



27 April 2015

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

Sent by email: Phillip.Ryan@ahansw.com.au

Dear Mr Whelan

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 2015 (FR2015/403)

I refer to your 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 2015. The application was lodged with the Fair Work Commission on 20 April 2016.

I have granted the application. The certificate is attached.

If you wish to discuss this matter, please contact Stephen Kellett on (02) 6746 3283 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

Chris Enright
Delegate of the General Manager
Fair Work Commission



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
(FR2015/403)

MR ENRIGHT

MELBOURNE, 27 APRIL 2016

Reporting unit's financial affairs encompassed by associated State body

[1] On 20 April 2016 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the New South Wales 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 2015.

[2] On 20 April 2016, 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* 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;
- the reporting unit has lodged a copy of the audited accounts with the Fair Work Commission;
- 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 2015 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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20 April 2016

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 2015 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 2015 Annual Report of the State Organisation (Attachment C); and
- iii. At the time of providing a copy of the 2015 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 2015. 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



- (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:
 - (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 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 2015**

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

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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 2015**

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
REVENUE					
Membership Subscriptions (*)		4,426,717	4,359,376	4,426,717	4,359,376
Other Revenue		<u>4,252,757</u>	<u>5,969,743</u>	<u>4,252,757</u>	<u>4,373,743</u>
	3	8,679,474	10,329,119	8,679,474	8,733,119
EXPENDITURE					
Administrative, Member and Other Expenses		(3,927,022)	(4,235,241)	(3,927,022)	(4,084,931)
Loss on Disposal of Non Current Assets		(9,191)	(9,133)	(9,191)	(9,133)
Employee Benefits Expense	4 (a)	<u>(3,110,478)</u>	<u>(3,455,494)</u>	<u>(3,110,478)</u>	<u>(3,455,494)</u>
Profit Before Hotel Advertising Campaign, CMS Joint Venture Expense, Depreciation and Income Tax Expense		1,632,783	2,629,251	1,632,783	1,183,561
Hotel Advertising Campaign		(1,708,090)	-	(1,708,090)	-
CMS Joint Venture Expense		(380,207)	(295,736)	(380,207)	(295,736)
Depreciation		<u>(432,448)</u>	<u>(438,254)</u>	<u>(432,448)</u>	<u>(438,254)</u>
(Loss) / Profit Before Income Tax Expense		(887,962)	1,895,261	(887,962)	449,571
Income Tax Expense	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET (LOSS) / PROFIT FOR THE YEAR		<u>(887,962)</u>	<u>1,895,261</u>	<u>(887,962)</u>	<u>449,571</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>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR		<u>(887,962)</u>	<u>1,895,261</u>	<u>(887,962)</u>	<u>449,571</u>

* - Mandatory disclosure required by the Reporting Guidelines of Fair Work Commission. Item to remain even if Nil.

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 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and Cash Equivalents	7	6,882,840	7,035,797	6,882,840	7,035,797
Trade and Other Receivables	8	777,196	502,648	3,930,686	3,656,137
Inventory	9	1,742	5,225	1,742	5,225
Other Assets	10	55,965	260,139	55,954	260,139
TOTAL CURRENT ASSETS		<u>7,717,743</u>	<u>7,803,809</u>	<u>10,871,222</u>	<u>10,957,298</u>
NON-CURRENT ASSETS					
Property, Plant and Equipment	11	6,440,806	6,835,121	6,440,806	6,835,121
Investments	12	4,800,023	4,800,021	23	21
TOTAL NON-CURRENT ASSETS		<u>11,240,829</u>	<u>11,635,142</u>	<u>6,440,829</u>	<u>6,835,142</u>
TOTAL ASSETS		<u>18,958,572</u>	<u>19,438,951</u>	<u>17,312,051</u>	<u>17,792,440</u>
CURRENT LIABILITIES					
Trade and Other Payables	13	4,193,938	3,833,768	4,193,938	3,833,778
Provisions	14	421,883	399,007	421,883	399,007
TOTAL CURRENT LIABILITIES		<u>4,615,821</u>	<u>4,232,775</u>	<u>4,615,821</u>	<u>4,232,785</u>
NON-CURRENT LIABILITIES					
Provisions	14	144,221	119,684	144,221	119,684
TOTAL NON-CURRENT LIABILITIES		<u>144,221</u>	<u>119,684</u>	<u>144,221</u>	<u>119,684</u>
TOTAL LIABILITIES		<u>4,760,042</u>	<u>4,352,459</u>	<u>4,760,042</u>	<u>4,352,469</u>
NET ASSETS		<u>14,198,530</u>	<u>15,086,492</u>	<u>12,552,009</u>	<u>13,439,971</u>
EQUITY					
Retained Earnings		<u>14,198,530</u>	<u>15,086,492</u>	<u>12,552,009</u>	<u>13,439,971</u>
TOTAL EQUITY		<u>14,198,530</u>	<u>15,086,492</u>	<u>12,552,009</u>	<u>13,439,971</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 2015

		Consolidated		Parent	
		2015	2014	2015	2014
	Note	\$	\$	\$	\$
Cash Flows from Operating Activities:					
Receipts from Members and Third Parties		8,222,372	8,551,344	8,222,372	7,989,759
Payment to Suppliers and Employees		(8,510,557)	(7,957,729)	(8,510,557)	(6,150,061)
Dividend Received		-	1,596,000	-	-
Interest Income		182,554	196,383	182,554	196,383
Net Cash (Used In) / Provided By Operating Activities	17	(105,631)	2,385,998	(105,631)	2,036,081
Cash Flows from Investing Activities					
Payment for Property, Plant and Equipment		(82,506)	(38,011)	(82,506)	(38,011)
Payment for Investments		(2)	-	(2)	-
Proceeds from Sale of Property, Plant and Equipment		35,176	5,017	35,176	5,017
Net Cash (Used In) Investing Activities		(47,326)	(32,994)	(47,326)	(32,994)
Cash Flows from Financing Activities					
Principal Loan Repayment		-	(349,917)	-	-
Net Cash (Used in) Financing Activities		-	(349,917)	-	-
Net (Decrease) / Increase in Cash held		(152,957)	2,003,087	(152,957)	2,003,087
Cash and Cash Equivalents at Beginning of Financial Year		7,035,797	5,032,710	7,035,797	5,032,710
Cash and Cash Equivalents at End of Financial Year	7	6,882,840	7,035,797	6,882,840	7,035,797

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 2015

	Retained Earnings \$	Total Equity \$
CONSOLIDATED		
At 1 January 2014	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	15,086,492	15,086,492
<i>Total Comprehensive Income for the Year</i>		
Net Loss for the Year	(887,962)	(887,962)
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
At 31 December 2015	<u>14,198,530</u>	<u>14,198,530</u>
PARENT		
At 1 January 2014	12,990,400	12,990,400
<i>Total Comprehensive Income for the Year</i>		
Net Profit for the Year	449,571	449,571
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
At 31 December 2014	13,439,971	13,439,971
<i>Total Comprehensive Income for the Year</i>		
Net Loss for the Year	(887,962)	(887,962)
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
At 31 December 2015	<u>12,552,009</u>	<u>12,552,009</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

RECOVERY OF WAGES ACTIVITY (*)
FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash Assets in Respect of Recovered Money				
At Beginning of Year	-	-	-	-
Receipts:				
Wages Recovered from Employers	-	-	-	-
Interest on Wages Recovered	-	-	-	-
	-	-	-	-
Payments:				
Deductions of Membership Amounts	-	-	-	-
Deductions of Donations to Accounts of the Reporting				
Unit or Another Reporting Unit	-	-	-	-
Deductions of Fees	-	-	-	-
Payments to Workers	-	-	-	-
	-	-	-	-
Cash Assets in Respect of Recovered Money				
At End of Year	-	-	-	-
Number of Workers in Respect of Recovered				
Money At End of Year	-	-	-	-

No revenue has been derived from undertaking recovery of wages during the reporting period (*).

*** - Mandatory disclosure required by the Reporting Guidelines of Fair Work Commission. Item to remain even if Nil.**

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 2015

1 CORPORATE INFORMATION

The consolidated financial report of Australian Hotels Association (NSW) (“the Association”), and its Controlled Entities (together referred to as the ‘Reporting Unit’) for the year ended 31 December 2015 was authorised for issue in accordance with a Resolution of the Committee of Management on the date of authorisation of the Committee of Management Statement.

The Reporting Unit 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 and Interpretations issued by the Australian Accounting Standards Board that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009 (“RO Act”). For the purpose of preparing the general purpose financial statements, the Association is a not-for-profit entity and the Controlled Entities are for-profit entities.

A statement of compliance with the International Financial Reporting Standards as issued by the International Accounting Standards Board cannot be made due to the Association applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual basis. The consolidated financial statements have been prepared on the basis of historical cost, except where measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. 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) Fair Value Measurement (“FVM”)

The Reporting Unit measures, where indicated, financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The FVM is based on the presumption the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of this, the most advantageous market for the asset or liability. In estimating the fair value of an asset or a liability, the Reporting Unit takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis. With the exception of the investment in Hospitality Employers Mutual Limited which is valued at cost. Trade and other payables have been brought to account also at cost.

**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 2015**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Fair Value Measurement ("FVM") (Continued)

For financial reporting purposes, FVMs are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the FVMs are observable and the significance of the inputs to the FVM in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Reporting Unit can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Comparative Amounts

When required by Australian Accounting Standards, comparative amounts have been adjusted to conform to changes in presentation for the current financial year.

(d) Application of New Accounting Standards and Interpretations

In the current year, the Reporting Unit has applied a number of amendments to Australian Accounting Standards Interpretation issued by the Australian Accounting Standards Board that are mandatorily effective for an accounting period that begins on or after 1 January 2015, and therefore relevant for the current year end.

(e) Future Australian Accounting Standard Requirements

The Reporting Unit has not adopted any Australian Accounting Standard earlier than the application date. At the date of authorisation of the financial statements, the significant Standards and Interpretations that were issued but not yet effective are as follows:

Standard	Effective for Annual Reporting Periods Beginning on or After	Expected to be Initially Applied in the Financial Year Ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 December 2018
AASB 15 'Revenue from Contracts with Customers'	1 January 2018	31 December 2018

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 2015

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Basis of Consolidation

The Australian Hotels Association (NSW) ("the Association") is the ultimate parent company. The consolidated financial statements include the financial statements of the Association together with its wholly owned subsidiaries being Australian Hospitality Insurance Services Pty Limited, AHA (NSW) Business Portal Pty Limited, Australian Hotels Association (NSW) Holdings Pty Limited, Hotel Technologies NSW Pty Limited and Hotel Technologies Finance Pty Limited (together referred to as the 'Reporting Unit').

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.

All intra group transactions, balances, income and expenses are eliminated in full on consolidation.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the accrued benefits will flow to the Reporting Unit. 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.

(h) Taxation

The Association is exempt from income tax under section 50 – 15 of the Income Tax Assessment Act 2007; however the Association still has obligations for Fringe Benefits Tax and Goods and Services Tax.

The Controlled Entities are not exempt from income tax.

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 2015

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) 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 Note 2 (f) 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.
- (iii) The Australian Hotels Association NSW Branch (“the Federal Branch”) is the counterpart branch of the federally 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 note 2 (f) 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.
- (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 15 concerning related party transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Notice pursuant to Regulations under Section 282(3) of the Industrial Relations Act 1996 (NSW)

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

(k) Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position is recognised at its nominal amount and comprises cash on hand and at bank together with short-term deposits with a maturity of six months or less.

(l) Trade and Other Receivables

The collectability of debts is assessed at the reporting date and specific provision is made for any doubtful debts. The policy is to provide for all debtors greater than 90 days.

(m) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated, less accumulated depreciation.

Strata Units

Strata units are shown at cost less subsequent depreciation. The Association has adopted the cost model of AASB 116 Property, Plant and Equipment.

Plant, Equipment and Motor Vehicles

These assets are measured on the cost basis and are therefore carried at cost less accumulated depreciation.

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 Unit 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 each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investments

The Association accounts for its investments in subsidiaries at cost, which in the opinion of the Committee of Management equates to or is less than their fair value.

As outlined in Note 12, a Controlled Entity owns 25% of the ordinary share capital of Hospitality Employers Mutual Limited ("HEM"). In the opinion of the Committee of Management, the Controlled Entity does not have any significance influence over HEM and therefore has resolved not to equity account for this investment. The investment is recorded at cost which in the opinion of the Committee of Management is less than its fair value.

The Association is the sole beneficiary of a Trust where its Trustee has entered into a Joint Venture for the Centralised Monitoring System ("CMS") Tender. At the date of this Report the outcome of the Tender is unknown and all expenses incurred by the Association have been expensed to the Statement of Profit or Loss and Other Comprehensive Income.

(o) 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.

At the reporting date, the Committee of Management does not consider any asset impaired.

(p) 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.

(q) Interest Bearing Loans and Borrowings

All loans and borrowings are recognised at their principal amount including transaction costs attributable to their issue. The Reporting Unit has no interest bearing loans at the reporting date.

(r) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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 Reporting Unit has a present obligation to pay resulting from employees' services provided up to the reporting date.

- Liabilities for short term employee benefits (such as wages, salaries, annual and long service leave) which are expected to be settled within 12 months of the end of the reporting period are measured at their nominal amounts. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.
- Other long term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash out flows to be made in respect of services provided by employees up to the reporting date.
- 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.

(t) Leases

Leases of assets, where substantially all the risks and rewards 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.

The Reporting Unit has no finance or operating leases at the reporting date.

(u) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) 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 Reporting Unit. Estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

- Useful lives of Property, Plant and Equipment – the Committee of Management reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the Committee of Management determined that the useful lives of assets do not require amendment.
- Valuation of Strata Units – as outlined in Note 11 this asset is carried at cost. The Committee of Management obtained an independent valuation on 8 January 2016 to determine the asset's fair value. The fair value of this asset has not been brought to account in the 2015 financial year. The Committee of Management believes if the Association was able to join the other strata owners and have levels 15 & 16 rezoned to residential usage and the applicable development consents were granted, the fair value in their opinion is significantly higher than the carrying amount.
- Valuation of Investments – as outlined in Note 12 these assets are carried at cost. The Committee of Management has determined based on evidence at hand the carrying amount of these assets is below its fair value.
- Provision for Doubtful Debts – The Reporting Unit reviews all trade debtors at each reporting date and makes a specific provision for all debtors greater than 90 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Financial Instruments

Financial assets and financial liabilities are recognised when the Reporting Unit becomes a party to the contractual provisions of the instrument.

Financial Assets

They are classified into the following specific categories:

Fair Value Through Profit or Loss ("FVTPL")

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Reporting Unit manages and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

The Reporting Unit has no financial assets held at FVTPL.

Held-to-Maturity Investments ("HTM")

Term deposits (as outlined in Note 7) and investments (as outlined in Note 12) with fixed or determinable payments and fixed maturity dates that the Association or Controlled Entities have the positive intent and ability to hold to maturity are classified as HTM investments. HTM investments are measured at cost.

Available for Sale Investments ("AFS")

The Reporting Unit has no AFS investments.

Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost less any impairment.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The Committee of Management have determined no financial asset is impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Financial Instruments (Continued)

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. They are classified into the following specific categories:

Fair Value Through Profit or Loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Reporting Unit manages and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

The Reporting Unit has no financial liabilities held at FVTPL.

Other Financial Liabilities

Other financial liabilities are measured at amortised cost.

Derivative Financial Instruments

No derivative financial instruments are used by the Reporting Unit.

(y) Going Concern

The Reporting Unit is not reliant on financial support from an entity to continue as a going concern.

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 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
3 REVENUE				
Advertising Commissions	718,696	652,527	-	-
Dividend Received	-	1,596,000	-	-
Interest Income	182,554	196,383	182,554	196,383
Keno Commissions	799,555	731,040	799,555	731,040
Legal Cost Recovery (Copyright Claim)	18,101	175,322	18,101	175,322
Membership Activities	2,533,851	2,618,471	3,252,547	3,270,998
Membership Subscriptions	<u>4,426,717</u>	<u>4,359,376</u>	<u>4,426,717</u>	<u>4,359,376</u>
	<u>8,679,474</u>	<u>10,329,119</u>	<u>8,679,474</u>	<u>8,733,119</u>
(a) Capitation Fees included in Membership Subscriptions (*)	<u>158,524</u>	<u>168,297</u>	<u>158,524</u>	<u>168,297</u>
(b) Levies (*)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(c) Grants or Donations (*)				
Grants	-	-	-	-
Donations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*** - Mandatory disclosure required by the Reporting Guidelines of Fair Work Commission. Item to remain even if Nil.**

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 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
4 EXPENSES				
(a) Salaries and Wages				
Total Employee Benefits Expense				
Annual Leave	(9,718)	46,631	(9,718)	46,631
Fringe Benefits Tax	24,000	19,196	24,000	19,196
Long Service Leave	54,010	52,285	54,010	52,285
Payroll Tax	138,750	141,639	138,750	141,639
Salary and Wages	2,646,757	2,941,774	2,646,757	2,941,774
Superannuation	256,679	253,969	256,679	253,969
	<u>3,110,478</u>	<u>3,455,494</u>	<u>3,110,478</u>	<u>3,455,494</u>
Breakdown of Salaries and Wages and Superannuation Expenses:				
Holders of Office (*)				
Salary and Wages	471,560	483,091	471,560	483,091
Superannuation	30,000	26,250	30,000	26,250
	<u>501,560</u>	<u>509,341</u>	<u>501,560</u>	<u>509,341</u>
Employees Other Than Holders of Office (*)				
Salary and Wages	2,175,197	2,458,683	2,175,197	2,458,683
Superannuation	226,679	227,719	226,679	227,719
	<u>2,401,876</u>	<u>2,686,402</u>	<u>2,401,876</u>	<u>2,686,402</u>

* - Mandatory disclosure required by the Reporting Guidelines of Fair Work Commission. Item to remain even if Nil.

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 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
4 EXPENSES (Continued)				
(b) Capitation Fees (*)				
Australian Hotels Association (National Office)	<u>158,524</u>	<u>168,297</u>	<u>158,524</u>	<u>168,297</u>
(c) Affiliation Fees (*)				
Australian Hotels Association (National Office)	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>
(d) Grants or Donations (*)				
Grants:				
Total paid \$1,000 or less	-	-	-	-
Total paid greater than \$1,000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Donations:				
Total paid \$1,000 or less	18,375	12,721	18,375	12,721
Total paid greater than \$1,000	<u>68,863</u>	<u>126,304</u>	<u>68,863</u>	<u>126,304</u>
	<u>87,238</u>	<u>139,025</u>	<u>87,238</u>	<u>139,025</u>
(e) Legal Fees (*)				
Legal Fees (Including CMS Joint Venture)	<u>160,589</u>	<u>136,296</u>	<u>160,589</u>	<u>136,296</u>
(f) Other Expenses (*)				
Penalties – via RO Act	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

* - Mandatory disclosure required by the Reporting Guidelines of Fair Work Commission. Item to remain even if Nil.

5 AUDITOR'S REMUNERATION

Amounts received or due and receivable by
V J Ryan & Co for:

Audit of the Financial Statements – Association	42,000	36,000	42,000	36,000
Other Services – Association	70,295	75,686	70,295	75,686
Other Services – Controlled Entities	<u>450</u>	<u>450</u>	<u>-</u>	<u>-</u>
	<u>112,745</u>	<u>112,136</u>	<u>112,295</u>	<u>111,686</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.

The Controlled Entities have no taxable income for the 2015 financial year.

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 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
7 CASH AND CASH EQUIVALENTS				
CURRENT				
Cash on Hand	2,999	2,999	2,999	2,999
Term Deposits	5,000,000	6,000,000	5,000,000	6,000,000
Cash at Bank	1,879,841	1,032,798	1,879,841	1,032,798
	<u>6,882,840</u>	<u>7,035,797</u>	<u>6,882,840</u>	<u>7,035,797</u>
8 TRADE AND OTHER RECEIVABLES				
CURRENT				
Receivable From Other Reporting Units (*)	-	-	-	-
Australian Hotels Association (NSW) Holdings Pty Limited	-	-	3,202,051	3,153,489
Trade Debtors	777,196	569,300	728,635	569,300
Provisions for Doubtful Debts	-	(66,652)	-	(66,652)
	<u>777,196</u>	<u>502,648</u>	<u>3,930,686</u>	<u>3,656,137</u>
* - Mandatory disclosure required by the Reporting Guidelines of Fair Work Commission. Item to remain even if Nil.				
9 INVENTORY				
CURRENT				
Promotion Items – At Cost	<u>1,742</u>	<u>5,225</u>	<u>1,742</u>	<u>5,225</u>
10 OTHER ASSETS				
CURRENT				
Prepayments	<u>55,965</u>	<u>260,139</u>	<u>55,954</u>	<u>260,139</u>
11 PROPERTY, PLANT & EQUIPMENT				
NON-CURRENT				
Strata Units – At Cost	7,762,585	7,762,585	7,762,585	7,762,585
Accumulated Depreciation	<u>(1,536,242)</u>	<u>(1,228,168)</u>	<u>(1,536,242)</u>	<u>(1,228,168)</u>
	<u>6,226,343</u>	<u>6,534,417</u>	<u>6,226,343</u>	<u>6,534,417</u>
Plant and Equipment – At Cost	616,645	600,474	616,645	600,474
Accumulated Depreciation	<u>(503,634)</u>	<u>(405,873)</u>	<u>(503,634)</u>	<u>(405,873)</u>
	<u>113,011</u>	<u>194,601</u>	<u>113,011</u>	<u>194,601</u>
Motor Vehicles – At Cost	162,403	176,822	162,403	176,822
Accumulated Depreciation	<u>(60,951)</u>	<u>(70,719)</u>	<u>(60,951)</u>	<u>(70,719)</u>
	<u>101,452</u>	<u>106,103</u>	<u>101,452</u>	<u>106,103</u>
Total	<u>6,440,806</u>	<u>6,835,121</u>	<u>6,440,806</u>	<u>6,835,121</u>

AUSTRALIAN HOTELS ASSOCIATION (NSW)
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AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
11 PROPERTY, PLANT & EQUIPMENT (Continued)				
Reconciliations				
Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:				
<u>Strata Units</u>				
Carrying Amount at Beginning of Year	6,534,417	6,842,492	6,534,417	6,842,492
Depreciation	(308,074)	(308,075)	(308,074)	(308,075)
	<u>6,226,343</u>	<u>6,534,417</u>	<u>6,226,343</u>	<u>6,534,417</u>
<u>Plant & Equipment</u>				
Carrying Amount at Beginning of Year	194,601	288,517	194,601	288,517
Additions	16,172	8,917	16,172	8,917
Depreciation	(97,762)	(102,833)	(97,762)	(102,833)
	<u>113,011</u>	<u>194,601</u>	<u>113,011</u>	<u>194,601</u>
<u>Motor Vehicles</u>				
Carrying Amount at Beginning of Year	106,103	118,505	106,103	118,505
Additions	66,334	29,094	66,334	29,094
Disposals	(44,373)	(14,150)	(44,373)	(14,150)
Depreciation	(26,612)	(27,346)	(26,612)	(27,346)
	<u>101,452</u>	<u>106,103</u>	<u>101,452</u>	<u>106,103</u>

Valuation

The Strata Units of Levels 15 & 16, 131 Macquarie Street, Sydney were independently valued on 8 January 2016. The valuation carried out by Mr Christopher Bateman Registered Valuer number 029855 and Mr Mal Cameron Registered Valuer number 035146 assessed the market value on an individual lot sale basis at \$9,500,000 (ex GST). The valuation has not been reflected in the consolidated financial statements as the Association continues to adopt the cost model of AASB 116 Property, Plant and Equipment.

The Committee of Management believes if the Association was able to join the other strata owners and have levels 15 & 16 rezoned to residential usage and the applicable development consents were granted, the fair value in their opinion is significantly higher than the carrying amount.

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 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
12 INVESTMENTS				
NON-CURRENT				
Shares in Hospitality Employers Mutual Limited – At Cost	4,800,000	4,800,000	-	-
Shares in Subsidiary Companies – At Cost	23	21	23	21
	<u>4,800,023</u>	<u>4,800,021</u>	<u>23</u>	<u>21</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%.

In the opinion of the Committee of Management, a prudent valuation accounting policy as indicated in Note 2 (n) is to value this investment at cost. HEM resolved, based on the advice of its actuaries not to declare a dividend from the profits for the year ended 30 June 2015 so as to improve the capital adequacy requirements of HEM.

In the opinion of the Committee of Management, AHA Holdings does not have any significant influence over HEM and therefore has resolved not to equity account for this investment. The investment is recorded at cost which in the opinion of the Committee of Management is less than its fair value.

13 TRADE AND OTHER PAYABLES

CURRENT				
Payable to Other Reporting Units (*)	-	-	-	-
Trade Creditors and Accruals	874,413	1,094,504	874,413	1,094,514
Legal Accrual (*)	42,258	-	42,258	-
GST Payable	252,239	156,778	252,239	156,778
Subscriptions in Advance	2,508,290	2,166,145	2,508,290	2,166,145
Income in Advance	<u>516,738</u>	<u>416,341</u>	<u>516,738</u>	<u>416,341</u>
	<u>4,193,938</u>	<u>3,833,768</u>	<u>4,193,938</u>	<u>3,833,778</u>

*** - Mandatory disclosure required by the Reporting Guidelines of Fair Work Commission. Item to remain even if Nil.**

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 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
14 PROVISIONS				
CURRENT				
Employee Entitlements	<u>421,883</u>	<u>399,007</u>	<u>421,883</u>	<u>399,007</u>
NON-CURRENT				
Employee Entitlements	<u>144,221</u>	<u>119,684</u>	<u>144,221</u>	<u>119,684</u>
Holders of Office (*)				
Annual Leave	19,779	9,550	19,779	9,550
Long Service Leave	<u>44,564</u>	<u>33,742</u>	<u>44,564</u>	<u>33,742</u>
	<u>64,343</u>	<u>43,292</u>	<u>64,343</u>	<u>43,292</u>
Employees Other Than Holders of Office (*)				
Annual Leave	264,422	281,248	264,422	281,248
Long Service Leave	<u>237,339</u>	<u>194,151</u>	<u>237,339</u>	<u>194,151</u>
	<u>501,761</u>	<u>475,399</u>	<u>501,761</u>	<u>475,399</u>

* - Mandatory disclosure required by the Reporting Guidelines of Fair Work Commission. Item to remain even if Nil.

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 2015

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 (2014: \$60,000) by way of compensation for costs incurred.

Other Related Parties

Payment of the sum of \$158,824 (2014: \$168,597) 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 \$138,030 (2014: \$112,875) and for a Special Levy relative to the National Awards Review of \$Nil (2014: 112,374).

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 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$

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

Andrew Randall was replaced by Joanne Blair during the year. Nigel Greenaway and George Bedwani resigned during the year and the positions remain vacant.

Transactions with Key Management Personnel

The key management personnel compensation included in employee benefits expense was:

Short Term Employee Benefits

Salary and Wages	471,560	483,091	471,560	483,091
Superannuation	30,000	26,250	30,000	26,250
	<u>501,560</u>	<u>509,341</u>	<u>501,560</u>	<u>509,341</u>

The following key management personnel were officeholders in the Association's subsidiary companies referred to in Note 2 (f); 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 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
<hr/>				
17 RECONCILIATION OF NET CASH PROVIDED BY				
OPERATING ACTIVITIES TO (LOSS) / PROFIT AFTER INCOME TAX				
(Loss) / Profit for the Year	(887,962)	1,895,261	(887,962)	449,571
<i>Non-Cash Flows and Non-Operating Items in</i>				
<i>Operating Profit:</i>				
Depreciation	432,448	438,254	432,448	438,254
Loss on Disposal of Non-Current Assets	9,191	9,133	9,191	9,133
<i>Changes in Assets and Liabilities:</i>				
(Increase) / Decrease in Receivables	(274,548)	14,608	(274,548)	105,550
Decrease / (Increase) in Inventory	3,483	(5,225)	3,483	(5,225)
Decrease / (Increase) in Other Assets	204,174	(182,318)	204,174	(182,318)
Increase in Payables and Income in Advance	360,170	1,122,200	360,170	1,122,200
Increase / (Decrease) in Provisions	47,413	(905,915)	47,413	98,916
NET CASH (USED IN) / PROVIDED				
BY OPERATING ACTIVITIES	<u>(105,631)</u>	<u>2,385,998</u>	<u>(105,631)</u>	<u>2,036,081</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 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$

18 FINANCIAL INSTRUMENTS

Capital Management

The Association and its Controlled Entities manage its capital to ensure it is able to continue as going concerns. The capital structure consists of cash and bank balances, investments and equity (comprising retained earnings). The Reporting Unit is not subject to any externally imposed capital requirements.

Categories of Financial Instruments

Financial Assets:

Held to Maturity Investments	9,800,023	10,800,021	5,000,023	6,000,021
Loans and Receivables	777,196	502,648	3,930,686	3,656,137
	<u>10,577,219</u>	<u>11,302,669</u>	<u>8,930,709</u>	<u>9,656,158</u>

Financial Liabilities:

Trade and Other Payables	<u>4,193,938</u>	<u>3,833,768</u>	<u>4,193,938</u>	<u>3,833,778</u>
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Market Risk

Market risk includes 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 between one and four months after reporting date. The Reporting Unit has no exposure to currency risk.

Credit Risk

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

Cash at Bank and Term Deposits (excluding Petty Cash)	6,879,841	7,032,798	6,879,841	7,032,798
Receivables	777,196	502,648	3,930,686	3,656,137
Investments	<u>4,800,023</u>	<u>4,800,021</u>	<u>23</u>	<u>21</u>
	<u>12,457,060</u>	<u>12,335,467</u>	<u>10,810,550</u>	<u>10,688,956</u>

Cash at bank and term deposits are held with St. George Bank and the Committee of Management has therefore limited any credit risk.

The Reporting Unit considers trade receivable recoverable in full and no provision is required.

The Association has a debt owing from a Controlled Entity which is recoverable and this amount is eliminated on consolidation.

Investments in subsidiaries are carried at cost which in the opinion of the Committee of Management equates to or is less than their fair value.

In the opinion of the Committee of Management, AHA Holdings does not have any significance influence over HEM and therefore has resolved not to equity account for this transaction. The investment is recorded at cost which in the opinion of the Committee of Management is below its fair value which is based on audited accounts for HEM for the year ended 30 June 2015.

**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 2015**

18 FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk

The Reporting Unit has no external bank borrowings. Its short term liabilities are represented by trade and other payables as outlined in Note 13. The Reporting Unit has the ability to pay all its short term debts as they fall due.

19 SECTION 272 FAIR WORK (REGISTERED ORGANISATION) ACT 2009 ("RO ACT")

In accordance with the requirements of the RO Act, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

"Information to be provided to members or General Manager of the Fair Work Commission:

1. A member of a reporting unit, or the General Manager, may apply to the Reporting Unit for specified prescribed information in relation to the Reporting Unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Reporting Unit.
3. A Reporting Unit must comply with an application made under subsection (1)."

20 EVENTS SUBSEQUENT TO REPORTING PERIOD

As outlined in Note 11, the Strata Units of Levels 15 & 16, 131 Macquarie Street, Sydney were independently valued on 8 January 2016. The valuation has not been reflected in the consolidated financial statements.

Except for the above, no matters or circumstances have arisen since 31 December 2015 that have significantly affected or may significantly affect in subsequent financial years:

1. The operations of the Reporting Unit;
2. The results of those operations; or
3. The state of affairs of the Reporting Unit.

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

OPERATING REPORT

The Committee of Management presents its report on the Australian Hotels Association (NSW) ("the Association") and its Controlled Entities (together referred to as the 'Reporting Unit') for the financial year ended 31 December 2015.

Principal Activities

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

The consolidated net profit decreased by \$2,783,223 to a net loss of \$887,962. This was due to:

- Receiving no dividend from Hospitality Employers Mutual Limited (2014: \$1,596,000);
- Incurring \$1,708,090 in costs relating to the Hotel Advertising Campaign (2014: \$Nil); partially offset by:
- Generating membership subscription and keno commission increases in addition to cost savings in employee benefits and other administration expenses.

Resignation from Membership

Under section 174 of the Fair Work (Registered Organisations) Act 2009, a member may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the Association.

Committee of Management

No member of the Committee of Management is a) a trustee of a superannuation entity or exempt public sector superannuation scheme or b) a director of a company that is trustee of a superannuation entity or exempt public sector superannuation scheme.

Members

The number of members of the Association at 31 December 2015 was 1,808.

Number of employees

At 31 December 2015, the Association had 23 full time equivalent employees.

Names of Committee of Management

The names of the Committee of Management are disclosed in Note 16.

Signed on behalf of the Committee of Management



Scott Leach
Member of Committee



Colin Waller
Member of Committee

Dated at Sydney: 16-2-16.

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

I, Colin Waller, being the Accounting Officer of Australian Hotels Association (NSW) ("the Association") and its Controlled Entities (together referred to as the "Reporting Unit") certify:

- a) the documents lodged herewith are copies of the full report for the Reporting Unit for the period ended 31 December 2015 referred to in s268 of the Fair Work (Registered Organisations) Act 2009;
- b) the full report was presented to a meeting of the Committee of Management of the Reporting Unit on 16 February 2016 in accordance with s266 of the Fair Work (Registered Organisations) Act 2009; and
- c) the full report will be provided to members of the Reporting Unit on 16 April 2016.

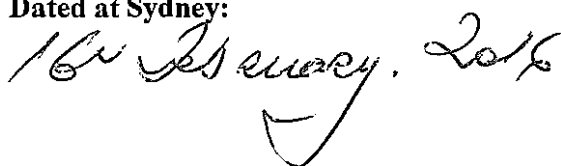
I also certify:

- a) the number of members of the Association at 31 December 2015 was 1,808;
- b) The accompanying consolidated financial statements show a true and fair view of the financial affairs of the Reporting Unit at 31 December 2015;
- c) 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;
- d) 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;
- e) 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;
- f) 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
- g) The register of members of the Association was maintained in accordance with the Regulations under the Industrial Relations Act 1996 (NSW).



**Colin Waller
Accounting Officer**

Dated at Sydney:



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

COMMITTEE OF MANAGEMENT STATEMENT

On 16 February 2016, the Committee of Management of the Australian Hotels Association (NSW) ("the Association") and its Controlled Entities (together referred to as the "Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2015:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Reporting Unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the Reporting Unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
 - meetings of the Committee of Management were held in accordance with the rules of the Association including the rules of a Branch concerned; and
 - the financial affairs of the Reporting Unit have been managed in accordance with the rules of the Association including the rules of a Branch concerned; and
 - the financial records of the Reporting Unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ("RO Act"); and
 - where the Association consists of two or more Reporting Units, the financial records of the Reporting Unit have been kept, as far as practicable, in a consistent manner with each of the other Reporting Units of the Association; and
 - where information has been sought in any request by a member of the Reporting Unit or the General Manager duly made under section 272 of the RO Act has been provided to the member or the General Manager; and
 - where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- f) the Reporting Unit has not derived revenue from undertaking recovery of wages activity during the reporting period; or
- g) where the Reporting Unit has derived revenue from undertaking recovery of wages activity:
 - the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - the Committee of Management instructed the Auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the Reporting Unit from which revenues had been derived for the financial year in respect of such activity; and

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

COMMITTEE OF MANAGEMENT STATEMENT (CONTNUED)

- no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- that prior to engaging in any recovery of wages activity, the Association has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

We also certify:

- a) Meetings of the Committee of Management were held in accordance with the Rules of the Association;
- b) 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; and
- c) 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).

Signed on behalf of the Committee of Management


Scott Leach
Member of Committee


Colin Waller
Member of Committee

Dated at Sydney: 16-2-16

**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 (together referred to as the "Reporting Unit") for the financial year ended 31 December 2015, 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, Recovery of Wages Activity, Notes to the Consolidated Financial Statements, Operating Report, Certificate by Prescribed Accounting Officer and the Committee of Management Statement.

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, Fair Work (Registered Organisations) Act 2009 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 Reporting Unit 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 Reporting Unit'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 Reporting Unit'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)**

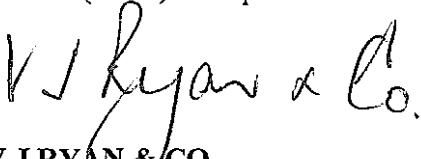
Independence

In conducting our audit, we followed applicable independence requirements of the Institute of Chartered Accountants Australia and New Zealand and the Industrial Relations Act 1996 (NSW).

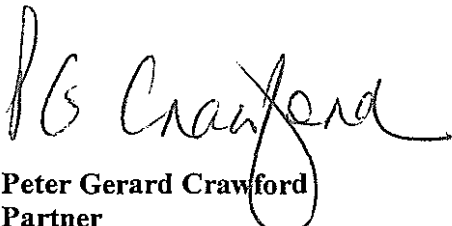
Audit Opinion

In our opinion:

- (a) (i) satisfactory accounting records were kept by the Reporting Unit 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 Reporting Unit; and
- (ii) the consolidated financial report is in accordance with Australian Accounting Standards and the provisions of the Fair Work (Registered Organisations) Act 2009 and the Industrial Relations Act 1996 (NSW), so as to give a true and fair view of:-
 - a) the state of affairs of the Reporting Unit as at 31 December 2015; and
 - b) the performance of the Reporting Unit for the year ended on that date; and
- (b) 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.


V J RYAN & CO

Chartered Accountants


Peter Gerard Crawford
Partner

Dated at Sydney: 16.1.2016

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

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

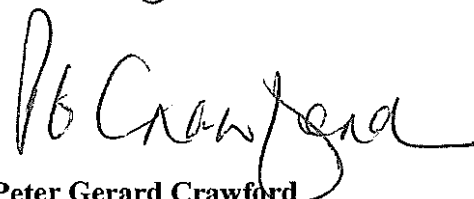
**COMPILATION REPORT TO THE MEMBERS OF
AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
AND ITS CONTROLLED ENTITIES**

The additional financial data presented on pages 35 and 36 is in accordance with the books and records of Australian Hotels Association (NSW) ("the Association") and its Controlled Entities ("the Reporting Unit") which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2015. 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 Reporting Unit) in respect of such data, including any errors or omissions however caused.


V J RYAN & CO
Chartered Accountants

Level 5
255 George Street
SYDNEY NSW 2000


Peter Gerard Crawford
Partner

Dated at Sydney: 16. 2. 2016

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

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidation	
	2015	2014
	\$	\$
INCOME		
Advertising Commissions	718,696	652,527
Dividend Received	-	1,596,000
Interest Income	182,554	196,383
Keno Commission	799,555	731,040
Legal Cost Recovery (Copyright Claim)	18,101	175,322
Membership Activities	2,533,851	2,618,471
Membership Subscriptions	4,426,717	4,359,376
	<u>8,679,474</u>	<u>10,329,119</u>
EXPENDITURE		
Accommodation Division	376,856	302,290
Accounting and Consulting Fees	23,175	37,993
Administration	1,017	1,627
Advertising and Staff Hire	2,327	938
Annual Leave	(9,718)	46,631
Annual Report	18,269	22,499
Auditor's Remuneration	42,000	36,000
Bank and Credit Card Charges	23,999	26,952
Capitation and Affiliation Fees	158,824	168,597
Cleaning and Laundry	56,535	60,039
Computer and Development Costs	92,346	84,276
Delegates	155,257	151,708
Depreciation	432,448	438,254
Donations	87,238	139,025
Economic Cost	-	150,310
Electricity	42,755	47,344
Executive Administration	396,686	345,933
Executive and Committee of Management	93,612	125,268
Flowers and Plant Hire	8,369	7,666
Fringe Benefits Tax	24,000	19,196
Gaming Department (Including CMS Joint Venture)	512,761	421,208
Hotel Advertising Campaign	1,708,090	-
Hotel News	307,463	349,839
Industrial and Membership	145,892	144,160
Industry Development	6,945	-
Insurance	70,817	69,804
Legal Fees	152,038	136,296
Liquor, Policing & Research	21,982	-
Long Service Leave	54,010	52,285
Loss on Disposal of Non-Current Assets	9,191	9,133

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 2015

	Consolidation	
	2015	2014
	\$	\$
EXPENDITURE (Continued)		
Marketing	870,052	736,112
Membership	157,007	184,870
National Executive and Board Meetings	17,138	9,264
National Office Costs	138,030	112,875
Parking Levy	39,392	38,843
Payroll Preparation	4,446	3,893
Payroll Tax	138,750	141,639
President's Allowance	60,000	60,000
Printing and Stationery	6,128	18,774
Provision for Doubtful Debts Movement	(63,152)	60,052
Public Relations	54,728	63,451
Rates, Taxes and Strata Levies	68,625	83,345
Regional Meetings	18,554	11,395
Repairs and Maintenance	51,275	57,934
Salaries and Wages	2,646,757	2,941,774
Security	365	807
Special Levy (National Awards Review)	-	112,374
Sponsorship	600	9,145
Staff Amenities	14,317	16,188
Sundry	4,212	-
Superannuation	256,679	253,969
Telephone	35,433	34,374
Training Department	30,282	84,926
Travel	2,634	2,583
	<u>9,567,436</u>	<u>8,433,858</u>
(Loss) / Profit for the Year	<u>(887,962)</u>	<u>1,895,261</u>

This statement has not been audited.

"C"

AHA
NSW

AUSTRALIAN HOTELS
ASSOCIATION
NEW SOUTH WALES

annual report
2015



**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 2015.

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 2015.

2. Financial activities of the Branch

There were no financial activities of the Branch for the financial year which on ended on 31 December 2015.

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 2015 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 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

For the period of 1 January 2015 to 31 December 2015 the Branch's Committee of Management comprised of the following persons:



Name	Position	Period
Scott Leach	President	1 January 2015 to 31 December 2015
Lynette Humphreys	Senior Vice-President (General Division)	1 January 2015 to 31 December 2015
George Bedwani	Senior Vice-President (Accommodation Division)	1 January 2015 to 23 July 2015
Kim Maloney	Vice President	1 January 2015 to 31 December 2015
Colin Waller	Secretary/Treasurer	1 January 2015 to 31 December 2015
Nigel Greenaway	Member representing the Accommodation Division	1 January 2015 to 14 August 2015
Andrew Rendall	Country Member representing the General Division	1 January 2015 to 16 March 2015
Desmond Kennedy	Country Member representing the General Division	1 January 2015 to 31 December 2015
Rolly De With	Country Member representing the General Division	1 January 2015 to 31 December 2015
Joanne Blair	Country Member representing the General Division	21 April 2015 to 31 December 2015
Colin Parras	Metropolitan Member representing the General Division	1 January 2015 to 31 December 2015
Daniel Brady	Metropolitan Member representing the General Division	1 January 2015 to 31 December 2015
Phillip Webster	Metropolitan Member representing the General Division	1 January 2015 to 31 December 2015

**SCOTT LEACH
PRESIDENT**

31 March 2016