



6 May 2015

Mr Colin Waller
Secretary/Treasurer
Australian Hotels Association-New South Wales Branch
Level 15 Hudson House
131 Macquarie Street
Sydney NSW 2000
colinwaller@shoalhavenheadshotel.com.au

Dear Mr Waller

Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 31 December 2014 (FR2014/431)

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* in respect of the New South Wales Branch of the Australian Hotels Association for the financial year ended 31 December 2014. The application was lodged with the Fair Work Commission on 24 April 2015.

I have granted the application. The certificate is attached.

If you wish to discuss this matter, please contact Nick Salzberg on (03) 8661 7812 or by email at orgs@fwc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a large, stylized 'C' followed by a vertical line and a horizontal stroke, representing Chris Enright.

Chris Enright
Delegate of the General Manager



CERTIFICATE

Fair Work (Registered Organisations) Act 2009

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

Australian Hotels Association
(FR2014/431)

MR ENRIGHT

MELBOURNE, 6 MAY 2015

Reporting unit's financial affairs encompassed by associated State body

[1] On 24 April 2015 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the NSW Branch of the Australian Hotels Association (the reporting unit) for a certificate stating that the financial affairs of the reporting unit 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 2014.

[2] On 24 April 2015, the reporting unit lodged a copy of the audited accounts of the Association with the Fair Work Commission.

[3] 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 reporting unit; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the reporting unit; and
- is an associated State body.

[4] 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 reporting unit 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 reporting unit 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 reporting unit and has been provided to the members of the reporting unit with copies of the accounts.

[5] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 31 December 2014, 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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Title of Matter: Financial Reporting matter re: Australian Hotels Association-New South Wales Branch (024N-NSW)

Section: s.268 RO Act - Financial return

Subject:

Matter Number(s): FR2014/431

In relation to the above matter, please find attached for your information a copy of the document which has been issued by the Fair Work Commission.

PR567034

Inquiries:

Any inquiries relating to this notice are to be directed to Nick Salzberg
Phone: (03) 8661 7810, email: orgs@fwc.gov.au, Fax: (03) 9655 0410.

6 MAY 2015

To:

Notified:	Address/fax no.:
Mr Colin Waller Secretary/Treasurer Australian Hotels Association-New South Wales Branch	colinwaller@shoalhavenheadshotel.com.au



29 April 2015

Ms. Bernadette O'Neill
General Manager
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001



Dear Ms. O'Neill,

Application for exemption pursuant to s.269 of the *Fair Work (Registered Organisations) Act 2009 (Cth)* ("the Act")

I am the Chief Executive Officer 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 2014 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 the provisions of the State Act through their reproduction in the 2014 Annual Report of the State Organisation (Attachment C); and
- iii. At the time of providing a copy of the 2014 Annual Report of the State Organisation, all members of the Branch and the State Organisation were provided with a copy of the Branch's Operating Report for the financial year ended 31 December 2014. A copy of the Branch Operating Report is **attached** (Attachment D).

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

Yours faithfully,


JOHN WHELAN
Chief Executive Officer

Encl.

" A "

INDUSTRIAL REGISTRY OF NEW SOUTH WALES

- (i) The Returning Officer shall admit the ballot papers properly marked and count the votes thereon indicated.
- (j) In the event of an equality of votes between candidates the Returning Officer shall determine by lot which of those candidates are to be elected.
- (k) The Returning Officer shall declare the candidate or candidates receiving the greatest number of votes or elected by lot duly elected forthwith on completion of the ballot.

31.10 The Executive Committee elected in accordance with this Rule shall continue to hold office in an Election Year for the period following the February Council Meeting of newly elected Delegates up to and including the election of a new Executive Committee at the April Council Meeting at which time a handover to the new Committee will occur.

32. SCRUTINEERS

- 32.1 In any election any duly nominated candidate may appoint in writing any Member or Representative who is not a candidate for that election to act as a scrutineer on that candidate's behalf at that election and such candidate may appoint any other such Member or Representative in substitution for or in place of the original appointee.
- 32.2 All scrutineers shall, so far as possible, having regard to the time of their appointment in the case of a postal ballot be entitled to observe the posting of nomination forms and the consideration thereof on return and in the case of all elections be entitled to inspect the nomination forms and observe the form and distribution of ballot papers, the collection of ballot papers on their return, the checking of votes, the admission and counting of vote, the conduct of the determination of the election by lot and the declaration of the ballot.
- 32.3 In every case it shall be the right and duty of the scrutineer to observe any act performed or directed by the Returning Officer which may affect the result of the election and the Returning Officer shall take all reasonable steps by notification or otherwise to enable such scrutineer to exercise this right, but no election shall be vitiated by reason of the fact that a scrutineer does not, in fact, exercise all or any of such rights if that scrutineer has had a reasonable opportunity to do so.
- 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:

Registered rules of the *Australian Hotels Association (NSW)* as at 20 August 2013



New South Wales

INDUSTRIAL REGISTRY OF NEW SOUTH WALES

- (i) Delegates to Council for the respective Sub-Branches
- (ii) President
- (iii) Senior Vice Presidents
- (iv) Vice President
- (v) Secretary/Treasurer
- (vi) Country Members 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, Catering and Cafes Division

shall be taken to be validly elected to the corresponding office in the State 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 State Organisation are identical or substantially similar;
 - (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:
 - (ia) the date of this Rule; or
 - (ib) 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 State Organisation to the benefit of Section 239 of the State Act;

AND PROVIDED THAT

Registered rules of the ***Australian Hotels Association***
(NSW) as at 20 August 2013



New South Wales

- (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 State 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 State 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 State Organisation, or if the person is a Representative, the Member which that person represents ceases to be a Member of the State 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) in a Membership Year.
- (g) if a person no longer meets the criteria for nomination under rule 30.1(g).

33.2 A person shall cease to be a Member of the Executive Committee if that person ceases to be a delegate to Council, except under the circumstances created by rule 31.10.

34. REMOVAL FROM OFFICE

34.1 The Council may remove from office any delegate to the Council or any Member of the Executive Committee subject to the following procedures:

"B"

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

CONTENTS	PAGE
Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Cash Flows	3
Consolidated Statement of Changes in Equity	4
Notes to the Consolidated 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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
REVENUE	3	10,329,119	8,859,542
EXPENDITURE			
Administrative, Member and Other Expenses		(4,530,977)	(4,530,721)
Loss on Disposal of Non Current Assets		(9,133)	(6,944)
Employee Benefits Expense	4	<u>(3,455,494)</u>	<u>(3,174,730)</u>
Profit Before Depreciation and Income Tax Expense		2,333,515	1,147,147
Depreciation		<u>(438,254)</u>	<u>(439,928)</u>
Profit Before Income Tax Expense		1,895,261	707,219
Income Tax Expense	6	<u>-</u>	<u>-</u>
NET PROFIT FOR THE YEAR		<u>1,895,261</u>	<u>707,219</u>
OTHER COMPREHENSIVE INCOME			
Items that may be Reclassified Subsequently to Profit or Loss		-	-
Items that will not be Reclassified to Profit or Loss		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,895,261</u>	<u>707,219</u>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	7	7,035,797	5,032,710
Trade and Other Receivables	8	502,648	517,256
Inventory	9	5,225	-
Other Assets	10	260,139	77,821
TOTAL CURRENT ASSETS		<u>7,803,809</u>	<u>5,627,787</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	11	6,835,121	7,249,514
Investments	12	4,800,021	4,800,021
TOTAL NON-CURRENT ASSETS		<u>11,635,142</u>	<u>12,049,535</u>
TOTAL ASSETS		<u>19,438,951</u>	<u>17,677,322</u>
CURRENT LIABILITIES			
Trade and Other Payables	13	3,833,768	2,711,568
Provisions	14	399,007	338,474
TOTAL CURRENT LIABILITIES		<u>4,232,775</u>	<u>3,050,042</u>
NON-CURRENT LIABILITIES			
Loans and Borrowings	15	-	349,917
Provisions	14	119,684	1,086,132
TOTAL NON-CURRENT LIABILITIES		<u>119,684</u>	<u>1,436,049</u>
TOTAL LIABILITIES		<u>4,352,459</u>	<u>4,486,091</u>
NET ASSETS		<u>15,086,492</u>	<u>13,191,231</u>
EQUITY			
Retained Earnings		<u>15,086,492</u>	<u>13,191,231</u>
TOTAL EQUITY		<u>15,086,492</u>	<u>13,191,231</u>

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Cash Flows from Operating Activities:			
Receipts from Members and Third Parties		8,551,344	8,457,101
Payments to Suppliers and Employees		(7,957,729)	(7,197,800)
Dividend Received		1,596,000	300,789
Interest Income		196,383	203,102
Net Cash Provided by Operating Activities	18	<u>2,385,998</u>	<u>1,763,192</u>
Cash Flows from Investing Activities:			
Payment for Property, Plant and Equipment		(38,011)	(62,075)
Proceeds from Sale of Property, Plant and Equipment		5,017	13,164
Net Cash (Used In) Investing Activities		<u>(32,994)</u>	<u>(48,911)</u>
Cash Flows from Financing Activities:			
Principal Loan Repayments		(349,917)	(902,535)
Net Cash (Used in) Financing Activities		<u>(349,917)</u>	<u>(902,535)</u>
Net Increase in Cash held		2,003,087	811,746
Cash and Cash Equivalents at Beginning of Financial Year		<u>5,032,710</u>	<u>4,220,964</u>
Cash and Cash Equivalents at End of Financial Year	7	<u><u>7,035,797</u></u>	<u><u>5,032,710</u></u>

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2014

	Retained Earnings \$	Total Equity \$
At 1 January 2013	12,484,012	12,484,012
<i>Total Comprehensive Income for the Year</i>		
Net Profit for the Year	707,219	707,219
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
At 31 December 2013	13,191,231	13,191,231
<i>Total Comprehensive Income for the Year</i>		
Net Profit for the Year	1,895,261	1,895,261
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
At 31 December 2014	<u>15,086,492</u>	<u>15,086,492</u>

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1 CORPORATE INFORMATION

The consolidated financial report of Australian Hotels Association (NSW) (“the Association”), and its Controlled Entities for the year ended 31 December 2014 was authorised for issue in accordance with a Resolution of the Committee of Management on 2 March 2015.

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 consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. The Controlled Entities are for-profit entities for financial reporting purposes under Australian Accounting Standards.

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs.

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. All amounts are presented in Australian dollars and have been rounded to the nearest dollar.

(b) Statement of Compliance

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New Accounting Standards and Interpretations

At the date of authorisation of these consolidated 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. The Association will consider the impact in future years.

(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.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the accrued benefits will flow to the Association and its Controlled Entities. The following specific recognition criteria also apply before revenue is recognised:

- Subscription revenue from general division members is recognised on a receipt basis and is allocated to the relevant period;
- Dividends are brought to account when received; and
- Other subscription revenue, training revenue, commission, interest received and other sundry revenues are recognised on an accrual basis.

(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) hereof.
- (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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- (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 Note 16 concerning related party transactions.

(g) 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.

(h) Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash on hand and at bank together with short-term deposits with an original maturity of six months or less.

(i) Trade and Other Receivables

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated, less, where applicable, accumulated depreciation and any impairment in value.

Strata Units

Strata units are shown at cost less subsequent depreciation. In periods when the strata units are not subject to an independent valuation, the Committee of Management conduct their own assessment to ensure the carrying amount is not materially different to the fair value. The Committee of Management considers it appropriate to state the value of the Strata Titled Units together with additions at cost.

Plant, Equipment and Motor Vehicles

These assets are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of these assets is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amount is made when impairment indicators are present.

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

- Strata 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 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.

(k) 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.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received during the reporting period that remain unpaid at the end of the reporting period.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) **Interest Bearing Loans and Borrowings**

All loans and borrowings are recognised at their principal amount including transaction costs attributable to their issue.

(n) **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.

(o) **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 the 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.
- *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 the 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 the reporting date, which most closely match the terms of maturity of the related liability.
- *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.

(p) **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, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) 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 Consolidated Statement of Financial Position.

(r) Critical Accounting Estimates and Judgments

The Committee of Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association. Estimates and underlying assumptions are reviewed on an ongoing basis.

(s) Financial Instruments

Derivative Financial Instruments

No derivative financial instruments are used by the Association.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
3 REVENUE		
Advertising Commissions	652,527	524,496
Dividend Received	1,596,000	300,789
Gaming Cost Recovery	-	106,061
Insurance Commission	-	10,871
Interest Income	196,383	203,102
Keno Commission	731,040	692,422
Legal Cost Recovery (Copyright Claim)	175,322	-
Membership Activities	2,618,471	2,783,391
Membership Subscriptions	4,359,376	4,238,410
	<u>10,329,119</u>	<u>8,859,542</u>
4 EXPENSES		
Employee Benefits Expense		
Annual Leave	46,631	67,709
Fringe Benefits Tax	19,196	24,000
Long Service Leave	52,285	6,872
Payroll Tax	141,639	130,415
Salary and Wages	2,941,774	2,704,604
Superannuation	253,969	241,130
	<u>3,455,494</u>	<u>3,174,730</u>
5 AUDITOR'S REMUNERATION		
Amounts received or due and receivable by V J Ryan & Co for:		
Audit of the Financial Statements - Association	36,000	48,500
Other Services - Association	75,686	51,460
Other Services - Controlled Entities	450	450
	<u>112,136</u>	<u>100,410</u>
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 CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
7 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on Hand	2,999	2,999
Term Deposits – <i>St. George Bank</i>	6,000,000	1,000,000
Term Deposits – <i>Members Equity Bank Pty Limited</i>	-	2,500,000
Cash at Bank – <i>St. George Bank</i>	1,032,798	1,529,711
	<u>7,035,797</u>	<u>5,032,710</u>
8 TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade Debtors	569,300	523,856
Provision for Doubtful Debts	(66,652)	(6,600)
	<u>502,648</u>	<u>517,256</u>
9 INVENTORY		
CURRENT		
Promotional Items – At Cost	<u>5,225</u>	-
10 OTHER ASSETS		
CURRENT		
Prepayments	<u>260,139</u>	<u>77,821</u>
11 PROPERTY, PLANT & EQUIPMENT		
NON-CURRENT		
Strata Units - At Cost	7,762,585	7,762,585
Accumulated Depreciation	(1,228,168)	(920,093)
	<u>6,534,417</u>	<u>6,842,492</u>
Plant and Equipment – At Cost	600,474	591,557
Accumulated Depreciation	(405,873)	(303,040)
	<u>194,601</u>	<u>288,517</u>
Motor Vehicles – At Cost	176,822	181,457
Accumulated Depreciation	(70,719)	(62,952)
	<u>106,103</u>	<u>118,505</u>
	<u>6,835,121</u>	<u>7,249,514</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
11 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	6,842,492	7,150,567
Depreciation	(308,075)	(308,075)
	6,534,417	6,842,492
<u>Plant & Equipment</u>		
Carrying Amount at Beginning of Year	288,517	375,829
Additions	8,917	13,617
Depreciation	(102,833)	(100,929)
	194,601	288,517
<u>Motor Vehicles</u>		
Carrying Amount at Beginning of Year	118,505	121,079
Additions	29,094	48,458
Disposals	(14,150)	(20,108)
Depreciation	(27,346)	(30,924)
	106,103	118,505
	6,835,121	7,249,514

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 consolidated financial statements.

The Committee of Management have reviewed the key assumptions adopted by the valuer in 2012 and do not believe there has been a significant change in the assumptions at 31 December 2014. The Committee of Management therefore believe the carrying amount correctly reflects the fair value at 31 December 2014.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
12 INVESTMENTS		
NON-CURRENT		
Shares in Hospitality Employers Mutual Limited - At Cost	4,800,000	4,800,000
Shares in Subsidiary Companies - At Cost	21	21
	<u>4,800,021</u>	<u>4,800,021</u>

Australian Hotels Association (NSW) Holdings Pty Limited ("AHA Holdings") is a wholly owned subsidiary of the Association. Employers Mutual Limited ("EML") holds 50% of the ordinary share capital of Hospitality Employers Mutual Limited ("HEM") with the remaining shareholding split equally between AHA Holdings – 25% and Clubs (NSW) – 25%.

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 15) at that time.

13 TRADE AND OTHER PAYABLES

CURRENT		
Trade Creditors and Accruals	1,094,504	568,173
GST Payable	156,778	140,568
Subscriptions in Advance	2,166,145	1,615,412
Income in Advance	416,341	387,415
	<u>3,833,768</u>	<u>2,711,568</u>

14 PROVISIONS

CURRENT		
Employee Entitlements	<u>399,007</u>	<u>338,474</u>
NON-CURRENT		
Employee Entitlements	119,684	81,301
Provision for Economic Costs	-	1,004,831
	<u>119,684</u>	<u>1,086,132</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	\$	\$
15 LOANS AND BORROWINGS		
NON-CURRENT		
Loan from Employers Mutual Limited	-	349,917

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

Over the course of the loan, AHA Holdings was required to make loan repayments to EML equal to: i) Sponsorship fees paid by EML/HEM to the Association, ii) Advertising commissions paid to AHA Holdings and iii) HEM dividends paid to AHA Holdings. AHA Holdings was contracted to repay the balance of the loan outstanding by 28 March 2017. However, AHA Holdings extinguished the loan on 30 September 2014.

There was no interest payable over the course 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. The provision for economic cost has been fully extinguished in conjunction with the loan on 30 September 2014 (Refer to Note 14).

16 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 17 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 (2013: \$60,000) by way of compensation for costs incurred.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014**

2014 **2013**
 \$ \$

16 RELATED PARTY TRANSACTIONS (Continued)

Other Related Parties

The Association no longer collects commission income on behalf of Australian Hospitality Insurance Services Pty Limited. Historically this was held in a bank account held in the name of the Association. The balance collected less any direct costs to 31 December 2014 was \$Nil (2013: \$10,871).

Payment of the sum of \$168,597 (2013: \$139,814) by the Association to the AHA, constituting satisfaction of the obligation of the Federal Branch for the reporting period to the AHA pursuant to Rule 12 of the Rules of the AHA (see also Rule 9 of the Rules of the Federal Branch).

Further payments were made by the Association to the AHA for National Office Costs of \$112,875 (2013: \$198,812) and for a Special Levy relative to the National Awards Review of \$112,374 (2013: Nil).

17 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	Rolly De With	Colin Parras	Nigel Greenaway
Lynette Humphreys	Kim Maloney	Andrew Rendall	Colin Waller
Phillip Webster	Dan Brady	George Bedwani	Des Kennedy

Transactions with Key Management Personnel

The key management personnel compensation included in employee costs was:

Short Term Employee Benefits	<u>569,341</u>	<u>403,350</u>
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The 2014 short term employee benefits as disclosed above represents benefits paid to the former Chief Executive Officer, the current Chief Executive Officer and the President.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
18 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT AFTER INCOME TAX		
Profit for the Year	1,895,261	707,219
<i>Non-Cash Flows and Non-Operating Items in Operating Profit:</i>		
Depreciation	438,254	439,928
Loss on Disposal of Non Current Assets	9,133	6,944
<i>Changes in Assets and Liabilities:</i>		
Decrease in Receivables	14,608	101,450
(Increase) in Inventory	(5,225)	-
(Increase) / Decrease in Other Assets	(182,318)	82,200
Increase in Payables and Income in Advance	1,122,200	312,561
(Decrease) / Increase in Provisions	<u>(905,915)</u>	<u>112,890</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>2,385,998</u></u>	<u><u>1,763,192</u></u>

19 FINANCIAL INSTRUMENTS

- (a) **Credit Risk** - Credit risk is the risk of financial loss if a customer or counter party to a financial instrument fails to meet its contractual obligations and is represented by:

Cash and Cash Equivalents (Note 7)	7,032,798	5,029,711
Trade and Other Receivables (Note 8)	502,648	517,256
Investments (Note 12)	<u>4,800,021</u>	<u>4,800,021</u>
	<u><u>12,335,467</u></u>	<u><u>10,346,988</u></u>

- Cash at bank is held with financial institutions that hold high market credit ratings.
 - The Association has a specific provision to cover potential impairment of Trade and Other Receivables.
 - Investments in subsidiaries are carried at cost which in the opinion of the Committee of Management equates to their market value. The investment in HEM represents AHA Holdings shareholdings in HEM. The shares were held as security over the loan from EML.
- (b) **Liquidity Risk** - The Association has short term liabilities represented by Trade and other Payables of \$3,833,768 (Note 13).
- (c) **Interest Rate Risk** - The Association has limited exposure to interest rate risk on its fixed and variable rate financial instruments. Term Deposits have maturity dates of three months or less.

**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 2014 was 1,828.

In my opinion:

- (a) The accompanying consolidated financial statements show a true and fair view of the financial affairs of the Association and its Controlled Entities at 31 December 2014;
- (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 - Colin Waller

Dated at Sydney: *2nd Dec 2015*

**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 consolidated financial statements show a true and fair view of the financial affairs of the Association and its Controlled Entities at 31 December 2014;
- (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 consolidated 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 consolidated 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: 2ND MARCH 2015

**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 consolidated financial report of Australian Hotels Association (NSW) ("the Association") and its Controlled Entities for the financial year ended 31 December 2014, consisting of the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Notes to the Consolidated Financial Statements, Certificate of the Accounting Officer and Statement of the Committee of Management.

The Financial Report and Committee of Management Responsibility

The Committee of Management is responsible for the preparation and true and fair presentation of the consolidated 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 consolidated 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 consolidated financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial report.

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

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

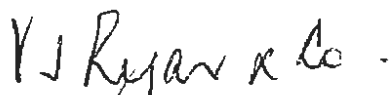
Independence

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


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 consolidated 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 2014; 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) the consolidated financial report complies with other mandatory professional reporting requirements in Australia.


V J RYAN & CO
Chartered Accountants

Level 5
255 George Street
SYDNEY NSW 2000


Peter Gerard Crawford
Partner

Dated at Sydney: 2 March 2014

**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 2014. 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: *2 March 2015*

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

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	\$	\$
INCOME		
Advertising Commissions	652,527	524,496
Dividend Received	1,596,000	300,789
Gaming Cost Recovery	-	106,061
Insurance Commission	-	10,871
Interest Income	196,383	203,102
Keno Commission	731,040	692,422
Legal Cost Recovery (Copyright Claim)	175,322	-
Membership Activities	2,618,471	2,783,391
Membership Subscriptions	4,359,376	4,238,410
	<u>10,329,119</u>	<u>8,859,542</u>
EXPENDITURE		
Accommodation Division	302,290	264,743
Accounting and Consulting Fees	37,993	37,196
Administration	1,627	2,265
Advertising and Staff Hire	938	225
Annual Leave	46,631	67,709
Annual Report	22,499	16,524
Auditor's Remuneration	36,000	48,500
Bank and Credit Card Charges	26,952	39,876
Capitation Fees	168,597	139,814
Cleaning and Laundry	60,039	51,810
Computer and Development Costs	84,276	151,205
Consultancy	-	69,044
Delegates	151,708	189,789
Depreciation	438,254	439,928
Donations	139,025	249,513
Economic Cost	150,310	27,131
Electricity	47,344	52,074
Executive Administration	345,933	421,163
Executive and Committee of Management	125,268	96,307
Flowers and Plant Hire	7,666	7,881
Fringe Benefits Tax	19,196	24,000
Gaming Department and Research	421,208	170,479
Hotel News	349,839	340,022
Industrial and Membership	144,160	112,772
Insurance	69,804	66,150
Legal Fees	136,296	417,259
Long Service Leave	52,285	6,872
Loss on Disposal of Non Current Assets	9,133	6,944

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 2014**

	2014	2013
	\$	\$
EXPENDITURE (Continued)		
Marketing	736,112	594,925
Membership	184,870	203,640
National Executive and Board Meetings	9,264	33,706
National Office Costs	112,875	198,812
Parking Levy	38,843	41,486
Payroll Preparation	3,893	3,939
Payroll Tax	141,639	130,415
President's Allowance	60,000	60,000
Printing and Stationery	18,774	11,825
Provision for Doubtful Debts	60,052	3,184
Public Relations	63,451	73,246
Rates, Taxes and Strata Levies	83,345	95,508
Regional Meetings	11,395	23,119
Repairs and Maintenance	57,934	44,345
Salaries and Wages	2,941,774	2,704,604
Security	807	2,249
Special Levy – National Awards Review	112,374	-
Sponsorship	9,145	25,494
Staff Amenities	16,188	9,034
Sub Branch Subsidies	-	455
Superannuation	253,969	241,130
Telephone	34,374	17,843
Training Department	84,926	113,459
Travel	2,583	2,710
	<u>8,433,858</u>	<u>8,152,323</u>
Profit for the Year	<u>1,895,261</u>	<u>707,219</u>

This statement has not been audited.

" D "

**NSW
BRANCH**

OF THE
AUSTRALIAN
HOTELS
ASSOCIATION



**AUSTRALIAN HOTELS ASSOCIATION
NSW BRANCH
(ABN 64 243 628 807)**

OPERATING REPORT

This operating report covers the results of those activities that were provided for the financial year which ended on 31 December 2014.

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) which is the state registered counterpart of the Branch ("the State Organisation").
- (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. Specific examples include:
 - Representation of members interest in the Fair Work Commission's four year review of modern awards and award matters generally;
 - Representation of members interests in the Annual Wage Review;
 - Representation of members interests to Local Government Authorities relating to the gazetting of local public holidays;
 - Representation of members before the Fair Work Commission in a variety of matters including: collective bargaining, unfair dismissals and general protections applications;
 - Representation of members in industrial matters before other courts and tribunals;



- Provision of online tools housing fact sheets, wage rates, template contracts of employment and template policy and procedure documents; and
 - Delivery of onsite and online seminars relating to compliance with federal workplace laws and relevant state legislation.
 - Media and Communications to members and to the broader community via media releases in support of campaigns and targeted publications including national & state magazines. Examples of specific activities include:
 - Liaising with members on a daily basis concerning local and state media;
 - crisis management for members where media is involved; and
 - Liaising with media on a daily basis.
 - Provision of information to members providing up to date material relevant to eligible venues including:
 - Changes in State and Federal legislation;
 - Work health and safety alerts; and
 - Licensing fees.
- (e) There have been no significant changes in the principle activities of the Branch in the financial year ending 31 December 2014.

2. Financial activities of the Branch

There were no financial activities of the Branch for the financial year which on ended on 31 December 2014.

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 2014 was 1808.

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



Organisations 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

For the period of 1 January 2014 to 31 December 2014 the Branch's Committee of Management comprised of the following persons:

- Scott Leach
- Lynette Humphreys
- George Bedwani
- Kim Maloney
- Colin Waller
- Nigel Greenaway
- Andrew Rendall
- Des Kennedy
- Rolly De With
- Colin Parras
- Dan Brady
- Phillip Webster

**SCOTT LEACH
PRESIDENT**

2 March 2015



13 January 2015

Mr Colin Waller
Secretary/Treasurer
Australian Hotels Association-New South Wales Branch
Sent via email: enquiries@ahansw.com.au

Dear Mr Waller,

**Re: Lodgement of Financial Report - [FR2014/431]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the New South Wales Branch of the Australian Hotels Association (the reporting unit) ended on 31 December 2014.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

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

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website which includes a webinar presentation on the Reporting Guidelines.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

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

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

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

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