



FAIR WORK
COMMISSION

16 October 2013

Mr Paul Nicolaou
Chief Executive Officer, New South Wales Branch
Australian Hotels Association
Level 15, Hudson House
131 Macquarie Street
SYDNEY NSW 2000

Dear Mr Nicolaou

Re: Certificate of exemption - s269 Fair Work (Registered Organisations) Act 2009 - Australian Hotels Association, New South Wales Branch - for year ended 31 December 2012 (FR2012/582)

I refer to the application under section 269 of the *Fair Work (Registered Organisations) Act 2009* which was lodged with the Fair Work Commission on 28 May 2013. A copy of the operating report prepared in accordance with section 254 and provided to members of the reporting unit was received on 14 October 2013.

The application has been granted. The Delegate's certificate is enclosed.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch



CERTIFICATE

Fair Work (Registered Organisations) Act 2009

s.269(2)(a)—Reporting unit's financial affairs encompassed by associated State body

Australian Hotels Association, New South Wales Branch
(FR2012/582)

MR ENRIGHT

MELBOURNE, 16 OCTOBER 2013

Reporting unit's financial affairs encompassed by associated State body

[1] On 28 May 2013 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the Australian Hotels Association, New South Wales Branch (the Branch) for a certificate stating that the financial affairs of the Branch are encompassed by the financial affairs of the Australian Hotels Association (NSW) (the Association), an associated State body, in respect of the financial year ending 31 December 2012.

[2] On the same day, the Branch lodged a copy of the audited accounts of the Association with the Fair Work Commission.

[3] On 14 October 2013, the Branch lodged a copy of the Operating Report prepared under section 254 of the Act with the Fair Work Commission.

[4] 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.

[5] 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;
- 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; and
- a report under s.254 of the Act has been prepared in respect of those activities of the Branch and has been provided to the members of the Branch with copies of the accounts.

[6] I am satisfied that the financial affairs of the Branch in respect of the financial year ending 31 December 2012, are encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



DELEGATE OF THE GENERAL MANAGER

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**NSW
BRANCH**

OF THE
AUSTRALIAN
HOTELS
ASSOCIATION



11 October 2013

Mr. Stephen Kellett
C/- Regulatory Compliance Branch – NSW
Fair Work Commission
80 William Street
EAST SYDNEY NSW 2011

By email: Stephen.Kellett@fwc.gov.au

Dear Mr. Kellett,

RE: AHA NSW Branch – Operating Report, 31 December 2012

I am writing in relation to the Australian Hotels Association, NSW Branch (“AHA NSW Branch”) Operating Report for the year ending, 31 December 2012 and hereby enclose a copy.

I hereby confirm that a copy of the Operating Report has been distributed to the membership of the AHA NSW Branch.

Yours faithfully,


PAUL NICOLAOU
Chief Executive Officer

Encl.



NSW BRANCH OF THE AUSTRALIAN HOTELS ASSOCIATION

(ABN 64 243 628 807)

OPERATING REPORT

This operating report covers the results of those activities that were provided for the financial year ended 31 December 2012.

1. Principal activities of the Branch

- (a) The Branch operates as the New South Wales Branch of the Australian Hotels Association, an organisation of employers registered under the Fair Work (Registered Organisations) Act 2009 (Cth).
- (b) The Branch works closely with the Australian Hotels Association (NSW) an organisation of employers registered under the Industrial Relations Act 1996 (NSW) ("the State Organisation") which is the state registered counterpart of the Branch.
- (c) The officers of the Branch are also the officers of the State Organisation pursuant to Section 239 of the Industrial Relations Act 1996 (NSW) and Rule 32A of the Rules of the State Organisation.
- (d) The principal activities of the Branch, as conducted through the Council and the Executive Committee of the Branch 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.
 - Provision of information to members providing up to date material relevant to hotels.

2. Financial activities of the Branch

There were no financial activities of the Branch. The total amount received by the Branch was paid to the National Organisation as capitation fees.



3. Details of the right of members to resign

A member may resign in writing pursuant to Rule 10.2.1 of the Rules of the Australian Hotels Association, New South Wales Branch. This applies irrespective of whether the member obtained membership pursuant to Rule 8 or Rule 9 of the said Rules.

4. Details of any officer or member who is a director of a superannuation entity or a director of a company that is a trustee of a superannuation entity

N/A

5. Number of members recorded on the register of members

The number of members recorded on the register of members as at 31 December 2012 was 1,784.

6. Number of employees

The Branch did not have any employees in the reporting period. By arrangement with the State Organisation employees of the State Organisation provide services to the Branch in respect of its operations and activity as required from time to time.

7. Details of persons who were a member of the committee of management

Scott Leach 1 January 2012 to 31 December 2012; Lynette Humphreys 1 January 2012 to 31 December 2012; Patrick Gurr 1 January 2012 to 17 April 2012; Colin Waller 1 January 2012 to 31 December 2012; Kim Maloney 1 January 2012 to 31 December 2012; Phillip Webster 1 January 2012 to 17 April 2012; Paul Dirou 1 January 2012 to 31 December 2012; Peter Harris 1 January 2012 to 17 April 2012; Rolly De With 1 January 2012 to 31 December 2012; Andrew Rendall 1 January 2012 to 31 December 2012; George Bedwani 1 January 2012 to 31 December 2012; Peter Tudehope 1 January 2012 to 31 December 2012, Colin Perras 17 April 2012 to 31 December 2012, Tony McLure 17 April 2012 to 31 December 2012, Dan Brady 17 April 2012 to 31 December 2012.

SCOTT LEACH
President

4 September 2013

23 May 2013

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



Dear Mr. Donnellan,

Application for exemption pursuant to s 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 an 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 2012 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 2012 Annual Report of the Branch and the State Organisation (Attachment C).

For your further assistance in considering this application I refer you to Pages 7 and 17 of Attachment B, and draw your attention to the sections on those pages respectively headed "Special Note concerning basis of financial statements" (see subparagraphs (f) (ii) to (vii) inclusive) and "Other related parties" (second full paragraph).

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.

" A "

INDUSTRIAL REGISTRY OF NEW SOUTH WALES

32.4 A scrutineer shall direct the attention of the Returning Officer to any irregularity that may be detected whether in the nomination forms, the form or right of any person to vote, the admission or counting of ballot papers or in respect of any other matter to be observed or done under these Rules in connection with elections.

32.5 A scrutineer shall do all things necessary so that the conduct of an election shall conform to these Rules and so that the secrecy of the ballot shall be observed.

32A. SPECIAL RULE RELATING TO OFFICE HOLDING

Notwithstanding any of the other provisions of these Rules, each of the persons elected from time to time to hold the following positions in the New South Wales Branch of the Federal Organisation, namely:

- (i) Delegates to Council for the respective Sub-Branches
- (ii) President
- (iii) Senior Vice Presidents
- (iv) Vice President
- (v) Secretary/Treasurer
- (vi) Country Member representing the General Division
- (vii) Metropolitan Members representing the General Division
- (viii) Member representing Accommodation Division
- (ix) Member representing the Motels' Division
- (x) Member representing the Off-Licence Division
- (xi) Member representing the Restaurant Division

shall be taken to be validly elected to the corresponding office in the Organisation, and shall constitute full compliance with these Rules and the State Act (and any regulations thereunder) relating to election of office holders.

PROVIDED THAT

- (a) Not later than 30 September in each Election Year or such later date as the Industrial Registrar allows, the President shall, if the facts permit him to do so, file with the Industrial Registrar a statutory declaration certifying that:
 - (i) The membership of the New South Wales Branch of the Federal Organisation and the membership of the Organisation are identical;

Registered rules of the *Australian Hotels Association (NSW)* as at 29 July 2010



New South Wales

- (ii) The Rules of the New South Wales Branch of the Federal Organisation relating to the election of office holders remain unaltered from the latter of the following date:
 - (iia) the date of this Rule; or
 - (iib) if any changes have been made to the Rules of the New South Wales Branch of the Federal Organisation concerning the election of office holders, the date upon which the Industrial Registrar is satisfied that the said Rules entitled the Organisation to the benefit of Section 239 of the State Act;

AND PROVIDED THAT

- (b) Nothing in this Rule shall affect the operation of Rules 33 or 34 of these Rules.
- (c) A person who for any reason ceases to hold any one of the offices in the NSW Branch of the Federal Organisation referred to in this Rule shall forthwith cease to hold the corresponding office in the Organisation.
- (d) Within 28 days of becoming aware any amendment to the Rules of the New South Wales Branch of the Federal Organisation concerning or related to eligibility for membership or election to the offices referred to in this Rule, the Organisation shall provide written notice of any such amendments to the Industrial Registrar.

G CESSATION OF AND REMOVAL FROM OFFICE

33. CESSATION OF MEMBERSHIP OF THE COUNCIL OR THE EXECUTIVE COMMITTEE

- 33.1 A person shall cease to be eligible to be a Delegate to the Council or a Member of the Executive Committee (as the case may be) if:
- (a) the person resigns in writing;
 - (b) the person ceases to be a Member of the Organisation, or if the person is a Representative, the Member which that person represents ceases to be a Member of the Organisation;
 - (c) if the person having been a Representative of a Member ceases to be a Representative of that Member;
 - (d) if the person is removed from office in the manner provided for in Rule 34;
 - (e) if the person is certified by a medical practitioner to be insane or otherwise incapable of acting; or
 - (f) if the person is absent without prior leave from the Council from three or more Meetings of the Council or the Executive Committee (as the case may be).



"B"

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2012**

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

CONTENTS	PAGE
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Cash Flows	3
Statement of Changes in Equity	4
Notes to the Financial Statements	5 – 18
Certificate of Accounting Officer	19
Statement of Committee of Management	20
Independent Auditor’s Report to the Members	21 – 22
Compilation Report to the Members	23
Profit and Loss Statement	24 – 25

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES**

**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
REVENUE			
Revenue	3	8,497,579	8,232,906
EXPENDITURE			
Depreciation		(479,914)	(348,678)
Administrative, Member and Other Expenses		(4,095,400)	(4,278,467)
Loss on Disposal of Non Current Assets		(2,995)	(25,141)
Employee Benefits Expense	4	<u>(2,678,816)</u>	<u>(2,750,618)</u>
Profit Before Income Tax Expense		1,240,454	830,002
Income Tax Expense	6	<u>-</u>	<u>-</u>
NET PROFIT FOR THE YEAR		1,240,454	830,002
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,240,454</u>	<u>830,002</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 18.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	7	4,220,964	4,482,814
Trade & Other Receivables	8	618,706	738,254
Other Assets	9	160,021	26,429
TOTAL CURRENT ASSETS		<u>4,999,691</u>	<u>5,247,497</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	7,647,475	8,022,861
Investments	11	4,800,021	6,000,021
TOTAL NON-CURRENT ASSETS		<u>12,447,496</u>	<u>14,022,882</u>
TOTAL ASSETS		<u>17,447,187</u>	<u>19,270,379</u>
CURRENT LIABILITES			
Trade and Other Payables	12	2,399,007	3,671,612
Provisions	13	250,450	243,438
TOTAL CURRENT LIABILITES		<u>2,649,457</u>	<u>3,915,050</u>
NON-CURRENT LIABILITIES			
Loans and Borrowings	14	1,252,452	3,123,817
Provisions	13	1,061,266	987,954
TOTAL NON-CURRENT LIABLITIES		<u>2,313,718</u>	<u>4,111,771</u>
TOTAL LIABILITIES		<u>4,963,175</u>	<u>8,026,821</u>
NET ASSETS		<u>12,484,012</u>	<u>11,243,558</u>
EQUITY			
Retained Earnings		<u>12,484,012</u>	<u>11,243,558</u>
TOTAL EQUITY		<u>12,484,012</u>	<u>11,243,558</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 18.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES**

**STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
Cash Flows from Operating Activities:			
Receipts from Members and Third Parties		8,211,311	8,275,137
Payments to Suppliers and Employees		(8,100,089)	(6,333,899)
Dividend Received		175,695	295,041
Interest Income		230,121	254,537
Net Cash Provided by Operating Activities	17	<u>517,038</u>	<u>2,490,816</u>
Cash Flows from Investing Activities:			
Payment for Property, Plant and Equipment		(107,523)	(347,619)
Proceeds from Sale of Property, Plant and Equipment		-	43,747
Proceeds from Investments		1,200,000	-
Net Cash Provided By / (Used in) Investing Activities		<u>1,092,477</u>	<u>(303,872)</u>
Cash Flows from Financing Activities:			
Principal Loan Repayments		(1,871,365)	(1,022,128)
Net Cash (Used in) Financing Activities		<u>(1,871,365)</u>	<u>(1,022,128)</u>
Net (Decrease) / Increase in Cash held		(261,850)	1,164,816
Cash and Cash Equivalents at Beginning of Financial Year		<u>4,482,814</u>	<u>3,317,998</u>
Cash and Cash Equivalents at End of Financial Year	7	<u><u>4,220,964</u></u>	<u><u>4,482,814</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 18.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES**

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2012**

	Retained Earnings \$	Equity \$
At 1 January 2011	10,413,556	10,413,556
<i>Total Comprehensive Income for the Year</i>		
Net Profit for the Year	830,002	830,002
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
At 31 December 2011	11,243,558	11,243,558
<i>Total Comprehensive Income for the Year</i>		
Net Profit for the Year	1,240,454	1,240,454
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
At 31 December 2012	<u>12,484,012</u>	<u>12,484,012</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 18.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 CORPORATE INFORMATION

The financial report of Australian Hotels Association (NSW) (“the Association”), and its Controlled Entities for the year ended 31 December 2012 were authorised for issue in accordance with a Resolution of the Committee of Management on 12 March 2013.

The Association is incorporated in Australia. The nature of the operations is that of an Industrial Association comprising and representing members of the hotel industry.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board). They have been prepared on the basis of historical costs and, except for certain assets which are at valuation, do 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 year.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(c) 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.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Australian Hotels Association (NSW), Australian Hospitality Insurance Services Pty Limited, AHA (NSW) Business Portal 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 which in the opinion of the Committee of Management equates to their market value. Intra group balances are eliminated in preparing the consolidated financial statements.

(e) 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, commission, interest received and other sundry revenues are recognised on an accrual basis.

Dividends are brought to account when received.

(f) 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) (herein referred to as "the State Organisation"); and
- b) certain entities which are wholly owned subsidiaries of the State Organisation, as referred to in paragraph (d) above.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Special Note concerning Basis of Financial Statements (Continued)

- (ii) There is also a special relationship between the State Organisation and the Australian Hotels Association, NSW Branch, being a branch of an organisation of employers by the name "Australian Hotels Association" registered under the Fair Work (Registered Organisations) Act 2009 (Cth).
- (iii) The Australian Hotels Association NSW Branch ("The Federal Branch") is the counterpart branch of the federal registered Australian Hotels Association ("AHA") to the State Organisation, and the membership and officers of the Federal Branch are the same as the membership and officers of the State Organisation.
- (iv) By reason of arrangements that exist between the State Organisation and the Federal Branch, the Federal Branch does not require its members to pay membership fees to the Federal Branch on condition that any capitation fees, levies, contributions or other amounts required to be paid by the Federal Branch to the National Office of the AHA are paid to that Office by the State Organisation on behalf of the Federal Branch (See Rule 9 of the Rules of the Federal Branch).
- (v) All other assets (including real property) and liabilities including those held by the controlled entities referred to in paragraph (d) hereof are assets and liabilities of the State Organisation.
- (vi) As a consequence of the foregoing arrangements the Federal Branch does not currently and has not had in the reporting period any financial activities separate to those of the State Organisation, all such activities of the Federal Branch being encompassed within the financial affairs of the State Organisation as contemplated by Section 269 of the Fair Work (Registered Organisations) Act 2009 (Cth).
- (vii) These financial statements reflect the arrangements between the Federal Branch and the State organisation as referred to above by way of an explanation at page 17 concerning related party transactions.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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.

(i) 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.

(j) Trade and Other Receivables

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

(k) 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
Strata Units Renovations – 10 to 15 years straight line
Plant and Equipment – 5 to 15 years straight line
Motor Vehicles – 4 to 5 years diminishing value

The Committee of Management considers it appropriate to state the value of the Strata Titled Units together with additions at cost.

The estimated useful lives, residual values and depreciation methods are reviewed at each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Impairment of Assets

At each reporting date, the Committee of Management assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Committee of Management 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.

(m) 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.

(n) Interest Bearing 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.

(o) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resources will result and that outflow can be reliably measured.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) **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 are included as a current liability in the statement of financial position. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.
- *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 leave 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 liability 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.

(q) **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.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) 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 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.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
3 REVENUE		
Advertising Commissions	420,670	652,087
Dividend Received	175,695	295,041
Gaming Cost Recovery	238,334	-
Insurance Commission	-	41,148
Interest Income	230,121	254,537
Keno Commission	757,178	587,789
Membership Activities	2,566,337	2,436,567
Membership Subscriptions	4,109,244	3,965,737
	<u>8,497,579</u>	<u>8,232,906</u>
4 EXPENSES		
Employee Benefits Expense		
Annual Leave	(36,417)	(31,260)
Fringe Benefits Tax	24,000	30,103
Long Service Leave	32,902	(36,578)
Payroll Tax	110,991	123,460
Salary and Wages	2,331,194	2,421,489
Superannuation	216,146	243,404
	<u>2,678,816</u>	<u>2,750,618</u>
5 AUDITOR'S REMUNERATION		
Amounts received or due and receivable by V J Ryan & Co for:		
Audit of the Financial Statements - Association	33,700	30,000
Other Services - Association	92,002	16,275
Other Services - Controlled Entities	450	19,450
	<u>126,152</u>	<u>65,725</u>

Professional Fees associated with Hospitality Employers Mutual Limited were reimbursed by Employers Mutual Limited and Hospitality Employers Mutual Limited.

6 INCOME TAX EXPENSE

No provision has been made for income tax on the results of the Association as they are exempted from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
7 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on Hand	2,999	2,999
Term Deposits – St. George Bank	1,000,000	1,500,000
Term Deposits – Members Equity Bank Pty Limited	2,000,000	1,500,000
Cash at Bank – St. George Bank	1,217,965	1,479,815
	<u>4,220,964</u>	<u>4,482,814</u>
8 TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade Debtors	622,123	814,181
Provision for Doubtful Debts	(3,417)	(75,927)
	<u>618,706</u>	<u>738,254</u>
9 OTHER ASSETS		
CURRENT		
Other Debtors	318	13,498
Prepayments	159,703	12,931
	<u>160,021</u>	<u>26,429</u>
10 PROPERTY, PLANT & EQUIPMENT		
NON-CURRENT		
Strata Units - At Cost	7,762,585	7,762,585
Less: Provision for Depreciation	612,018	303,944
	<u>7,150,567</u>	<u>7,458,641</u>
Plant and Equipment – At Cost	577,940	684,734
Less: Provision for Depreciation	202,111	244,999
	<u>375,829</u>	<u>439,735</u>
Motor Vehicles – At Cost	165,080	163,731
Less: Provision for Depreciation	44,001	39,246
	<u>121,079</u>	<u>124,485</u>
	<u>7,647,475</u>	<u>8,022,861</u>

AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
10 PROPERTY, PLANT & EQUIPMENT (Continued)		
NON-CURRENT		
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	7,458,641	7,474,595
Additions	-	177,372
Depreciation	(308,074)	(193,326)
	<u>7,150,567</u>	<u>7,458,641</u>
<u>Plant & Equipment</u>		
Carrying Amount at Beginning of Year	439,735	490,407
Additions	73,455	71,612
Depreciation	(137,361)	(122,284)
	<u>375,829</u>	<u>439,735</u>
<u>Motor Vehicles</u>		
Carrying Amount at Beginning of Year	124,485	127,806
Additions	66,445	98,635
Disposals	(35,372)	(68,888)
Depreciation	(34,479)	(33,068)
	<u>121,079</u>	<u>124,485</u>
	<u>7,647,475</u>	<u>8,022,861</u>

Valuation

The Strata Units of Levels 15 & 16, 131 Macquarie Street, Sydney were independently valued on 17 December 2012. The valuation carried out by Mr. S. Hayes, AAPI registered valuer No. 12816 assessed the market value of the Strata Units at \$7,200,000 (Ex GST). The valuation has not been reflected in the financial statements.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
11 INVESTMENTS		
NON-CURRENT		
Shares in Hospitality Employers Mutual Limited - At Cost	4,800,000	6,000,000
Shares in Subsidiary Companies - At Cost	21	21
	<u>4,800,021</u>	<u>6,000,021</u>
<p>Until 29 June 2012, Hotel Employers Mutual Limited (“HEM”) was owned equally by Australian Hotels Association (NSW) Holdings Pty Limited (“AHA Holdings”) and Employers Mutual Limited (“EML”). AHA Holdings is a wholly owned subsidiary of the Australian Hotels Association (NSW). Effective 29 June 2012, EML continues to hold 50% of the ordinary share capital of HEM with the remaining shareholding split equally between AHA Holdings – 25% and Clubs (NSW) – 25%. To reflect this expansion effective 29 June 2012, HEM’s name was changed to Hospitality Employers Mutual Limited.</p> <p>Initially, EML provided funding of \$6,000,000 to AHA Holdings to acquire 6,000,000 shares in HEM. Effective 29 June 2012, a capital reduction of \$1,200,000 was applied to AHA Holdings shareholding in HEM. This amount was utilised towards a reduction of the loan (Refer Note 14). The shares are held as security over the loan from EML.</p>		
12 TRADE AND OTHER PAYABLES		
CURRENT		
Trade Creditors and Accruals	486,509	1,002,294
GST Payable	88,135	115,444
Subscriptions in Advance	1,071,944	1,138,949
Income in Advance	752,419	1,414,925
	<u>2,399,007</u>	<u>3,671,612</u>
13 PROVISIONS		
CURRENT		
Employee Entitlements	<u>250,450</u>	<u>243,438</u>
NON-CURRENT		
Employee Entitlements	83,566	94,093
Provision for Economic Costs	977,700	893,861
	<u>1,061,266</u>	<u>987,954</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$

14 LOANS AND BORROWINGS

NON-CURRENT

Loan from Employers Mutual Limited	1,252,452	3,123,817
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A loan to Australian Hotels Association (NSW) Holdings Pty Limited (“AHA Holdings”) to acquire its original shareholding in Hotel Employers Mutual Limited (“HEM”) was provided by Employers Mutual Limited (“EML”) on the basis that it has no recourse to 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 11. 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 applied to the outstanding loan balance during the term of the loan. Refer to Note 13.

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 11 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.

15 RELATED PARTY TRANSACTIONS

Executive Members and Councillors Related Parties

Executive Members and Councillors are officeholders of the Association.

Executive Members as set out in note 16 are entitled to claim for attendance at meetings at the rate of \$176 per day or \$110 per half day (inclusive of GST) together with a reimbursement of actual incidental expenses. Members of the Council are entitled to a reimbursement of actual incidental expenses. Officeholders have provided goods and services to the Association on normal commercial terms and are entitled to the payment of outgoings made on their behalf.

The President, Scott Leach was paid an allowance of \$60,000 in the financial year (2011: \$60,000) by way of compensation for costs incurred.

Executive Member, Paul Dirou, received a loan of \$20,000 not approved in accordance with the Rules of the Association. At the date of this Report, the loan has been repaid.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012**

2012 **2011**
 \$ \$

15 RELATED PARTY TRANSACTIONS (Continued)

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 2012 was \$Nil (2011: \$41,148).

Payment of the sum of \$134,700 (2011: \$134,700) by the Association to the National Office of the AHA, constituting satisfaction of the obligation of the Australian Hotels Association, New South Wales Branch ("the Federal Branch") for the reporting period to the National Office of the AHA pursuant to Rule 12 of the Rules of the AHA (see also Rule 9 of the Rules of Federal Branch).

16 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel

The key management personnel include the members of the Executive Committee together with the Chief Executive Officer.

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

Scott Leach	Peter Harris	Rolly De With	Colin Parras
Lynette Humphreys	Kim Maloney	Andrew Rendall	Tony McLure
Colin Waller	Phillip Webster	Paul Dirou	Dan Brady
Patrick Gurr	George Bedwani	Peter Tudehope	

Transactions with Key Management Personnel

The key management personnel compensation included in employee costs was:

Short Term Employee Benefits	<u>403,350</u>	<u>405,232</u>
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The following key management personnel were officeholders in the Association's subsidiary companies referred to in Note 2(d); Scott Leach, Lynette Humphreys, Colin Waller, Kim Maloney and the Chief Executive Officer.

During the financial year, the President Scott Leach and the Secretary/Treasurer Colin Waller were officeholders of companies associated with or related to the Association and received directors' fees paid directly to them from those companies.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
17 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT AFTER INCOME TAX		
Profit from Ordinary Activities	1,240,454	830,002
<i>Non-Cash Flows and Non-Operating Items in Operating Profit:</i>		
Depreciation	479,914	348,678
Loss on Disposal of Non Current Assets	2,995	25,141
<i>Changes in Assets and Liabilities:</i>		
Decrease / (Increase) in Receivables	119,548	(328,522)
(Increase) / Decrease in Other Assets	(133,592)	22,257
(Decrease) / Increase in Payables and Income in Advance	(1,272,605)	1,478,189
Increase in Provisions	80,324	115,071
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>517,038</u>	<u>2,490,816</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

CERTIFICATE OF ACCOUNTING OFFICER

I, Colin Waller, being the Accounting Officer of Australian Hotels Association (NSW) ("the Association") and its controlled entities hereby certify that the number of members of the Association at 31 December 2012 was 1,784.

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 2012;
- (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) A loan to a person holding office in the Association was not authorised in accordance with the Rules of the Association, refer note 15 to the financial statements, "related party transactions". 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 - Colin Waller

Dated at Sydney:

12th March, 2013

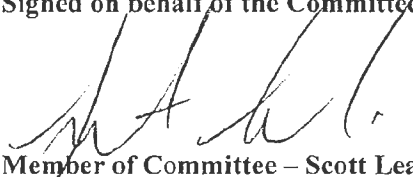
**AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

STATEMENT OF COMMITTEE OF MANAGEMENT

In accordance with a Resolution of the Committee of Management of Australian Hotels Association (NSW) ("the Association") 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 2012;
- (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 preceding 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: 12/3/2013



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

Report on the Financial Report

We have audited the financial report of Australian Hotels Association (NSW) ("the Association") and its controlled entities for the financial year ended 31 December 2012, 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, certificate of the accounting officer and statement of the committee of management set out on pages 1 to 20.

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 Australian Accounting Standards – Reduced Disclosure Requirements; and the Industrial Relations Act 1996 (NSW). 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 and its controlled entities 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 and the Industrial Relations Act 1996 (NSW).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES (CONTINUED)**

Audit Opinion

In our opinion:

- (a) (i) satisfactory accounting records were kept by the Association and its controlled entities 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 and its controlled entities; and
- (ii) the accompanying financial report (including the statement of the committee of management) set out on pages 1 to 20 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 Australian Accounting Standards – Reduced Disclosure Requirements, so as to give a true and fair view of:-
- a) the state of affairs of the Association and its controlled entities as at 31 December 2012; and
- b) the performance of the Association and its controlled entities 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.
- (b) other mandatory professional reporting requirements in Australia.

V J Ryan & Co.

V J RYAN & CO
Chartered Accountants

Level 5
255 George Street
SYDNEY NSW 2000

P G Crawford

Peter Gerard Crawford
Partner

Dated at Sydney: *12 March 2013*

V.J. RYAN
& CO
CHARTERED ACCOUNTANTS
A.B.N. 55 704 784 107

**COMPILATION REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

The additional financial data presented on pages 24 and 25 is in accordance with the books and records of Australian Hotels Association (NSW) ("the Association") and its controlled entities which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2012. 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 and its controlled entities) in respect of such data, including any errors or omissions however caused.

V J Ryan & Co.

V J RYAN & CO
Chartered Accountants

Level 5
255 George Street
SYDNEY NSW 2000

P G Crawford

Peter Gerard Crawford
Partner

Dated at Sydney: *12 March 2013*

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES**

**PROFIT AND LOSS STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
INCOME		
Advertising Commissions	420,670	652,087
Dividend Received	175,695	295,041
Insurance Commission	-	41,148
Gaming Cost Recovery	238,334	-
Interest Income	230,121	254,537
Keno Commission	757,178	587,789
Membership Activities	2,566,337	2,436,567
Membership Subscriptions	4,109,244	3,965,737
	<u>8,497,579</u>	<u>8,232,906</u>
EXPENDITURE		
Accounting and Consulting Fees	23,059	38,303
Accommodation Division	243,779	177,653
Administration	2,266	4,834
Advertising and Staff Hire	1,456	24,421
Annual Leave	(36,417)	(31,260)
Annual Report	14,692	14,352
Auditor's Remuneration	33,700	30,000
Bank and Credit Card Charges	32,847	40,607
Capitation Fees	134,700	134,700
Cleaning and Laundry	44,554	45,008
Computer and Development Costs	132,676	128,990
Consultancy	139,891	287,884
Delegates	150,673	132,400
Depreciation	479,914	348,678
Donations	92,564	162,913
Movement in Provision for Doubtful Debts	(72,370)	21,319
Economic Cost	83,840	182,909
Electricity	43,623	52,583
Executive Administration	727,684	625,960
Executive and Committee of Management	159,185	191,139
Flowers and Plant Hire	8,478	5,947
Fringe Benefits Tax	24,000	30,103
Gaming Department and Research	69,920	97,499
Hotel News	277,681	275,089
Industrial and Membership	92,305	50,249
Insurance	58,434	71,367
Legal Fees	122,750	170,187
Long Service Leave	32,902	(36,578)

This statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
 AND ITS CONTROLLED ENTITIES**

**PROFIT AND LOSS STATEMENT (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
EXPENDITURE (Continued)		
Loss on Disposal of Non Current Assets	2,995	25,141
Marketing	448,983	477,805
Membership	129,739	159,701
National Executive and Board Meetings	44,376	17,028
National Office Costs	112,000	-
Parking Levy	29,946	30,523
Payroll Preparation	3,428	3,751
Payroll Tax	110,991	123,460
President's Allowance	60,000	60,000
Printing and Stationery	9,647	11,711
Public Relations	139,446	170,464
Rates, Taxes and Strata Levies	91,069	95,011
Regional Meetings	18,058	15,510
Repairs and Maintenance	93,219	56,094
Salaries and Wages	2,331,194	2,421,489
Security	365	365
Sponsorship	30,080	42,891
Staff Amenities	8,017	13,794
Sub Branch Subsidies	-	2,800
Superannuation	216,146	243,404
Telephone	50,155	39,640
Training Department	204,464	103,735
Travel	4,021	11,331
	<u>7,257,125</u>	<u>7,402,904</u>
Profit for the Year	<u>1,240,454</u>	<u>830,002</u>

This statement has not been audited.