



**Australian Government**  
**Registered Organisations Commission**

11 May 2018

Mr John Whelan  
Chief Executive Officer  
Australian Hotels Association-New South Wales Branch  
By email: [enquiries@ahansw.com.au](mailto:enquiries@ahansw.com.au); [phillip.ryan@ahansw.com.au](mailto:phillip.ryan@ahansw.com.au) &  
[colin@headshotel.com.au](mailto:colin@headshotel.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 2017 (FR2017/306)**

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* in respect of the Australian Hotels Association-New South Wales Branch for the financial year ended 31 December 2017. The application was lodged with the Registered Organisations Commission on 23 April 2018.

I have granted the application. The certificate is attached.

If you wish to discuss this matter, please contact David Vale on (02) 8293 4654 or by email at [david.vale@roc.gov.au](mailto:david.vale@roc.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to be 'CE', with a small horizontal line to the right.

Chris Enright  
Executive Director  
Registered Organisations 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**  
(FR2017/306)

MR ENRIGHT

MELBOURNE, 11 MAY 2018

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

[1] On 23 April 2018 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the Australian Hotels Association-New South Wales Branch (the 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 2017.

[2] On 23 April 2018, the reporting unit lodged a copy of the audited accounts of the Association with the Registered Organisations 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 2017, are encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



DELEGATE OF THE COMMISSIONER

Printed by authority of the Commonwealth Government Printer



19 April 2018

Mr. Mark Bielecki  
Registered Organisations Commissioner  
Registered Organisations Commission  
GPO Box 2983  
MELBOURNE VIC 3001



Dear Commissioner,

**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) ("the State Act"), 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 State Act ("the State Organisation") and is an associated State body to the Branch.
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 (Annexure 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 2017 are **attached** (Annexure 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 2017 Annual Report of the State Organisation (Annexure C); and
- iii. At the time of providing a copy of the 2017 Annual Report of the State Organisation, all members of the Branch and the State Organisation were provided with the Branch's Operating Report for the financial year ended 31 December 2017, which is set out on pages 28 to 30 of Annexure C.

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.

## **ANNEXURE A**

### **RULE 32A OF THE RULES OF THE STATE ORGANISATION**

#### **32A. SPECIAL RULE RELATING TO OFFICE HOLDING**

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

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

- (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.

**ANNEXURE B**

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

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**



**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 2017**

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>REVENUE</b>					
Membership Subscriptions (*)		4,379,843	4,338,926	4,379,843	4,338,926
Gain on Disposal of Non-Current Assets		-	1,380	-	1,380
Other Revenue		6,892,218	4,209,529	4,981,318	4,141,731
	3	11,272,061	8,549,835	9,361,161	8,482,037
<b>EXPENDITURE</b>					
Advertising		170,400	54,446	170,400	54,446
Donations to Political Parties		(215,182)	(101,545)	(215,182)	(101,545)
Legal Costs		(63,461)	(100,245)	(63,461)	(100,245)
Operating Expenses		(5,327,240)	(3,924,504)	(5,327,240)	(3,924,504)
Remuneration, and Other Employment Related Expenses, in respect of Employees	4(a)	(3,137,940)	(3,142,701)	(3,137,940)	(3,142,701)
Profit Before Depreciation and Income Tax Expense		2,357,838	1,226,394	446,938	1,158,596
Depreciation		(365,664)	(423,704)	(365,664)	(423,704)
<b>Profit Before Income Tax Expense</b>		1,992,174	802,690	81,274	734,892
Income Tax Expense	6	-	-	-	-
<b>PROFIT FOR THE YEAR</b>		1,992,174	802,690	81,274	734,892
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that may be Reclassified Subsequently to Profit or Loss		-	-	-	-
Items that will not be Reclassified Subsequently to Profit or Loss		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		1,992,174	802,690	81,274	734,892

\* - 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 2017**

		Consolidated		Parent	
	Note	2017	2016	2017	2016
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	7	11,602,962	8,275,008	11,602,962	8,275,008
Trade and Other Receivables	8	816,300	619,044	1,991,087	3,704,712
Inventory	9	1,161	1,742	1,161	1,742
Other Assets	10	124,307	33,395	124,307	33,395
<b>TOTAL CURRENT ASSETS</b>		<u>12,544,730</u>	<u>8,929,189</u>	<u>13,719,517</u>	<u>12,014,857</u>
<b>NON-CURRENT ASSETS</b>					
Property, Plant and Equipment	11	5,865,544	6,076,079	5,865,544	6,076,079
Investments	12	4,800,000	4,800,000	4	23
<b>TOTAL NON-CURRENT ASSETS</b>		<u>10,665,544</u>	<u>10,876,079</u>	<u>5,865,548</u>	<u>6,076,102</u>
<b>TOTAL ASSETS</b>		<u>23,210,274</u>	<u>19,805,268</u>	<u>19,585,065</u>	<u>18,090,959</u>
<b>CURRENT LIABILITIES</b>					
Trade and Other Payables	13	4,715,090	4,128,008	4,715,090	4,128,008
Provisions	14	1,288,744	526,773	1,288,744	526,773
<b>TOTAL CURRENT LIABILITIES</b>		<u>6,003,834</u>	<u>4,654,781</u>	<u>6,003,834</u>	<u>4,654,781</u>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	14	213,056	149,277	213,056	149,277
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>213,056</u>	<u>149,277</u>	<u>213,056</u>	<u>149,277</u>
<b>TOTAL LIABILITIES</b>		<u>6,216,890</u>	<u>4,804,058</u>	<u>6,216,890</u>	<u>4,804,058</u>
<b>NET ASSETS</b>		<u>16,993,384</u>	<u>15,001,210</u>	<u>13,368,175</u>	<u>13,286,901</u>
<b>EQUITY</b>					
Retained Earnings		16,993,384	15,001,210	13,368,175	13,286,901
<b>TOTAL EQUITY</b>		<u>16,993,384</u>	<u>15,001,210</u>	<u>13,368,175</u>	<u>13,286,901</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 2017**

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Cash Flows from Operating Activities:</b>					
Receipts from Members and Third Parties		8,961,227	8,525,100	10,872,127	8,525,100
Payment to Suppliers and Employees		(7,584,552)	(7,324,667)	(7,584,551)	(7,256,867)
Dividend Received		1,910,900	67,800	-	-
Interest Income		202,659	181,532	202,659	181,532
Net Cash Provided By Operating Activities	17	<u>3,490,234</u>	<u>1,449,765</u>	<u>3,490,235</u>	<u>1,449,765</u>
<b>Cash Flows from Investing Activities</b>					
Payment for Property, Plant and Equipment		(192,280)	(58,977)	(192,280)	(58,977)
Payment for Investments		-	-	(1)	-
Proceeds from Sale of Property, Plant and Equipment		30,000	1,380	30,000	1,380
Net Cash (Used In) Investing Activities		<u>(162,280)</u>	<u>(57,597)</u>	<u>(162,281)</u>	<u>(57,597)</u>
Net Increase in Cash held		3,327,954	1,392,168	3,327,954	1,392,168
Cash and Cash Equivalents at Beginning of Financial Year		<u>8,275,008</u>	<u>6,882,840</u>	<u>8,275,008</u>	<u>6,882,840</u>
<b>Cash and Cash Equivalents at End of Financial Year</b>	7	<u>11,602,962</u>	<u>8,275,008</u>	<u>11,602,962</u>	<u>8,275,008</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 2017

	Retained Earnings \$	Total Equity \$
<b>CONSOLIDATED</b>		
<b>At 1 January 2016</b>	14,198,520	14,198,520
<i>Total Comprehensive Income for the Year</i>		
Net Profit for the Year	802,690	802,690
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
<b>At 31 December 2016</b>	15,001,210	15,001,210
<i>Total Comprehensive Income for the Year</i>		
Net Profit for the Year	1,992,174	1,992,174
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
<b>At 31 December 2017</b>	<u>16,993,384</u>	<u>16,993,384</u>
<b>PARENT</b>		
<b>At 1 January 2016</b>	12,552,009	12,552,009
<i>Total Comprehensive Income for the Year</i>		
Net Profit for the Year	734,892	734,892
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
<b>At 31 December 2016</b>	13,286,901	13,286,901
<i>Total Comprehensive Income for the Year</i>		
Net Profit for the Year	81,274	81,274
<i>Other Comprehensive Income</i>		
Other Comprehensive Income	-	-
<b>At 31 December 2017</b>	<u>13,368,175</u>	<u>13,368,175</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 2017**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
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 2017**

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**1 CORPORATE INFORMATION**

The financial report of the Australian Hotels Association (NSW) (“the Association”), and its Controlled Entities (together referred to as the ‘Reporting Unit’) for the year ended 31 December 2017 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, the *Fair Work (Registered Organisation) Act 2009 (“RO Act”)* and the *Industrial Relations Act 1996 (NSW)*. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2017

**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 previous year, the Reporting Unit has applied a number of amendments to Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatorily effective for an accounting period that begins on or after 1 January 2016.

**(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:

<b>Standard</b>	<b>Effective for Annual Reporting Periods Beginning on or After</b>	<b>Expected to be Initially Applied in the Financial Year Ending</b>
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 2017**

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**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 Hotels Association (NSW) Holdings Pty Limited, Hotel Technologies NSW Pty Limited, Hotel Technologies Finance Pty Limited and Hospitality Legal Pty Limited (together referred to as the ‘Reporting Unit’).

Hospitality Legal Pty Limited was incorporated on 28 November 2017.

Australian Hospitality Insurance Services Pty Limited and AHA (NSW) Business Portal Pty Limited were deregistered on 10 May 2017.

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, advertising 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 1997*; 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 2017

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**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) The 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 2017

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**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.

**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 2017**

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**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 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.

**(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  
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---

**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 2017

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**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 2017 financial year.
- 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. At the reporting date there was no provision required as no debts were due past 90 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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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 an AFS investment outlined in note 12.

***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 2017

---

**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.

**(z) Events after the Reporting Period**

There were no events that occurred after 31 December 2017, and/or prior to signing the financial statements, that would affect the ongoing structure and financial activities of the Reporting Unit.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
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**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>3 REVENUE</b>				
Advertising Commissions	770,314	682,133	-	-
Dividend Received	1,910,900	67,800	-	-
Gain on Disposal of Non-Current Assets	-	1,380	-	1,380
Interest Income	202,659	181,532	202,659	181,532
Keno Commissions	870,709	863,949	870,709	863,949
Membership Activities	3,137,636	2,414,115	3,907,950	3,096,250
Membership Subscriptions	4,379,843	4,338,926	4,379,843	4,338,926
	<u>11,272,061</u>	<u>8,549,835</u>	<u>9,361,161</u>	<u>8,482,037</u>
<b>(a) Capitation Fees included in Membership Subscriptions (*)</b>	<u>145,394</u>	<u>151,544</u>	<u>145,394</u>	<u>151,544</u>
<b>(b) Levies (*)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(c) Grants or Donations (*)</b>				
Grants	-	-	-	-
Donations	-	-	-	-
	<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)**  
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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>4 EXPENSES</b>				
<b>(a) Salaries and Wages</b>				
<b>Total Employee Benefits Expense</b>				
Annual Leave	(28,187)	6,955	(28,187)	6,955
Fringe Benefits Tax	15,600	18,363	15,600	18,363
Long Service Leave	83,593	56,627	83,593	56,627
Payroll Tax	136,837	130,990	136,837	130,990
Salary and Wages	2,658,470	2,664,986	2,658,470	2,664,986
Superannuation	271,627	264,780	271,627	264,780
	<u>3,137,940</u>	<u>3,142,701</u>	<u>3,137,940</u>	<u>3,142,701</u>
<b>Breakdown of Salaries and Wages and Superannuation Expenses:</b>				
<b>Holders of Office (*)</b>				
Salary and Wages	409,374	380,000	409,374	380,000
Superannuation	25,000	30,000	25,000	30,000
	<u>434,374</u>	<u>410,000</u>	<u>434,374</u>	<u>410,000</u>
<b>Employees Other Than Holders of Office (*)</b>				
Salary and Wages	2,456,939	2,497,921	2,456,939	2,497,921
Superannuation	246,627	234,780	246,627	234,780
	<u>2,703,566</u>	<u>2,732,701</u>	<u>2,703,566</u>	<u>2,732,701</u>

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

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	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>4 EXPENSES (Continued)</b>				
<b>(b) Capitation Fees (*)</b>				
Australian Hotels Association (National Office)	145,094	151,544	145,094	151,544
<b>(c) Affiliation Fees (*)</b>				
Australian Hotels Association (National Office)	300	300	300	300
<b>(d) Grants or Donations (*)</b>				
(incl. amounts paid to political parties)				
Total paid \$1,000 or less	-	1,097	-	1,097
Total paid greater than \$1,000	365,513	192,741	365,513	192,741
	<u>365,513</u>	<u>193,838</u>	<u>365,513</u>	<u>193,838</u>
<b>Donations – paid to political parties:</b>				
Total paid \$1,000 or less	-	-	-	-
Total paid greater than \$1,000	215,182	101,545	215,182	101,545
	<u>215,182</u>	<u>101,545</u>	<u>215,182</u>	<u>101,545</u>
<b>(e) Legal Fees (*)</b>				
Legal Fees	63,461	100,245	63,461	100,245
<b>(f) Other Expenses (*)</b>				
Penalties – via <i>RO Act</i>	-	-	-	-

\* - 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	42,000	42,000	42,000
Other Services – Association	32,324	5,492	32,324	5,492
Other Services – Controlled Entities	450	450	-	-
	<u>74,774</u>	<u>47,942</u>	<u>74,324</u>	<u>47,492</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 2017 financial year.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>7 CASH AND CASH EQUIVALENTS</b>				
<b>CURRENT</b>				
Cash on Hand	2,999	2,999	2,999	2,999
Term Deposits	10,000,000	6,500,000	10,000,000	6,500,000
Cash at Bank	<u>1,599,963</u>	<u>1,772,009</u>	<u>1,599,963</u>	<u>1,772,009</u>
	<u>11,602,962</u>	<u>8,275,008</u>	<u>11,602,962</u>	<u>8,275,008</u>
<b>8 TRADE AND OTHER RECEIVABLES</b>				
<b>CURRENT</b>				
Receivable From Other Reporting Units (*)	-	-	-	-
Australian Hotels Association (NSW) Holdings Pty Limited	-	-	1,174,790	3,217,033
Trade Debtors	<u>816,300</u>	<u>619,044</u>	<u>816,297</u>	<u>487,679</u>
	<u>816,300</u>	<u>619,044</u>	<u>1,991,087</u>	<u>3,704,712</u>
<b>* - Mandatory disclosure required by the Reporting Guidelines of Fair Work Commission. Item to remain even if Nil.</b>				
<b>9 INVENTORY</b>				
<b>CURRENT</b>				
Promotion Items – At Cost	<u>1,161</u>	<u>1,742</u>	<u>1,161</u>	<u>1,742</u>
<b>10 OTHER ASSETS</b>				
<b>CURRENT</b>				
Prepayments	<u>124,307</u>	<u>33,395</u>	<u>124,307</u>	<u>33,395</u>
<b>11 PROPERTY, PLANT &amp; EQUIPMENT</b>				
<b>NON-CURRENT</b>				
Strata Units – At Cost	7,762,585	7,762,585	7,762,585	7,762,585
Accumulated Depreciation	<u>(2,152,393)</u>	<u>(1,844,318)</u>	<u>(2,152,393)</u>	<u>(1,844,318)</u>
	<u>5,610,192</u>	<u>5,918,267</u>	<u>5,610,192</u>	<u>5,918,267</u>
Plant and Equipment – At Cost	699,657	649,359	699,657	649,359
Accumulated Depreciation	<u>(624,140)</u>	<u>(595,984)</u>	<u>(624,140)</u>	<u>(595,984)</u>
	<u>75,517</u>	<u>53,375</u>	<u>75,517</u>	<u>53,375</u>
Motor Vehicles – At Cost	242,790	164,008	242,790	164,008
Accumulated Depreciation	<u>(62,955)</u>	<u>(59,571)</u>	<u>(62,955)</u>	<u>(59,571)</u>
	<u>179,835</u>	<u>104,437</u>	<u>179,835</u>	<u>104,437</u>
Total	<u>5,865,544</u>	<u>6,076,079</u>	<u>5,865,544</u>	<u>6,076,079</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
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	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>11 PROPERTY, PLANT &amp; EQUIPMENT (Continued)</b>				
<b>Reconciliations</b>				
Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:				
<u>Strata Units</u>				
Carrying Amount at Beginning of Year	5,918,267	6,226,343	5,918,267	6,226,343
Depreciation	(308,075)	(308,076)	(308,075)	(308,076)
	<u>5,610,192</u>	<u>5,918,267</u>	<u>5,610,192</u>	<u>5,918,267</u>
<u>Plant &amp; Equipment</u>				
Carrying Amount at Beginning of Year	53,375	113,011	53,375	113,011
Additions	50,298	32,741	50,298	32,741
Depreciation	(28,156)	(92,377)	(28,156)	(92,377)
	<u>75,517</u>	<u>53,375</u>	<u>75,517</u>	<u>53,375</u>
<u>Motor Vehicles</u>				
Carrying Amount at Beginning of Year	104,437	101,452	104,437	101,452
Additions	141,982	34,429	141,982	34,429
Disposals	(37,151)	(8,174)	(37,151)	(8,174)
Depreciation	(29,433)	(23,270)	(29,433)	(23,270)
	<u>179,835</u>	<u>104,437</u>	<u>179,835</u>	<u>104,437</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*.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
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	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>12 INVESTMENTS</b>				
<b>NON-CURRENT</b>				
Shares in Hospitality Employers Mutual Limited – At Cost	4,800,000	4,800,000	-	-
Shares in Subsidiary Companies – At Cost	-	-	4	23
	<u>4,800,000</u>	<u>4,800,000</u>	<u>4</u>	<u>23</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.

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	869,279	518,345	869,279	518,345
Legal Accrual (*)	-	-	-	-
GST Payable	214,020	288,481	214,020	288,481
Subscriptions in Advance	2,944,852	2,806,685	2,944,852	2,806,685
Income in Advance	686,939	514,497	686,939	514,497
	<u>4,715,090</u>	<u>4,128,008</u>	<u>4,715,090</u>	<u>4,128,008</u>

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

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>14 PROVISIONS</b>				
<b>CURRENT</b>				
Employee Entitlements	538,744	526,773	538,744	526,773
Industry Protection Fund Provision	750,000	-	750,000	-
	<u>1,288,744</u>	<u>526,773</u>	<u>1,288,744</u>	<u>526,773</u>
<b>NON-CURRENT</b>				
Employee Entitlements	<u>213,056</u>	<u>149,277</u>	<u>213,056</u>	<u>149,277</u>
<b>Holders of Office (*)</b>				
Annual Leave	36,022	28,627	36,022	28,627
Long Service Leave	72,790	56,886	72,790	56,886
	<u>108,812</u>	<u>85,513</u>	<u>108,812</u>	<u>85,513</u>
<b>Employees Other Than Holders of Office (*)</b>				
Annual Leave	293,655	308,893	293,655	308,893
Long Service Leave	349,333	281,644	349,333	281,644
	<u>642,988</u>	<u>590,537</u>	<u>642,988</u>	<u>590,537</u>

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

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**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 \$300 per day or \$150 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 may provide goods and services to the Association on normal commercial terms and are entitled to the payment of outgoings made on their behalf. No transactions occurred with related parties during the year ended 31 December 2017 apart from those identified in the subsequent paragraphs.

The President, Scott Leach was paid an allowance of \$81,385 in the financial year (2016: \$60,000) and Treasurer \$18,754 (2016: Nil) by way of compensation for costs incurred.

**Other Related Parties**

Payment of the sum of \$145,394 (2016: \$151,844) 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 \$163,185 (2016: \$163,185) and an Industry Protection Fund contribution of \$750,000 (2016: Nil).



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**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>Consolidated</b>		<b>Parent</b>	
<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**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	Phillip Webster	Lynette Humphreys
Kim Maloney	Colin Waller	Peter Tudehope	Matthew Thomas
Des Kennedy	Joanne Blair	Robert Lees	Peter Harris
Tish Nyar			

**Transactions with Key Management Personnel**

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

**Short Term Employee Benefits**

Salary and Wages	409,374	380,000	409,374	380,000
Superannuation	25,000	30,000	25,000	30,000
	<u>434,374</u>	<u>410,000</u>	<u>434,374</u>	<u>410,000</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. No remuneration was received for the holding of an office in a subsidiary company.

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 2017

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>17 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT AFTER INCOME TAX</b>				
Profit for the Year	1,992,174	802,690	81,274	734,892
<i>Non-Cash Flows and Non-Operating Items in Operating Profit:</i>				
Depreciation	365,664	423,704	365,664	423,704
Loss / (Profit) on Disposal of Non-Current Assets	7,151	(1,380)	7,171	(1,380)
<i>Changes in Assets and Liabilities:</i>				
(Decrease) / Increase in Receivables	(197,256)	158,175	1,713,625	225,974
Decrease in Inventory	581	-	581	-
(Increase) / Decrease in Other Assets	(90,912)	22,560	(90,912)	22,559
Increase / (Decrease) in Payables and Income in Advance	587,082	(65,930)	587,082	(65,930)
Increase in Provisions	825,750	109,946	825,750	109,946
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>3,490,234</u>	<u>1,449,765</u>	<u>3,490,235</u>	<u>1,449,765</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 2017**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$

**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	10,000,000	6,500,000	10,000,004	6,500,023
Available for Sale Investments	4,800,000	4,800,000	-	-
Loans and Receivables	816,300	619,044	1,991,087	3,704,712
	<u>15,616,300</u>	<u>11,919,044</u>	<u>11,991,091</u>	<u>10,204,735</u>

**Financial Liabilities:**

Trade and Other Payables	<u>4,715,090</u>	<u>4,128,008</u>	<u>4,715,090</u>	<u>4,128,008</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)	11,599,962	8,272,009	11,599,962	8,272,009
Receivables	816,300	619,044	1,991,087	3,704,712
Investments	4,800,000	4,800,000	4	23
	<u>17,216,262</u>	<u>13,691,053</u>	<u>13,591,053</u>	<u>11,976,744</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 investment. 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 2017.

**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 2017**

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**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 NOTICE PURSUANT TO 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 the 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**

No matters or circumstances have arisen since 31 December 2017 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**

**AUSTRALIAN HOTELS ASSOCIATION – NSW BRANCH**

**OPERATING REPORT PURSUANT TO SECTION 254 OF FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**

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This operating report covers the results of those activities that were provided for the financial year which ended on 31 December 2017.

**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 legal and industrial support to members on a range of legal and legislative matters, contractual obligations and representation of individual members. Specific examples include:

Representation of members interests 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 various regulatory authorities relating to liquor licensing;
    - 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.

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

**AUSTRALIAN HOTELS ASSOCIATION – NSW BRANCH**

**OPERATING REPORT PURSUANT TO SECTION 254 OF FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (CONTINUED)**

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- 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 legislation.

e) There have been no significant changes in the principle activities of the Branch in the financial year ended 31 December 2017.

**2. Financial activities of the Branch**

There were no financial activities of the Branch for the financial year which ended on 31 December 2017.

**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 2017 was 1791.

**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.

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

**AUSTRALIAN HOTELS ASSOCIATION – NSW BRANCH**


**OPERATING REPORT PURSUANT TO SECTION 254 OF FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (CONTINUED)**

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

For the period of 1 January 2017 to 31 December 2017 the Branch’s Committee of Management comprised of the following persons:

<b>Name</b>	<b>Position</b>	<b>Period</b>
Scott Leach	President	1 January 2017 to 31 December 2017
Lynette Humphreys	Senior Vice-President (General Division)	1 January 2017 to 31 December 2017
Peter Tudehope	Senior Vice-President (Accommodation Division)	1 January 2017 to 31 December 2017
Kim Maloney	Vice President	1 January 2017 to 31 December 2017
Colin Waller	Secretary/Treasurer	1 January 2017 to 31 December 2017
Tish Nyar	Member representing the Accommodation Division	1 January 2017 to 8 February 2017
Desmond Kennedy	Country Member representing the General Division	1 January 2017 to 31 December 2017
Rolly De With	Country Member representing the General Division	1 January 2017 to 31 December 2017
Joanne Blair	Country Member representing the General Division	1 January 2017 to 31 December 2017
Phillip Webster	Metropolitan Member representing the General Division	1 January 2017 to 31 December 2017
Peter Harris	Metropolitan Member representing the General Division	1 January 2017 to 31 December 2017
Robert Lees	Metropolitan Member representing the General Division	1 January 2017 to 31 December 2017
Matthew Thomas	Member representing the Accommodation Division	4 April 2017 to 31 December 2017

Signed on behalf of the Committee of Management



**Scott Leach**  
Member of Committee



**Colin Waller**  
Member of Commit

Dated at Sydney: 6 MARCH 2018

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

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

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I, Colin Waller, being the Accounting Officer of the 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 2017 referred to in *Section 268 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 6 March 2018 in accordance with *Section 266 of the Fair Work (Registered Organisations) Act 2009*; and
- c) the full report will be provided to members of the Reporting Unit on 10 April 2018.

I also certify:

- a) the number of members of the Association at 31 December 2017 was 1,791
- b) The accompanying consolidated financial statements show a true and fair view of the financial affairs of the Reporting Unit at 31 December 2017;
- 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: 6 MARCH 2018**



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

**COMMITTEE OF MANAGEMENT STATEMENT**

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On 6 March 2018, 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 2017:

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 (CONTINUED)**

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- 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: 6 MARCH 2018

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

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**Opinion**

We have audited the financial report of 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 2017, 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.

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 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 2017; 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.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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**Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of Management ("the Committee") is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Committee is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Fair Work (Registered Organisations) Act 2009* and the *Industrial Relations Act 1996 (NSW)* and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

The Committee is responsible for overseeing the Reporting Unit's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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**Auditor's Responsibilities for the Audit of the Financial Report (Continued)**

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*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: 6.3.2018**

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**

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The additional financial data presented on pages 36 and 37 is in accordance with the books and records of the 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 2017. 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: 6.3.2018