



FAIR WORK  
AUSTRALIA

3 June 2010

Mr Colin Waller  
Secretary/Treasurer  
Australian Hotels Association, New South Wales Branch

email: [Phillip.Ryan@ahansw.com.au](mailto:Phillip.Ryan@ahansw.com.au)

Dear Mr Waller

**Re: Application for certificate stating financial affairs of Branch are  
encompassed by financial affairs of associated State body  
For year ended 31 December 2009  
(FR2009/10293)**

I refer to your application pursuant to s269 of the *Fair Work (Registered Organisations) Act 2009*, lodged in Fair Work Australia on 21 May 2010, in respect of the New South Wales Branch of the Australian Hotels Association for the financial year ended 31 December 2009.

I have granted the application. My certificate is enclosed.

If you wish to discuss this matter, please contact Kevin Donnellan on (03) 8661 7764 or by email to [kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au).

Kind regards

T. Nassios

Delegate of the General Manager  
Fair Work Australia

FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

s.269(2)(a)

*Reporting unit's financial affairs encompassed by associated State body*

**Australian Hotels Association**

(FR2009/10293)

**CERTIFICATE**

On 21 May 2010 an application was made under s269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the New South Wales Branch (the Branch) of the abovenamed organisation for a certificate stating that the financial affairs of the Branch are encompassed by the financial affairs of Australian Hotels Association (NSW) (the Association), an associated State body, in respect of the financial year ending 31 December 2009.

On 21 May 2010, the Branch lodged a copy of the audited accounts of the Association with Fair Work Australia.

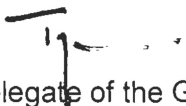
I am satisfied that the Association:

- is registered under the *Industrial Relations Act 1996* (NSW), a prescribed State Act; and
- is, or purports to be, composed of substantially the same members as the Branch; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the Branch; and
- is an associated State body.

I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority; and
- any members of the Branch who are not also members of the Association have been provided with copies of the accounts at substantially the same time as the members of the Branch who are members of the Association.

I am satisfied that the financial affairs of the Branch in respect of the financial year ending 31 December 2009, are encompassed by the financial affairs of the Association and I certify accordingly under s269(2)(a) of the Act.



Delegate of the General Manager  
Fair Work Australia



11 May 2010

Mr. Kevin Donnellan  
Statutory Services Branch  
Principal Registry  
Fair Work Australia  
GPO Box 1994  
MELBOURNE, VIC 3001

Dear Mr Donnellan,

**RE: APPLICATION FOR EXEMPTION PURSUANT TO SECTION 269  
OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009  
(CTH) ("the Act")**

I am the Secretary/Treasurer of the Australian Hotels Association, NSW Branch ("the Branch") and am authorised by the Branch to make Application for a Certificate stating that:-

- i. The financial affairs of the Branch are encompassed by the financial affairs by the Australian Hotels Association (NSW), an organisation of employers registered under the Industrial Relations Act 1996 (NSW), being an associated state body; and
- ii. That the Branch is taken to have satisfied Part 3 of the Act.

The Grounds and reasons for this Application are as follows:

1. The Australian Hotels Association (NSW) is an organisation of employers registered under the *Industrial Relations Act 1996* (NSW) ("the State Act") and is an associated State body to the Branch – hereafter "the State Organisation".
2. The State Organisation is composed substantially of the same members of the Branch.
3. The officers of the State Organisation are the same as the officers of the Branch. In that regard I refer to Rule 32A of the Rules of the State Organisation, a copy of which is **attached** hereto (attachment A). I also refer in this regard to section 239 of the State Act, which facilitates this arrangement.



4. It is submitted that the Branch can be taken to have satisfied Part 3 of the Act, because of the following matters: -

- i. The State Organisation has in accordance with the State Act, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the audited accounts with the New South Wales Industrial Registry. A copy of the audited accounts for the year ending 31 December 2009 are **attached** (attachment B).
- ii. All members of the Branch and the State Organisation, at substantially the same time, have been provided with a copy of the attached accounts, in accordance with provision of the State Act, through their reproduction in the 2009 Annual Report of the Branch and the State Organisation (attachment C).

If you require any further information in relation to this Application would you please contact Mr. Phillip Ryan, Director, Legal and Industrial Affairs (02) 9281 6922.

Yours faithfully,

**COLIN WALLER**  
**Secretary/Treasurer**

Encl.



**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ABN 64 243 628 807  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2009**

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

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
<b>REVENUE</b>			
Revenue	4	8,507,521	8,588,771
<b>EXPENDITURE</b>			
Finance Costs	5	-	(47)
Depreciation		(221,309)	(221,664)
Administrative, Member and Other Expenses		(4,365,486)	(4,969,221)
Loss on Sale of Fixed Assets		(192,430)	-
Employee Expenses	5	(2,522,641)	(2,574,945)
		<u>(7,301,866)</u>	<u>(7,765,877)</u>
<b>Profit before Income Tax</b>		1,205,655	822,894
Income Tax Expense	7	-	-
<b>NET PROFIT FOR THE YEAR</b>		1,205,655	822,894
<b>OTHER COMPREHENSIVE INCOME</b>			
Transfer from Retained Earnings		<u>3,581,000</u>	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>4,786,655</u>	<u>822,894</u>

The Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 21.

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	8	4,571,174	4,919,594
Trade & Other Receivables	9	333,576	133,291
Other	10	104,867	344,190
<b>TOTAL CURRENT ASSETS</b>		<u>5,009,617</u>	<u>5,397,075</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	11	6,663,571	5,351,830
Investments	12	6,000,021	6,000,032
<b>TOTAL NON-CURRENT ASSETS</b>		<u>12,663,592</u>	<u>11,351,862</u>
<b>TOTAL ASSETS</b>		<u>17,673,209</u>	<u>16,748,937</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	13	2,238,334	1,954,927
Provisions	14	362,892	293,318
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,601,226</u>	<u>2,248,245</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans and Borrowings	15	5,004,616	5,809,262
Provisions	14	514,637	344,355
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>5,519,253</u>	<u>6,153,617</u>
<b>TOTAL LIABILITIES</b>		<u>8,120,479</u>	<u>8,401,862</u>
<b>NET ASSETS</b>		<u>9,552,730</u>	<u>8,347,075</u>
<b>EQUITY</b>			
Asset Revaluation Reserve	16	-	3,581,000
Retained Earnings	17	9,552,730	4,766,075
<b>TOTAL EQUITY</b>		<u>9,552,730</u>	<u>8,347,075</u>

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 21.

**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 2009**

	NOTE	2009 \$	2008 \$
<b>Cash Flows From Operating Activities:</b>			
Receipts from Members and Third Parties		7,859,280	8,019,218
Payments to Suppliers and Employees		(6,180,707)	(6,839,081)
Dividends Received		237,000	-
Interest Received		266,122	402,229
Interest Paid		-	(47)
Net Cash provided by Operating Activities	21	<u>2,181,695</u>	<u>1,582,319</u>
<b>Cash Flows from Investing Activities:</b>			
Payment for Property, Plant and Equipment		(6,580,934)	(196,723)
Proceeds from Sale of Property, Plant and Equipment		4,855,454	42,886
Proceeds from Sale of Investments in Subsidiary Companies		11	-
Net Cash (used in) Investing Activities		<u>(1,725,469)</u>	<u>(153,837)</u>
<b>Cash Flows from Financing Activities:</b>			
Lease Repayments		-	(29,735)
Principal Loan Repayments		(804,646)	(190,378)
Net Cash (used in) Financing Activities		<u>(804,646)</u>	<u>(220,113)</u>
Net (Decrease) / Increase in Cash held		(348,420)	1,208,369
Cash and Cash Equivalents at beginning of Financial Year		<u>4,919,594</u>	<u>3,711,225</u>
<b>Cash and Cash Equivalents at end of Financial Year</b>	<b>8</b>	<u><u>4,571,174</u></u>	<u><u>4,919,594</u></u>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 21.

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>Retained Earnings \$</b>	<b>Asset Revaluation Reserve \$</b>	<b>Total Equity \$</b>
<b>At 1 January 2008</b>	3,943,181	3,581,000	7,524,181
<i><b>Total Comprehensive Income for the Period</b></i>			
Net Profit for the Year	822,894	-	822,894
<i><b>Other Comprehensive Income</b></i>			
Transfer to Asset Revaluation Reserve	-	-	-
Transfer from Retained Earnings	-	-	-
<b>At 1 January 2009</b>	4,766,075	3,581,000	8,347,075
<i><b>Total Comprehensive Income for the Period</b></i>			
Net Profit for the Year	1,205,655	-	1,205,655
<i><b>Other Comprehensive Income</b></i>			
Transfer from Asset Revaluation Reserve		(3,581,000)	(3,581,000)
Transfer to Retained Earnings	3,581,000	-	3,581,000
<b>At 31 December 2009</b>	<u>9,552,730</u>	<u>-</u>	<u>9,552,730</u>

This Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 21.

**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 2009**

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**1 CORPORATE INFORMATION**

The financial report of Australian Hotels Association (NSW) ("Association"), its Controlled Entities and Australian Hotels Association, New South Wales Branch ("Branch") for the year ended 31 December 2009 were authorised for issue in accordance with a Resolution of the Committee of Management on 11 March 2010.

The Association is incorporated in Australia.

The nature of the operations is that it is an association comprising members of the hotel industry and representing those members.

**2 STATEMENT OF ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards. It has been prepared on the basis of historical costs and, except for certain assets which are at valuation, does not take into account changing money values or current valuation of non-current assets.

The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous period.

**(b) Statement of Compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

**(c) Changes in Accounting Policies**

Starting as of 31 December 2009, the Association has changed its accounting policies in the area of Presentation of Financial Statements and Borrowing Costs (refer to Note 2m).

***Presentation of Financial Statements***

The Association applies revised AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Association presents in the Statement of Changes in Equity all owners changes in equity, whereas all non-owner changes in equity are presented in the Statement of Comprehensive Income.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on the profit or loss.

**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 2009**

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**2 STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(d) New Standards and Interpretations Not Yet Adopted**

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Association.

**(e) Basis of Consolidation**

The consolidated financial statements include the financial statements of the Australian Hotel Association (NSW), Australian Hospitality Insurance Services Pty Limited, AHA (NSW) Hospitality Insurance Services Pty Limited and Australian Hotels Association (NSW) Holdings Pty Limited.

Subsidiaries are entities controlled by the Association. Control exists when the Association has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Association's financial statements, investments in subsidiaries are carried at cost. Intra group balances are eliminated in preparing the consolidated financial statements.

**(f) 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.

Dividends are brought to account when received.

**(g) Comparative Figures**

Comparative figures supplied reflect the accounting period for the twelve months ended 31 December 2008.

**(h) 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");



**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**2 STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(h) Special Note concerning Basis of Financial Statements (Cont.)**

- 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 Fair Work (Registered Organisations) Act 2009 (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 (e) above.
- (ii) The financial statements of the above mentioned entities are prepared 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 (e) hereof, are assets and liabilities of the State Organisation.

**(i) Notice pursuant to Section 272 of the Fair Work (Registered Organisations) Act 2009 (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).

**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 2009**

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**2 STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(j) 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.

**(k) Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position comprise cash on hand and at bank together with short-term deposits with an original maturity of three months or less that are readily convertible to known cash amounts subject to insignificant risk of changes in value.

**(l) Trade and Other Receivables**

The collectability of debts is assessed at the reporting date and specific provision is made for any doubtful debts.

**(m) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a combination of straight-line and diminishing value basis over the estimated useful life of the asset as follows:

Strata Titled Units – 40 years straight line  
Plant and Equipment – 5 to 15 years straight line  
Motor Vehicles – 4 to 5 years diminishing value

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

***Change in Accounting Policy***

In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 July 2009, the Association capitalised borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Previously, the Association immediately recognised all borrowing costs as an expense. This change in accounting policy was due to the adoption of AASB 123 Borrowing Costs (2007) in accordance with the transitional provisions of that standard. The change in accounting policy had no material impact of profit or loss.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**2 STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(m) Property, Plant and Equipment (Cont.)**

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

**(n) Financial Instruments**

*Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as follows:

- Held-to-maturity investments - at amortised cost less impairment losses.
- Available-for sale financial assets – at fair value and changes other than impairment losses and foreign exchange gains and losses are recognised in a separate component of equity.
- Financial assets at fair value through the profit or loss – such assets are designated if held for trading. They are measured at fair value through the profit or loss and any changes are also recognised in the profit or loss.
- Other – at amortised cost using the effective interest method, less any impairment losses.

*Derivative financial instruments*

No derivative financial instruments are used by the Association to hedge its interest rate exposures.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**2 STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(o) Impairment of Assets**

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Association makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Individually significant financial assets are tested for impairment separately. The remaining financial assets are assessed on a group basis based on credit risk.

An impairment loss on a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss on an available for sale financial asset is calculated by reference to its fair value.

Impairment losses are recognised in the statement of comprehensive income.

**(p) Trade and Other Payables**

Trade and other payables are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

**(q) Loans and Borrowings**

All loans and borrowings are recognised at their principal amount including transaction costs attributable to their issue. Interest expense is accrued at the contract rate.

**(r) Employee Benefits**

Provision is made for entitlements accruing to employees in relation to wages, salaries, annual leave, long service leave and other benefits where the Association has a present obligation to pay resulting from employees' services provided up to reporting date.

- *Wages, salaries and annual leave* – Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of year-end. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**2 STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(r) Employee Benefits (Cont.)**

- *Long Service Leave* – The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The portion of the long service leave liability not expected to be settled within 12 months is discounted using the rates applicable to national government securities at reporting date, which most closely match the terms of maturity of the related liability. The long service liability expected to be settled within 12 months of year-end is included as a current liability in the statement of financial position. The long service leave not expected to be settled within 12 months of year end is included as a non current liability in the statement of financial position.
- *Superannuation* – Superannuation contributions by the Association on a defined basis to an employee superannuation fund are charged as expenses when incurred. The Association has no legal obligation to provide benefits to employees on retirement.

**(s) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the Association are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(t) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**3 FINANCIAL RISK MANAGEMENT**

**Overview**

The Association has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Association's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Committee of Management has overall responsibility for the establishment and oversight of the risk management framework. The Committee of Management is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee of Management oversees how management monitors compliance with the Association's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Association.

**Credit Risk**

Credit risk is the risk of financial loss to the Association if a member, customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's sundry receivables.

*Trade and Other Receivables*

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each member. The demographics of the Association's member base, including the default risk of the industry in which members operate, has less of an influence on credit risk.

There is an allowance for impairment on the trade and other receivable balances, assessed as any balance due over 90 days.

**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 2009**

---

**3 FINANCIAL RISK MANAGEMENT (Cont.)**

**Liquidity Risk**

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

Typically, the Association ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Association enters into and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Committee of Management.

*Interest Rate Risk*

The Association has limited its exposure to changes in interest rates on borrowings.

**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 2009**

	2009 \$	2008 \$
<b>4 REVENUE</b>		
Advertising Fees	485,056	190,738
Dividends	237,090	-
Insurance Commission	46,795	89,790
Interest	266,122	402,229
Keno Establishment Fee	-	750,000
Keno Commission	463,105	95,912
Membership Activities	2,082,377	2,114,330
Membership Subscriptions	4,093,643	4,107,245
Profit on Sale of Fixed Assets	-	5,194
TVN/TAB Recovery	833,333	833,333
<b>Total Revenue</b>	<u>8,507,521</u>	<u>8,588,771</u>
<b>5 REVENUES AND EXPENSES</b>		
<b>Finance Income / (Costs)</b>		
Finance Charges under Finance Lease and Hire Purchase	-	(47)
Bank Interest Receivable	266,122	402,229
<b>Net Finance Income</b>	<u>266,122</u>	<u>402,182</u>
<b>Employee Benefits</b>		
Annual Leave Accrued	26,853	-
Fringe Benefits Tax	16,839	26,784
Long Service Leave Provided	15,311	27,183
Payroll Tax	125,283	109,303
Salary and Wages	2,147,555	2,224,829
Superannuation	190,800	186,846
	<u>2,522,641</u>	<u>2,574,945</u>
<b>6 AUDITOR'S REMUNERATION</b>		
Amounts received or due and receivable by V J Ryan & Co for:		
Audit of the Financial Statements	24,000	24,000
Audit of Grant Moneys	-	400
Other Services - Association	67,315	31,182
- Related Entities	6,400	-
	<u>97,715</u>	<u>55,582</u>



**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 2009**

	2009 \$	2008 \$
<b>7 INCOME TAX</b>		
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.		
<b>8 CASH AND CASH EQUIVALENTS</b>		
<b>CURRENT</b>		
Cash on Hand	2,999	2,999
Term Deposits	3,500,000	4,750,000
Cash at Bank	1,068,175	166,595
	<u>4,571,174</u>	<u>4,919,594</u>
<b>9 TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade Debtors	498,111	218,796
Less: Allowance for Doubtful Debts	164,535	85,505
	<u>333,576</u>	<u>133,291</u>
<b>10 OTHER CURRENT ASSETS</b>		
Investment in Legal Action	-	323,935
Other Debtors	67,529	-
Prepayments	37,338	20,255
	<u>104,867</u>	<u>344,190</u>
<b>11 PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>NON CURRENT</b>		
Strata Units - At Cost	6,367,525	5,250,000
Less: Provision for Depreciation	-	153,125
	<u>6,367,525</u>	<u>5,096,875</u>
Plant and Equipment – At Cost	1,205,290	1,033,322
Less: Provision for Depreciation	1,055,814	991,175
	<u>149,476</u>	<u>42,147</u>
Motor Vehicles – At Cost	220,620	265,920
Less: Provision for Depreciation	74,050	53,112
	<u>146,570</u>	<u>212,808</u>
Total Property, Plant and Equipment	<u>6,663,571</u>	<u>5,351,830</u>

**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 2009**

	2009 \$	2008 \$
<b>11 PROPERTY, PLANT &amp; EQUIPMENT (Cont.)</b>		
<b>NON CURRENT (Cont.)</b>		
<b>Reconciliations</b>		
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	5,096,875	5,228,125
Additions	6,367,525	-
Depreciation	(109,375)	-
Disposals	(4,987,500)	(131,250)
	<u>6,367,525</u>	<u>5,096,875</u>
<u>Plant &amp; Equipment</u>		
Carrying amount at beginning of year	42,147	75,583
Additions	171,968	8,282
Depreciation	(64,639)	(41,718)
	<u>149,476</u>	<u>42,147</u>
<u>Motor Vehicles - Leased Assets</u>		
Carrying amount at beginning of year	212,808	110,755
Additions	41,441	188,441
Disposals	(60,385)	(37,692)
Depreciation	(47,294)	(48,696)
	<u>146,570</u>	<u>212,808</u>
Total Property, Plant & Equipment	<u><u>6,663,571</u></u>	<u><u>5,351,830</u></u>

**12 INVESTMENTS**

**NON CURRENT**

Shares in Hotel Employers Mutual Limited - At Cost	6,000,000	6,000,000
Shares in Subsidiary Companies - At Cost	21	32
	<u><u>6,000,021</u></u>	<u><u>6,000,032</u></u>

Hotel Employers Mutual Limited ("HEM") is owned equally by Australian Hotels Association (NSW) Holdings Pty Limited ("AHA Holdings") and Employers Mutual Limited ("EML"). EML provided funding of \$6,000,000 to AHA Holdings to acquire 6,000,000 shares in HEM. The shares are held as security over the loan from EML. Refer Note 15. AHA Holdings is a wholly owned subsidiary of the Association.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
<b>13 TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade Creditors and Accruals	687,314	531,015
GST Payable / (Refundable)	49,735	(22,229)
Subscriptions in Advance	1,245,095	364,822
Income in Advance	256,190	1,081,319
	<u>2,238,334</u>	<u>1,954,927</u>
<b>14 PROVISIONS</b>		
<b>CURRENT</b>		
Employee Entitlements	<u>362,892</u>	<u>293,318</u>
<b>NON CURRENT</b>		
Employee Entitlements	28,099	50,751
Provision for Economic Costs	486,538	293,604
	<u>514,637</u>	<u>344,355</u>
<b>15 LOANS AND BORROWINGS</b>		
<b>NON CURRENT</b>		
Loan from Employers Mutual Limited	<u>5,004,616</u>	<u>5,809,262</u>

Hotel Employers Mutual Limited ("HEM") is owned equally by Australian Hotels Association (NSW) Holdings Pty Limited ("AHA Holdings") and Employers Mutual Limited ("EML").

A loan to AHA Holdings to acquire its shareholding in HEM was provided by EML on the basis that it has no recourse to the Australian Hotels Association (NSW) ("the Association") and limited recourse to AHA Holdings. The limited recourse to AHA Holdings is to AHA Holdings shares in HEM as detailed in Note 12. AHA Holdings is a wholly owned subsidiary of the Association.

On the 9th anniversary of completion, 28 March 2017, AHA Holdings must repay the balance of the loan then outstanding. AHA Holdings is required to make loan repayments to EML in the meantime equal to: i) Sponsorship fees paid by EML/HEM to the Association ii) Advertising fees paid to AHA Holdings and iii) HEM dividends paid to AHA Holdings.

There is no interest payable during the term of the loan, however, AHA Holdings must reimburse the economic cost to EML of providing the funds. The economic cost is calculated daily utilising the 180 day Bank Bill rate (subject to a maximum rate of 7.3%) applied to the outstanding loan balance during the term of the loan.

As security for the loan, EML, under the Share Charge, holds a first fixed charge over AHA Holdings shares in HEM, as detailed in Note 12 and all rights in relation to them. The Association has no obligation to repay the EML loan or any part thereof or to provide security.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
<b>16 ASSET REVALUATION RESERVE</b>		
Opening Balance	3,581,000	3,581,000
Transfer to Retained Earnings	(3,581,000)	-
Closing Balance	<u>-</u>	<u>3,581,000</u>

**17 RETAINED EARNINGS**

Balance at beginning of year	4,766,075	3,943,181
Net Profit for year	1,205,655	822,894
Transfer from Asset Revaluation Reserve	<u>3,581,000</u>	<u>-</u>
Balance at end of year	<u>9,552,730</u>	<u>4,766,075</u>

**18 RELATED PARTY TRANSACTIONS**

**Other Related Parties**

The Association collects commission income on behalf of Australian Hospitality Insurance Services Pty Limited and maintains this in a bank account held in the name of the Association. The balance collected less any direct costs to 31 December 2009 was \$273,481 (2008: \$226,686).

Scott Leach was paid an allowance of \$60,000 in the financial year (2008: \$60,000). Richard Munro was paid an allowance of \$5,000 in the financial year (2008: \$5,000). Executive Members as set out in Note 19 are entitled to claim for attendance at meetings at the rate of \$165 per day or \$110 per half day.

**19 KEY MANAGEMENT PERSONNEL DISCLOSURES**

**Key Management Personnel**

The key management personnel include the members of the Executive Committee together with the Chief Executive Officer, Ms. Sally Fielke.

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

Scott Leach	Bevan Douglas	Peter Harris
Bruce Woods	Lynette Humphreys	Kim Maloney
Colin Waller	Philip Webster	Paul Dirou
Patrick Gurr	Richard Munro	George Bedwani

**Transactions with Key Management Personnel**

The key management personnel compensation included in employee costs was:

	2009	2008
	\$	\$
Short-term employee benefits	<u>257,800</u>	<u>319,616</u>

**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 2009**

	2009	2008
	\$	\$

**19 KEY MANAGEMENT PERSONNEL DISCLOSURES (Cont.)**

**Transactions with Key Management Personnel (Cont.)**

The following key management personnel were officeholders in the Association's subsidiary companies referred to in Note 2(e); Scott Leach, Lynette Humphreys, Colin Waller, Patrick Gurr and Sally Fielke.

Colin Waller and Bevan Douglas are officeholders of companies associated with or related to the Association and receive directors' fees paid directly to them from those companies.

**20 FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities are as follows:

*Fixed Rate Instruments*

Financial Assets	3,508,381	4,758,100
Financial Liabilities	-	-
	<u>3,508,381</u>	<u>4,758,100</u>

*Variable Rate Instruments*

Financial Assets	1,059,794	158,495
Financial Liabilities	(5,004,616)	(5,809,262)
	<u>(3,944,822)</u>	<u>5,650,767</u>

**Fair Value Sensitivity Analysis for Fixed Rate Instruments**

An increase of 100 basis points in interest rates at reporting date would have increased the consolidated entity's equity and profit by \$35,084.

**Fair Value Sensitivity Analysis for Variable Rate Instruments**

An increase of 100 basis points in interest rates would have decreased the consolidated entity's equity and profit by \$39,448.

**(b) Credit Risk**

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at reporting date was:

Cash and Cash Equivalents	4,571,174	4,919,594
Trade and Other Receivables	333,576	133,291
	<u>4,904,750</u>	<u>5,052,885</u>

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

**Impairment losses**

There were no impairment losses recognised during the year.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**20 FINANCIAL INSTRUMENTS (Cont.)**

**(c) Liquidity Risk**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

**31 December 2009**

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Secured loans	(5,004,616)	(5,004,616)	-	-	-	-	(5,004,616)
Finance lease liabilities	-	-	-	-	-	-	-
Trade and other payables	(737,049)	(737,049)	(737,049)	-	-	-	-
Subscriptions and income in advance	(1,501,285)	(1,501,285)	(1,501,285)	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
<b>Derivative financial liabilities</b>	-	-	-	-	-	-	-
	(7,242,950)	(7,242,950)	(2,238,334)	-	-	-	(5,004,616)

**31 December 2008**

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Secured loans	(5,809,262)	(5,809,262)	-	-	-	-	(5,809,262)
Finance lease liabilities	-	-	-	-	-	-	-
Trade and other payables	(508,786)	(508,786)	(508,786)	-	-	-	-
Subscriptions and income in advance	(1,446,141)	(1,446,141)	(1,446,141)	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
<b>Derivative financial liabilities</b>	-	-	-	-	-	-	-
	(7,764,189)	(7,764,189)	(1,954,927)	-	-	-	(5,809,262)

**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 2009**

	2009 \$	2008 \$
<b>21 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO NET OPERATING REVENUE</b>		
Profit from Ordinary Activities Attributable to Members	1,205,655	822,944
Non-Cash Flows and Non-Operating Items in Operating Profit:		
Depreciation	221,309	221,664
Loss / (Profit) on Sale of Fixed Assets	192,430	(5,194)
Change Assets and Liabilities:		
(Increase) / Decrease in Current Receivables	(200,285)	889
Decrease / (Increase) in Other Current Assets	239,323	345,691
Increase / (Decrease) in Trade and Other Payables	283,407	(118,783)
Increase / (Decrease) in Employee Provisions	239,856	315,108
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>2,181,695</u>	<u>1,582,319</u>

**22 ASSOCIATION DETAILS**

The registered office of the Association is:

Level 5, 8 Quay Street  
Sydney NSW 2000

The principal place of business is:

Level 5, 8 Quay Street  
Sydney NSW 2000

**23 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)  
AND ITS CONTROLLED ENTITIES**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, 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 2009 was 1,585.

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 2009;
- (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

11<sup>th</sup> March 2010

Dated at Sydney:



**AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, 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 2009 was 1,585.

In my opinion:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Branch at 31 December 2009;
- (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 the Fair Work (Registered Organisations) Act 2009 (Cth.).

  
Accounting Officer

*11<sup>th</sup> March, 2010.*

Dated at Sydney:

**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 2009;
- (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 – Scott Leach**

  
**Member of Committee – Colin Waller**

  
**Dated at Sydney:**

## AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

### STATEMENT OF COMMITTEE OF MANAGEMENT

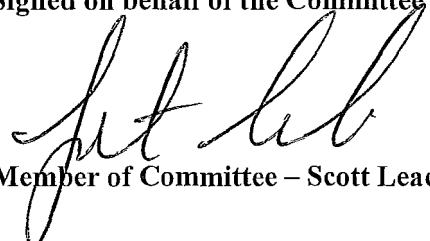
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On 11 March 2010 the Committee of Management of the Australian Hotels Association, New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 December 2009.

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 Fair Work Australia;
- (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 2009;
- (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 2009 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 the Fair Work (Registered Organisation) Act 2009 (Cth.) and the Fair Work (Registered Organisation) Regulations 2009;
  - (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 Fair Work Australia under Section 272 of the Fair Work (Registered Organisation) Act 2009 (Cth.); and
  - (vi) no orders have been made by Fair Work Australia under Section 273 of the Fair Work (Registered Organisation) Act 2009 (Cth.).

**Signed on behalf of the Committee of Management**



Member of Committee – Scott Leach



Member of Committee – Colin Waller

11<sup>th</sup> March 2010  
Dated at Sydney:

## 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 2009.

#### 1. Principal Activities of the Branch

The principal activities of the Branch, as conducted through the Council and the Executive Committee of the Association 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 Branch

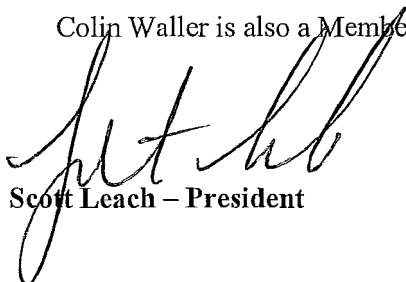
- There were no financial activities of the Branch.
- The amounts received from the Association were consistent with the previous year and the total amount received was paid to the National Organisation as capitation fees.

#### 3. Committee of Management Members

The following persons were Delegates of the Branch to the National Board during the year ended 31 December 2009:

Colin Waller, Bruce Woods, Phillip Webster, Lynette Humphreys, Scott Leach and Patrick Gurr.

Colin Waller is also a Member of the National Executive.



Scott Leach – President

Dated at Sydney: 11.3.2010.

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

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**Report on the Financial Report**

We have audited the financial report of Australian Hotels Association (NSW) ("the Association"), its controlled entities and Australian Hotels Association, New South Wales Branch ("the Branch") for the financial year ended 31 December 2009, consisting of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, Notes to the Financial Statements, Certificates of the Accounting Officer, Statements of the Committee of Management and Operating Report set out on pages 1 to 26.

**The Financial Report and Committee of Management Responsibility**

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 Fair Work (Registered Organisations) Act 2009 (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.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, 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 our audit, we followed applicable independence requirements of Australian professional ethical pronouncements, the Industrial Relations Act 1996 (NSW) and the Fair Work (Registered Organisations) Act 2009 (Cth.).

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

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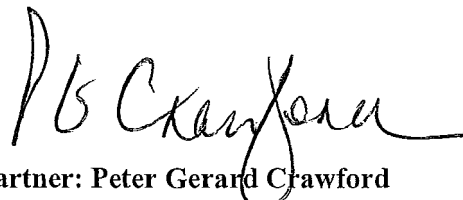
**Audit Opinion**

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 26 which have been prepared under the historical cost convention as stated in Note 2, are properly drawn up in accordance with the provisions of the Regulations under the Industrial Relations Act 1996 (NSW) and Sections 252-254 of the Fair Work (Registered Organisations) Act 2009 (Cth.) and applicable Australian Accounting Standards (including Australian Accounting Interpretations), 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 2009; 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 1 of the Fair Work (Registered Organisations) Act 2009 (Cth.); and
- (b) other mandatory professional reporting requirements in Australia.

  
**V J RYAN & CO**  
Chartered Accountants

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

  
**Partner: Peter Gerard Crawford**


**Dated at Sydney: 11 March 2010**

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

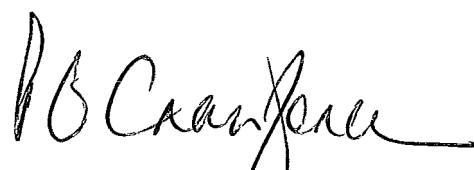
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The additional financial data presented on pages 30-32 is in accordance with the books and records of Australian Hotels Association (NSW) ("the Association"), its controlled entities and Australian Hotels Association, New South Wales Branch ("the Branch") which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2009. 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  
Chartered Accountants

Level 5  
255 George Street  
SYDNEY NSW 2000

  
Partner: Peter Gerard Crawford

Dated at Sydney: 11 March 2010

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 \$	2008 \$
<b>INCOME</b>		
Advertising Fees	485,056	190,738
Dividends	237,090	-
Insurance Commission	46,795	89,790
Interest	266,122	402,229
Keno Establishment Fee	-	750,000
Keno Commission	463,105	95,912
Membership Activities	2,082,377	2,114,330
Membership Subscriptions	4,093,643	4,107,245
Profit on Sale of Fixed Assets	-	5,194
TVN/TAB Recovery	833,333	833,333
	<u>8,507,521</u>	<u>8,588,771</u>

**EXPENDITURE**

Accounting and Consulting Fees	6,318	33,647
Accommodation Division	281,299	178,219
Advertising and Staff Hire	5,652	11,207
Administration	2,907	4,796
Annual Report	13,302	11,907
Annual Leave Accrued	26,853	-
Auditor's Remuneration	24,000	24,400
Bank Charges	40,182	29,547
Capitation Fees	250,860	249,386
Cleaning and Laundry	29,183	29,675
Computer and Development Costs	210,521	196,787
Consultancy	140,988	185,554
Delegates	81,902	84,485
Depreciation	221,309	221,664
Donations	87,949	194,808
Doubtful Debts Allowance	24,427	2,176
Economic Cost	192,934	293,604
Electricity	16,573	14,936
Executive Administration	611,437	377,623
Executive and Committee of Management	171,465	198,372
Flowers and Plant Hire	4,678	8,733
Fringe Benefits Tax	16,839	26,784
Gaming Department and Research	208,706	309,519
Hotel News	173,903	182,455
Insurance	69,877	60,573
Industrial and Membership	37,827	35,145
Leasing Interest	-	47
Legal Fees	154,495	612,159
Long Service Leave Provided	15,311	27,183

This Statement has not been audited.



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

**INCOME STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
<b>EXPENDITURE (Cont.)</b>		
Loss on Disposal of Assets	192,430	-
Marketing	497,747	402,923
Membership	102,555	161,822
National Executive and Board Meetings	20,352	23,733
National Office Costs	-	69,444
Parking Levy	6,630	9,500
Payroll Preparation	3,019	2,644
Payroll Tax	125,283	109,303
President's Allowance	60,000	60,000
Printing and Stationery	4,979	6,995
Public Relations	191,377	120,781
TVN/TAB Expense Allocation	323,935	323,935
Pubstay	-	20,789
Rates, Taxes and Strata Levies	80,952	99,592
Regional Meetings	25,645	42,529
Repairs and Maintenance	9,727	12,381
Salaries and Wages	2,127,555	2,224,829
Security	548	274
Sponsorship	10,764	36,280
Staff Amenities	9,905	24,036
Staff Training and Recruitment	-	6,861
Sub Branch Subsidies	2,500	5,000
Superannuation	190,800	186,846
Telephone	76,295	85,607
Training Department	107,524	115,528
Travel	9,647	8,854
	<u>7,301,866</u>	<u>7,765,877</u>
<b>Profit for the year</b>	<u><u>1,205,655</u></u>	<u><u>822,894</u></u>

This Statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>INCOME</b>		
Amount Received from Australian Hotels Association (NSW)	250,860	249,386
<b>EXPENDITURE</b>		
Capitation Fees paid to National AHA	<u>250,860</u>	<u>249,386</u>
	<u>-</u>	<u>-</u>

This Statement has not been audited.

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

**CERTIFICATE OF SECRETARY**

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I, Colin Waller, 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:

Annual General Meeting of Members of the organisations held on 13 April 2010 and/or

the Committee of Management Meeting held on 11 March 2010 in respect of the financial year of the organisation ended 31 December 2009.

That the full report was presented.



**Secretary**

**Dated:** 13/4/2010