



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
Fax: (03) 9654 6672

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

Dear Mr Woods,

Re: Financial Documents - year ended 31 December 2004 (FR2004/648)
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I have received the financial report for the NSW Branch of the Australian Hotels Association for the year ended 31 December 2004. The documents were lodged in the Registry on 26 April 2005 under s268 of Schedule 1B of the Workplace Relations Act 1996.

I also received your statement relating to loans, grants and donations on the same day. This statement has been placed on a file that is not available to the general public in accordance with s237(4) of the RAO Schedule.

As you would be aware, this is the first lodgment by the branch of its audited financial report under Schedule 1B (Registration and Accountability of Organisations (RAO) Schedule) which commenced on 12 May 2003.

The documents have been filed.

Comments to assist future financial reports

The following comments may assist you when you next prepare financial reports. No further action is required regarding these issues with respect to the lodged documents.

Operating Report

The Operating Report is required to disclose additional matters regarding:

- the number of persons in the register of members,
- the number of employees measured on a full-time equivalent basis,
- the right of members to resign from the organisation under s147 of the RAO Schedule,
- whether any officer or member of the organisation is a trustee of a superannuation entity, and
- details of any significant changes in the reporting unit's financial affairs during the year.

For further detail regarding these requirements please refer to section 254 of the RAO Schedule and Regulation 159 of the RAO Regulations.

Disclosure of Expenditure

It is noted that a significant amount of mandatory expenditure information was only provided in a *Compilation Report* in which the auditor stated:

....we do not express an opinion on such financial data and in particular no warranty of accuracy or reliability is given.

This approach is contrary to the requirements of s253 of the RAO Schedule and the related Reporting Guidelines which expressly require the following items of expenditure to be included in the main body of the accounts:

- Affiliation fees or subscriptions to political parties or industrial bodies
- Grants or Donations
- Legal costs
- Capitation Fees/Membership subscriptions
- Levies
- Employee benefits to holders of office
- Employee benefits to employees (other than holders of office)
- Conferences - fees/allowance for attendance
- Conference Expenses *(see enclosed at Point 11)*

Accordingly, in future financial years the branch must ensure that *all* expenditure information required by the Reporting Guidelines is included in the main body of the accounts. Similarly, in future financial years the auditors must state in their audit report prepared under s257 of the RAO Schedule whether the complete accounts (including all mandatory expenditure information) are presented fairly in accordance with the Australian Accounting Standards and the requirements of the RAO Schedule.

Auditor's Report

The Auditor's Report should be revised so that it:

- confirms whether, in the Auditor's opinion, the accounts are presented fairly in accordance with the *Australian Accounting Standards* and the requirements of the relevant sections of the RAO Schedule (see s257 RAO), and
- provides details of the Auditor's qualifications to confirm he or she is an 'approved auditor' under s256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Disclosure of Donations

The *Statement of Loans, Grants & Donations* provides a list of donations that total \$188,482 and further provides that:

Theamounts (for donations) appear under Donations & Executive Administration in the audited accounts.

Consequently the total for 'donations' that was provided in the accounts was only \$38,681 rather than \$188, 482.

This approach is not consistent with the requirements of the Reporting Guidelines as they expressly require the balance for 'grants or donations' to be provided in the accounts – see Item 11(f). To present donations under a different item of expenditure (such as 'Executive Administration') is contrary to the Reporting Guidelines.

Secretary's Certificate

The Secretary's Certificate must confirm that the full financial report has been provided to members and presented to a meeting in accordance with section 266 of the RAO Schedule -- see s268 of the RAO Schedule.

Accounting Officer's Certificate

The Accounting Officer's Certificate was a document required under the former financial reporting legislation of the Workplace Relations Act. This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.

I apologise for the delay in finalising these matters.

If you have any queries please contact me on (03) 8661 7799.

Yours faithfully,



Andrew Schultz
Statutory Services Branch

10 August 2005

**NSW
BRANCH**

OF THE
AUSTRALIAN
HOTELS
ASSOCIATION



FR2004/648

Rec'd 26/4/05

Attention: Sylvia van Riet
Statutory Services Branch
Australian Industrial Registry
GPO Box 199S
MELBOURNE - 3001

19 April 2005

Dear Sylvia

RE: Financial Lodgement as at 31/12/2004

(FR2004/648-[024N-NSW])

Please find attached financial report endorsed at the AGM on 12 April 2005 for lodgement to comply with the registrar's requirement.

Please acknowledge receipt of the same.

Yours sincerely

PRABHU FERNANDO
Financial Accountant

**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 12 April 2005 and/or
the Committee of Management Meeting held on 15 March 2005 in respect of the financial
year of the organisation ended 31 December 2004.

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: 12 April 2005

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

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

CONTENTS	PAGE
Statement of Financial Performance	1
Statement of Financial Position	2
Statement of Cash Flows	3
Notes to the Financial Statements	4 – 13
Certificate of Accounting Officer – Association	14
Certificate of Accounting Officer – Branch	15
Statement of Committee of Management – Association	16
Statement of Committee of Management – Branch	17
Operating Report	18
Independent Audit Report to the Members	19 – 20
Compilation Report to the Members	21
Statement of Financial Performance – Association	22 – 23
Statement of Financial Performance – Branch	23

**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 2004**

	NOTE	2004	2003
		\$	\$
REVENUE			
Revenue from Ordinary Activities	2	5,404,096	4,725,209
Expenses from Ordinary Activities	3	<u>5,188,483</u>	<u>4,936,644</u>
Profit/(Loss) from Ordinary Activities before Income Tax		215,613	(211,435)
Income Tax Expense	4	<u>-</u>	<u>-</u>
Profit/(Loss) from Ordinary Activities after Income Tax		<u>215,613</u>	<u>(211,435)</u>
Net increase in Asset Revaluation Reserve		<u>1,893,813</u>	<u>-</u>
Total Changes in Equity		<u>2,109,426</u>	<u>(211,435)</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 2004**

	NOTE	2004 \$	2003 \$
CURRENT ASSETS			
Cash	5	2,226,422	2,462,677
Receivables	6	275,982	442,388
Other	7	<u>107,711</u>	<u>16,881</u>
TOTAL CURRENT ASSETS		<u>2,610,115</u>	<u>2,921,946</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	4,000,676	2,215,602
Investments	9	<u>25,010</u>	<u>25,010</u>
TOTAL NON-CURRENT ASSETS		<u>4,025,686</u>	<u>2,240,612</u>
TOTAL ASSETS		<u>6,635,801</u>	<u>5,162,558</u>
CURRENT LIABILITES			
Payables	10	948,632	1,590,959
Borrowings	11	31,088	36,329
Provisions	12	<u>284,817</u>	<u>269,535</u>
TOTAL CURRENT LIABILITES		<u>1,264,537</u>	<u>1,896,823</u>
NON-CURRENT LIABILITIES			
Borrowings	13	<u>77,308</u>	<u>81,205</u>
TOTAL NON-CURRENT LIABILITIES		<u>77,308</u>	<u>81,205</u>
TOTAL LIABILITIES		<u>1,341,845</u>	<u>1,978,028</u>
NET ASSETS		<u>5,293,956</u>	<u>3,184,530</u>
MEMBERS' ACCUMULATED FUNDS			
Reserves	14	190,270	184,253
Asset Revaluation Reserve	15	1,893,813	-
Retained Profits	16	<u>3,209,873</u>	<u>3,000,277</u>
TOTAL MEMBERS' ACCUMULATED FUNDS		<u>5,293,956</u>	<u>3,184,530</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 2004**

	NOTE	2004 \$	2003 \$
Cash Flows From Operating Activities:			
Receipts from Members and Third parties		6,412,714	6,382,980
Payments to Suppliers and Employees		(6,724,205)	(6,915,766)
Interest Received		144,395	140,060
Income Tax Paid		-	-
Net Cash (used in)/provided by Operating Activities	21	<u>(167,096)</u>	<u>(392,726)</u>
Cash Flows from Investing Activities:			
Payment for Property, Plant and Equipment		(65,822)	(9,976)
Proceeds from Sale of Equipment		11,818	29,373
Payment for Investment in Unlisted Company		-	(25,000)
Net Cash (used in)/provided by Investing Activities		<u>(54,004)</u>	<u>(5,603)</u>
Cash Flows from Financing Activities:			
Transfer (to)/from Research & Development Foundation Reserve		(6,017)	87,585
Lease Principal Repayments		(9,138)	(60,666)
Net Cash (used in)/provided by Financial Activities		<u>(15,155)</u>	<u>26,919</u>
Net (Decrease)/Increase in Cash held		(236,255)	(371,410)
Cash at beginning of the Financial Year		<u>2,462,677</u>	<u>2,834,087</u>
Cash at the end of the Financial Year	20	<u><u>2,226,422</u></u>	<u><u>2,462,677</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 2004**

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 2003.

**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 2004**

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 AASB1024, 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 2004**

1 STATEMENT OF ACCOUNTING POLICIES (cont.)

(h) Notice pursuant to Section 272 of Schedule 1B 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 272 of the above Act:

- (i) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (ii) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit; and
- (iii) A reporting unit must comply with an application made under subsection (1).

(i) Notice pursuant to Regulations under Section 282(3) of 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 2004

	2004	2003
	\$	\$
1 STATEMENT OF ACCOUNTING POLICIES (cont.)		
(i) Australian Equivalents to International Financial Reporting Standards (IFRSs)		
For the year ending 31 December 2006, all general purpose financial reports will be required to comply with Australian equivalents to International Financial Reporting Standards (IFRSs) instead of Australian Accounting Standards presently on issue. Comparative financial statements must also be presented in accordance with Australian equivalents to IFRS for the year ending 31 December 2005.		
The Committee of Management considers that no key accounting policy changes will arise out of this transition to IFRS.		
A more detailed review will be conducted during the year ending 31 December 2005.		
2 REVENUE		
Revenue from Operating Activities:		
Member Subscriptions	3,938,363	3,638,729
Revenue from Outside the Operating Activities:		
Interest	144,395	140,060
Commission	60,000	60,000
Training	346,555	444,587
Other Revenue	914,783	441,833
	<u>5,404,096</u>	<u>4,725,209</u>
3 PROFIT FROM ORDINARY ACTIVITIES		
Net Gains & Expenses		
Profit from ordinary activities before income tax includes the following specific gains and losses:		
Net Gain	<u>-</u>	<u>-</u>
Expenses		
Auditor's remuneration		
Audit of the Financial Statements	16,500	18,040
Audit of Related Entities	1,500	6,600
Other Services	15,730	17,700
Depreciation	161,006	139,074
Loss on Disposal of Assets	1,737	6,087
President's Allowance	60,000	54,000

**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 2004**

	2004	2003
	\$	\$
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.		
5 CASH		
Cash on Hand	2,099	2,099
Deposits at Call	1,385,540	981,596
Cash at Bank	838,783	1,478,982
	<u>2,226,422</u>	<u>2,462,677</u>
6 RECEIVABLES – CURRENT		
Trade Debtors	359,930	382,081
Less: Provision for Doubtful Debts	101,296	94,597
	<u>258,634</u>	<u>287,484</u>
Other Debtors	17,348	154,904
	<u>275,982</u>	<u>442,388</u>
7 OTHER		
Prepayments	107,711	16,881
8 PROPERTY, PLANT & EQUIPMENT		
Strata Units – At Independent Valuation and Additions at Cost	3,900,000	2,659,891
Less: Provision for Depreciation	60,937	638,877
	<u>3,839,063</u>	<u>2,021,014</u>
Plant and Equipment – At Cost	886,156	861,412
Less: Provision for Depreciation	831,996	788,215
	<u>54,160</u>	<u>73,197</u>
Motor Vehicles – At Cost	149,452	149,896
Less: Provision for Depreciation	41,999	28,505
	<u>107,453</u>	<u>121,391</u>
Total Property, Plant and Equipment	<u>4,000,676</u>	<u>2,215,602</u>

The basis of the valuation of Strata Units is fair market value based on existing use. The valuation dated 12 May 2004 was carried out by Northern Estate Valuation a member of the Australian Institute of Valuers and Land Administrators Inc.

**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 2004**

	2004	2003
	\$	\$
8 PROPERTY, PLANT & EQUIPMENT (cont.)		
Reconciliations		
Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:		
<u>Strata Units</u>		
Carrying amount at beginning of year	2,021,014	2,087,498
Revaluation Increment	1,893,813	-
Additions	10,200	-
Depreciation	(85,964)	(66,484)
	<u>3,839,063</u>	<u>2,021,014</u>
<u>Plant & Equipment</u>		
Carrying amount at beginning of year	73,197	112,216
Additions	24,743	9,886
Depreciation	(43,780)	(48,905)
	<u>54,160</u>	<u>73,197</u>
<u>Motor Vehicles - Leased Assets</u>		
Carrying amount at beginning of year	121,391	61,862
Additions	30,879	83,214
Disposals	(13,556)	-
Depreciation	(31,261)	(23,685)
	<u>107,453</u>	<u>121,391</u>
Total Property, Plant & Equipment	<u>4,000,676</u>	<u>2,215,602</u>
9 INVESTMENTS		
Shares in Subsidiary Company – At Cost	10	10
Shares in Unlisted Company – At Cost	25,000	25,000
	<u>25,010</u>	<u>25,010</u>
10 PAYABLES		
Trade Creditors	195,691	240,640
GST Payable	101,093	127,199
Hotels Have Hearts Fund	795	708
Subscriptions in Advance	611,953	1,181,469
Income in Advance	39,100	40,943
	<u>948,632</u>	<u>1,590,959</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 2004**

	2004	2003
	\$	\$
11 BORROWINGS – CURRENT		
Lease Liability	<u>31,088</u>	<u>36,329</u>
12 PROVISIONS – CURRENT		
Employee Entitlements	<u>284,817</u>	<u>269,535</u>
13 BORROWINGS – NON CURRENT		
Lease Liability	<u>77,308</u>	<u>81,205</u>
14 RESERVES		
Research and Development Foundation Reserve Opening Balance	184,253	271,838
Transfers to/(from) Accumulated Surplus	<u>6,017</u>	<u>(87,585)</u>
Closing Balance	<u>190,270</u>	<u>184,253</u>
15 ASSET REVALUATION RESERVE		
Opening Balance	-	-
Increment on Revaluation of Strata Units	<u>1,893,813</u>	-
Closing Balance	<u>1,893,813</u>	-
16 RETAINED PROFITS		
Balance at beginning of year	3,000,277	3,124,127
Profit/(Loss) for year	215,613	(211,435)
Transfer (to)/from Reserves	<u>(6,017)</u>	<u>87,585</u>
Balance at end of year	<u>3,209,873</u>	<u>3,000,277</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 2004**

	2004	2003
	\$	\$

17 RELATED PARTY TRANSACTIONS

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

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

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.
\$50,000 - \$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	43,440	40,080
---	--------	--------

Related Parties

Robert French, a member of the Executive Board, was paid an amount of \$29,565 for training course and consultancy 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 2004**

	2004 \$	2003 \$
19 LEASE COMMITMENTS		
Finance Lease		
Not later than one year	40,627	45,788
Later than one year but less than 2 years	65,537	33,348
Later than 2 years but less than 5 years	18,355	57,475
	<u>124,519</u>	<u>136,611</u>
Less Future Finance Charges	16,123	19,078
	<u>108,396</u>	<u>117,533</u>
Operating Lease		
Not later than one year	35,565	35,565
Later than one year but less than 2 years	-	35,565
Later than 2 years but less than 5 years	-	-
	<u>35,565</u>	<u>71,130</u>
Less Future Finance Charges	1,598	10,363
	<u>33,967</u>	<u>60,767</u>

20 RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank. 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 on Hand	2,099	2,099
Deposits at Call	1,385,540	981,596
Cash at Bank	838,783	1,478,982
	<u>2,226,422</u>	<u>2,462,677</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 2004**

	2004 \$	2003 \$
21 RECONCILIATION OF NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES TO NET OPERATING REVENUE		
Profit/(Loss) from Ordinary Activities Attributable to Members	215,613	(211,435)
Non-Cash Flows and Non-Operating Items in Operating Profit:		
Depreciation	161,006	139,074
Loss on Sale of Fixed Assets	1,737	6,087
Movement in Research & Development Foundation Reserve	6,017	(87,585)
Change in operating assets and liabilities:		
Decrease/(Increase) in Trade Debtors	22,151	(176,261)
Increase in Provision for Doubtful Debts	6,699	33,598
Decrease/(Increase) in Other Debtors	137,556	(153,716)
Decrease in Inventories	-	2,097
(Increase)/Decrease in Prepayments	(90,830)	14,503
(Decrease) in Payables	(642,327)	(19,933)
Increase in Employee Provisions	15,282	60,845
NET CASH (USED IN) OPERATING ACTIVITIES	<u>(167,096)</u>	<u>(392,726)</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 2004 was 1,668.

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 2004;
- (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: 15 March 2005

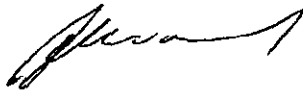
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

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 2004 was 1,668.

In my opinion:

- (a) The accompanying Financial Statements show a true and fair view of the financial affairs of the Branch at 31 December 2004;
- (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 230 of Schedule 1B of the Workplace Relations Act 1996 (Cth).



Accounting Officer

Dated: 15 March 2005

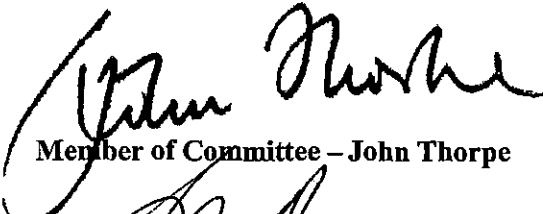
**AUSTRALIAN HOTELS ASSOCIATION (NSW)
AND ITS CONTROLLED ENTITIES**

STATEMENT OF COMMITTEE OF MANAGEMENT

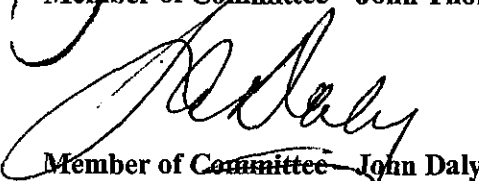
In accordance with a Resolution of the Committee of Management of Australian Hotels Association (NSW) and its controlled entities, we state that in the opinion of the Committee:

- (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 2004;
- (b) Meetings of the Committee of Management were held in accordance with the Rules of the Association;
- (c) During the financial year to which the 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: 15 March 2005

AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

STATEMENT OF COMMITTEE OF MANAGEMENT

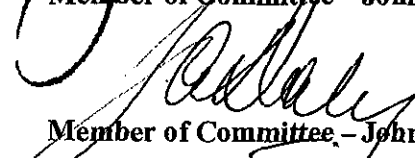
On the 15 March 2005 the Committee of Management of the Australian Hotels Association, New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 December 2004.

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

- (a) the financial report and notes comply with Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year ended 31 December 2004;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 December 2004 and since the end of the financial year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the reporting unit;
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation and the rules of the reporting unit;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with Schedule 1B of the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003;
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation;
 - (v) no information has been sought in any request by a member of the reporting unit or a Registrar under Section 272 of Schedule 1B of the Workplace Relations Act 1996; and
 - (vi) no orders have been made by the Industrial Registrar under Section 273 of Schedule 1B of the Workplace Relations Act 1996.

Signed on behalf of the Committee of Management


Member of Committee – John Thorpe


Member of Committee – John Daly

Dated: 15 March 2005

AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

OPERATING REPORT

This Operating Report covers the results of those activities that were provided for the financial year ended 31 December 2004.

1. Principal Activities of the Association

The principal activities of the Association, as conducted through the Council and the Executive Board during the past year fell into the following categories:

- Provision of Industrial support to members including advice on legal and legislative matters, contractual obligations and representation of individual members. Administration of Federal and State awards and the variation of awards following major test cases.
- Media and Communications to members and to the broader community via media releases in support of campaigns and targeted publications including national & state magazines.
- Facilitating training courses such as Responsible Service of Alcohol and Responsible Conduct of Gaming to hoteliers and their staff in order for them to comply with the requirement for the operation of their liquor licence.
- Provision of information for members providing up to date material relevant to hotels.
- Organisation of events to members such as Awards for Excellence, Business Exchange, Charity Fund Raising etc. in order to recognise their achievements and contribution to the community.
- Provision of Counselling Service to problem gamblers to minimise harm.

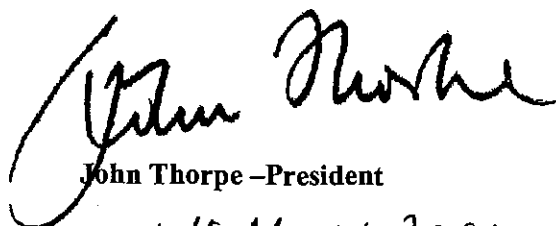
2. Financial Activities of the Association

- During the year significant funds were provided to address gaming and smoking issues.
- The building was re-valued and the increase in valuation was transferred to an Asset Revaluation Reserve.
- The membership revenues increased during the year.

3. Committee of Management Members

The following persons were Delegates of the Branch to the National Body during the year ended 31 December 2004:

John Thorpe, Bevan Douglas, John Daly, Bruce Woods, Robert Broomham, Robert French, Phillip Webster and Lynette Humphreys.



John Thorpe - President

Dated: 15 March 2005

**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 2004, 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, Statements of the Committee of Management and the Operating Report set out on pages 1 to 18. The Committee of Management is responsible for the preparation and true and fair presentation of the financial report in accordance with the Industrial Relations Act 1996 (NSW) and the Workplace Relations Act 1996 (Cth). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit of the 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 in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Industrial Relations Act 1996 (NSW) and the Workplace Relations Act 1996 (Cth) including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the Association's, its controlled entities and the Branch's financial position and their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements, the Industrial Relations Act 1996 (NSW) and the Workplace Relations Act 1996 (Cth).

Audit Opinion

In our opinion:

- (a) (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 of the Committee of Management and the Operating Report) set out on pages 1 to 18 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 Sections 252-254 of Schedule 1B of the Workplace Relations Act 1996 (Cth) and applicable accounting standards, professional reporting requirements and Urgent Issues Group 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 2004; and
 - b) the performance of the Association, its controlled entities and the Branch for the year ended on that date; and
 - (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) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996 (Cth); and
- (b) other mandatory professional reporting requirements in Australia.

V J Ryan & Co
V J RYAN & CO

PG Crawford
Partner: Peter Gerard Crawford

Level 5
255 George Street
SYDNEY NSW 2000

Dated: 15 March 2005

**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 22–23 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 2004. 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

V J RYAN & CO

P G Crawford

Partner: Peter Gerard Crawford

Level 5
255 George Street
SYDNEY NSW 2000

Dated: 15 March 2005

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

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

	2004	2003
	\$	\$
INCOME		
Member Subscriptions	3,938,363	3,638,729
Training	346,555	444,587
Interest Received	144,395	140,060
Commissions	60,000	60,000
Net Profit/(Loss) from Membership Activities:		
Marketing and Function	219,353	253,204
Sponsorships	466,287	60,800
Hotel News	138,635	73,903
Accommodation Division	40,498	40,492
Industrial Relations	87,274	57,841
Pubstays Project	(45,252)	(49,042)
Business Developments	7,988	4,635
	<u>5,404,096</u>	<u>4,725,209</u>
EXPENDITURE		
Accounting and Consulting Fees	18,200	2,700
Accommodation Division	156,974	113,889
Advertising and Staff Hire	-	19,324
Administration	4,123	4,082
Annual Report	12,555	13,803
Annual Leave Accrued	5,064	42,274
Auditors' Remuneration	18,000	24,640
Bank Charges	30,560	29,154
Capitation Fees	250,638	250,338
Cleaning and Laundry	26,933	27,876
Computer	94,199	91,389
Consultancy	146,318	136,017
Delegates	73,221	84,177
Depreciation	161,006	139,074
Donations	38,681	52,763
Doubtful Debts Provided	6,729	33,694
Electricity	10,422	10,867
Executive Administration	293,089	235,137
Executive & Board	137,258	125,531
Flowers and Plant Hire	8,553	7,361
Fringe Benefits Tax	24,390	33,702
Gaming Department	375,877	195,582
Insurance	134,974	117,282
Industrial & Membership	256,385	225,040

This Statement has not been audited.

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

**STATEMENT OF FINANCIAL PERFORMANCE (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
EXPENDITURE (CONT.)		
Leasing Interest	9,856	6,477
Legal Fees	317,673	409,976
Long Service Leave Provided	23,915	18,571
Loss on Disposal of Assets	1,737	6,087
National Office	-	20,424
National Executive and Board Meetings	44,884	65,262
Parking Levy	8,500	8,200
Payroll Preparation	2,479	2,307
Payroll Tax	87,353	77,016
President's Allowance	60,000	54,000
Printing & Stationery	233	153
Public Relations	154,061	184,515
Rates, Taxes and Strata Levies	84,564	84,665
Regional Meetings	4,979	22,354
Repairs and Maintenance	25,858	18,262
Salaries	1,720,993	1,652,226
Security	553	753
Sponsorship	84,864	33,600
Staff Amenities	9,646	8,876
Staff Training & Recruitment	12,840	8,014
Superannuation	145,349	146,177
Telephone	94,064	91,941
Travel	9,933	1,092
	<u>5,188,483</u>	<u>4,936,644</u>
Operating Profit/(Loss) for the year	<u>215,613</u>	<u>(211,435)</u>

AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

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

INCOME

Amount Received from Australian Hotels Association (NSW)	250,638	250,338
--	---------	---------

EXPENDITURE

Capitation Fees paid to National AHA	<u>250,638</u>	<u>250,338</u>
	<u>-</u>	<u>-</u>

These Statements have not been audited.