Attributable to Members	(211,435)	168,749
Depreciation	139,074	125,211
Loss on Sale of Fixed Assets	6,087	-
(Decrease)/Increase in Research & Development Foundation Reserve	(87,585)	3,279
Change in operating assets and liabilities:		
(Increase)/Decrease in Trade Debtors	(176,261)	18,415
Increase/(Decrease) in Provision for Doubtful Debts	33,598	3,228
(Increase)/Decrease in Other Debtors	(153,716)	19,453
(Increase)/Decrease in Loan	-	25,000
Decrease/(Increase) in Inventories	2,097	-
Decrease/(Increase) in Prepayments	14,503	(15,949)
(Decrease)/Increase in Payables	(19,933)	209,363
Increase/(Decrease) in Employee Provisions	60,845	26,958
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	<u>(392,726)</u>	<u>583,707</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
AND ITS CONTROLLED ENTITIES**

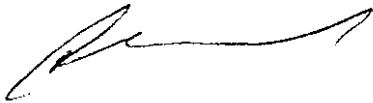
CERTIFICATE OF ACCOUNTING OFFICER

I, Bruce Woods, being the Accounting Officer of Australian Hotels Association (NSW) and its controlled entities hereby certify that the number of members of the Association at 31 December 2003 was 1,688.

In my opinion:

- (a) The accompanying Financial Statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2003;
- (b) A record has been kept of all moneys paid by, or collected from, members of the Association, 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 Association;
- (c) Before any expenditure was incurred by the Association approval of the incurring of the expenditure was obtained in accordance with the Rules of the Association;
- (d) With regard to funds of the Association 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;
- (e) All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the Rules of the Association; and
- (f) The register of members of the Association was maintained in accordance with the Regulations under the Industrial Relations Act 1996 (NSW).

Accounting Officer



DATED: 10-3-04

AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

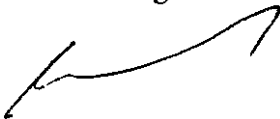
CERTIFICATE OF ACCOUNTING OFFICER

I, Bruce Woods, being the Accounting Officer of Australian Hotels Association, New South Wales Branch hereby certify that the number of members of the Branch at 31 December 2003 was 1,688.

In my opinion:

- (a) The accompanying Financial Statements show a true and fair view of the financial affairs of the Branch at 31 December 2003;
- (b) A record has been kept of all moneys paid by, or collected from, members of the Branch, 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 Branch;
- (c) Before any expenditure was incurred by the Branch, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Branch;
- (d) With regard to funds of the Branch 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;
- (e) All loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the Rules of the Branch; and
- (f) The register of members of the Branch was maintained in accordance with Section 268 of the Workplace Relations Act 1996 (Cth).

Accounting Officer



DATED: 10-3-04

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
AND ITS CONTROLLED ENTITIES**

STATEMENT OF COMMITTEE OF MANAGEMENT

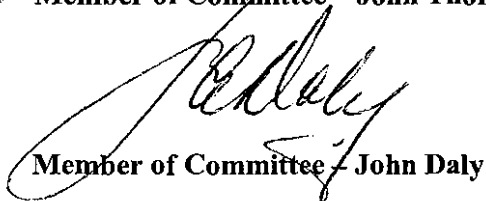
In accordance with a Resolution of the Committee of Management of Australian Hotels Association (NSW) and its controlled entities, we state that in the opinion of the Committee:

- (a) The accompanying Financial Statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2003;
- (b) Meetings of the Committee of Management were held in accordance with the Rules of the Association;
- (c) During the financial year to which these Financial Statements relate, there has not been, to the knowledge of any member of the Committee of Management instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under the Regulations of the Industrial Relations Act 1996 (NSW)), or copies of those records or other documents, or copies of the rules of the Association, have not been furnished or made available to members of the Association in accordance with the Industrial Relations Act 1996 (NSW), this regulation or the Rules of the Association, as the case may be;
- (d) In relation to the report prepared in accordance with the regulations under the Industrial Relations Act 1996 (NSW) by the Auditor of the Association in respect of the financial year immediately proceeding the financial year to which these Financial Statements relate and in relation to any financial report prepared in accordance with the Regulations under the Industrial Relations Act 1996 (NSW) to which that report relates, the Association has distributed the relevant financial report in accordance with the Regulations under the Industrial Relations Act 1996 (NSW); and
- (e) There are reasonable grounds to believe that the Association and its controlled entities will be able to pay their debts as and when they fall due.

Signed on behalf of the Committee of Management



Member of Committee – John Thorpe



Member of Committee – John Daly

DATED: 10-3-04

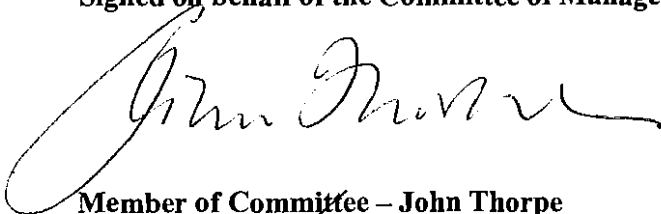
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

STATEMENT OF COMMITTEE OF MANAGEMENT

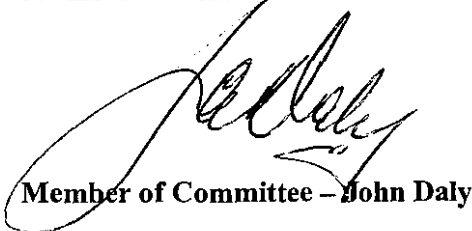
In accordance with a Resolution of the Committee of Management of Australian Hotels Association, New South Wales Branch, we state that in the opinion of the Committee:

- (a) The accompanying Financial Statements show a true and fair view of the financial affairs of the Branch at 31 December 2003;
- (b) Meetings of the Committee of Management were held in accordance with the Rules of the Branch;
- (c) During the financial year to which these Financial Statements relate, there has not been, to the knowledge of any member of the Committee of Management instances where records of the Branch or other documents (not being documents containing information made available to a member of the Branch under section 274(2) of the Workplace Relations Act 1996 (Cth)), or copies of those records or other documents, or copies of the rules of the Branch, have not been furnished or made available to a member of the Branch in accordance with the Workplace Relations Act 1996 (Cth), these regulations or the Rules of the Branch, as the case may be;
- (d) In relation to the report prepared in accordance with Section 276 of the Workplace Relations Act 1996 (Cth) by the Auditor of the Branch in respect of the financial year immediately proceeding the financial year to which the Financial Statements relate and in relation to any financial report prepared in accordance with subsection 273(1) of the Workplace Relations Act 1996 (Cth) to which that report relates, the Branch has distributed the relevant financial report in accordance with subsections 279(1) and 279(6) under the Workplace Relations Act 1996 (Cth); and
- (e) There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they fall due.

Signed on behalf of the Committee of Management



Member of Committee – John Thorpe



Member of Committee – John Daly

DATED: 10-3-04

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

SCOPE

We have audited the financial report of Australian Hotels Association (NSW), its controlled entities and Australian Hotels Association, New South Wales Branch for the financial year ended 31 December 2003, consisting of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to the Financial Statements, Certificates of the Accounting Officer and the Statements of the Committee of Managements set out on pages 1 to 17. The Committee of Management is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Association, its controlled entities and the members of the Branch.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to 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 the evaluation of accounting policies and significant accounting 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 Accounting Standards, professional reporting requirements (UIG Consensus Views) and statutory requirements so as to present a view which is consistent with our understanding of Australian Hotels Association (NSW), its controlled entities and Australian Hotels Association, New South Wales Branch's financial position and 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, its controlled entities and the Branch 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, its controlled entities and the Branch; and
- (ii) the accompanying financial report (including the statements by the members of the Committee of Management) set out on pages 1 to 17 which have been prepared under the historical cost convention as stated in Note 1, are properly drawn up in accordance with the provisions of the Regulations under the Industrial Relations Act 1996 (NSW) and 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 state of affairs of the Association, its controlled entities and the Branch as at 31 December 2003; and
 - (b) the performance of the Association, its controlled entities and the Branch for the year ended on that date; and

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

AUDIT OPINION (CONT.)

- (iii) all of the information and explanations that officers or employees of the Association were required to provide pursuant to the Regulations under the Industrial Relations Act 1996 (NSW) were provided and;
- (iv) all of the information and explanations that officers or employees of the Branch were required to provide pursuant to Section 276(2) of the Workplace Relations Act 1996 (Cth) were provided.

V J Ryan & Co

V J RYAN & CO

P G Crawford

Partner: Peter Gerard Crawford

**Level 5
255 George Street
SYDNEY NSW 2000**

DATED: *15 March 2004*

**COMPILATION REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW),
ITS CONTROLLED ENTITIES AND
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

The additional financial data presented on pages 21–23 is in accordance with the books and records of Australian Hotels Association (NSW), its controlled entities and Australian Hotels Association, New South Wales Branch which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2003. It should be appreciated that our audit did not cover all details of the attached financial data.

Accordingly, we do not express an opinion on such financial data and in particular no warranty of accuracy or reliability is given. Neither the firm nor any member of the firm undertakes responsibility in any way whatsoever to any person (other than the Association, its controlled entities and the Branch) in respect of such data, including any errors or omissions however caused.



V J RYAN & CO



Partner: Peter Gerard Crawford

**Level 5
255 George Street
SYDNEY NSW 2000**

DATED: 15 March 2004

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
AND ITS CONTROLLED ENTITIES**

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003	2002
	\$	\$
INCOME		
Member Subscriptions	3,638,729	3,532,746
Training	444,587	328,529
Interest Received	140,060	128,361
Commissions	60,000	60,000
Net Profit/(Loss) from Membership Activities:		
Marketing and Function	253,204	214,583
Sponsorships	60,800	70,423
Hotel News	73,903	134,044
Accommodation Division	40,492	41,914
Industrial Relations	57,841	35,412
Pubstays Project	(49,042)	(23,599)
Business Developments	4,635	(206)
	<u>4,725,209</u>	<u>4,522,207</u>
EXPENDITURE		
Accounting Fees	2,700	2,788
Accommodation Division	113,889	90,402
Advertising and Staff Hire	19,324	1,499
Administration	4,082	9,222
Annual Report	13,803	9,092
Annual Leave Accrued	42,274	22,291
Audit fees	24,640	19,725
Bank Charges	29,154	24,027
Capitation Fees – National AHA	250,338	237,138
Cleaning and Laundry	27,876	28,736
Computer	91,389	92,882
Consultancy	136,017	10,000
Delegates	84,177	114,897
Depreciation	139,074	125,211
Donations	52,763	73,557
Doubtful Debts Provided	33,694	2,315
Electricity	10,867	8,432
Executive Administration	235,137	228,649
Executive & Board	125,531	125,322
Flowers and Plant Hire	7,361	6,429
Fringe Benefits Tax	33,702	21,380
Gaming Department	195,582	170,630
Insurance	117,282	68,571
Industrial & Membership	225,040	186,183

This Statement has not been audited

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
AND ITS CONTROLLED ENTITIES**

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003	2002
	\$	\$
EXPENDITURE (CONT.)		
Leasing Interest	6,477	6,236
Legal Fees	409,976	222,123
Long Service Leave Provided	18,571	16,157
Loss on Disposal of Assets	6,087	-
National Office	20,424	14,797
National Executive and Board Meetings	65,262	45,060
Parking Levy	8,200	8,000
Payroll Preparation	2,307	2,343
Payroll Tax	77,016	78,677
President's Allowance	54,000	36,000
Printing & Stationery	153	499
Public Relations	184,515	161,581
Rates, Taxes and Strata Levies	84,665	83,941
Regional Meetings	22,354	25,929
Repairs and Maintenance	18,262	19,076
Salaries	1,652,226	1,669,706
Security	753	896
Sponsorship	33,600	36,636
Staff Amenities	8,876	9,914
Staff Training & Recruitment	8,014	4,317
Superannuation	146,177	137,739
Telephone	91,941	91,779
Travel	1,092	918
	<u>4,936,644</u>	<u>4,351,702</u>
Operating (Loss)/Profit for the year before Income Tax	(211,435)	170,505
Income Tax – AHA Services Pty Limited	<u>-</u>	<u>1,756</u>
Operating (Loss)/Profit for the year after Income Tax	<u>(211,435)</u>	<u>168,749</u>

This Statement has not been audited

AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003	2002
	\$	\$
INCOME		
Amount Received from Australian Hotels Association (NSW)	250,338	237,138
EXPENDITURE		
Capitation Fees paid to National AHA	<u>250,338</u>	<u>237,138</u>
	<u>—</u>	<u>—</u>

This Statement has not been audited

**AUSTRALIAN HOTELS ASSOCIATION (NSW),
AND ITS CONTROLLED ENTITIES**

CERTIFICATE OF SECRETARY

I, Bruce Woods, duly authorised officer of Australian Hotels Association (NSW) and its controlled entities, hereby certify that the documents lodged herewith are true copies of the Financial Statements, Auditor's Report and certificates presented to the:

General Meeting of Members of the organisations held on 20 April 2004 and/or

the Committee of Management Meeting held on 10 March 2004 in respect of the financial year of the organisation ended 31 December 2003.

The documents lodged herewith are:

- (i) copies of the Financial Statements prepared in accordance with the requirements of Section 510(1) of the Act and Clause 58 of the Regulations (an account of income and expenditure and an account of assets and liabilities); and
- (ii) a copy of the certificate given by the Accounting Officer of the organisation in accordance with the requirements of Section 510(2) of the Act and Clause 59(1)(a) of the Regulations; and
- (iii) a copy of the certificate given by the Committee of Management in accordance with the requirements of Section 510(2) of the Act and Clause 59(1)(b) of the Regulations; and
- (iv) a copy of the report of the Auditor of the organisation prepared in accordance with the requirements of Section 514 of the Act; and
- (v) a statement by an officer of the organisation in respect of loans, grants or donations by the organisation which are notifiable in accordance with the requirements of Section 505(1) of the Act.

[Note: "The Act" referred to is the Industrial Relations Act 1996 (NSW) and its Regulations, as well as deemed regulations under Section 282 incorporating various provisions of the Industrial Relations Act 1991 (NSW).]



Secretary

DATED: 20/04/04