



Australian Government
Registered Organisations Commission

11 June 2020

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

Dear Joanne,

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 2019 (FR2019/307)

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* (**the RO Act**) in respect of the Australian Hotels Association - New South Wales Branch (**the reporting unit**) for the financial year ended 31 December 2019. The application was lodged with the Registered Organisations Commission (**ROC**) on 22 May 2020.

I have granted the application. The certificate is attached. You are not required to take any further action in respect of this application. I make the following comments to assist you when you next prepare a section 269 application.

Purpose of section 269 of the RO Act

Reporting units with substantial common membership with State registered bodies can apply under section 269 of the RO Act to reduce their financial reporting requirements under the RO Act. Subsection 269(2)(b) of the RO Act requires the reporting unit to lodge, along with its section 269 application, a copy of the State bodies financial report. This subsection requires that “the association State body has, in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided copy of the audited accounts to its members and lodged the audited accounts with the relevant State authority”.

I note that the audited general purpose financial report (**GPFR**) of the Australian Hotels Association NSW (**the Association**) were prepared under both the *Industrial Relations Act 1996 (NSW)* (**the State Act**) and the RO Act. Please note that an application pursuant to section 269 of the RO Act only requires the Association to prepare the GPFR in accordance with the relevant State Act.

Within the GPFR the following note, report and statement are prepared in accordance with the requirements under the RO Act:

- Note 20 Notice pursuant to section 272 *Fair Work (Registered Organisation) Act 2009*;
- The expenditure report as per requirements of subsection 255(2A) of the RO Act; and
- The officer’s declaration statement.

As the above items are only required when preparing a GPFR in accordance with section 253 of the RO Act, a section 269 application does not require the abovementioned note, report and statement to be prepared and lodged with the ROC.

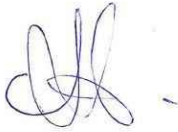
Officer-Related party remuneration and payment disclosures

The Association's financial report includes an officer and related party disclosure statement in accordance with section 293J of the RO Act on page 43. I note that a copy of this statement was lodged with the ROC on 13 May 2020.

Please note that the officer and related party disclosure statement is separate from, and does not form part of, the GPFR required under section 253 of the RO Act or the Association's GPFR required to lodge with ROC under subsection 269(2)(b).

If you wish to discuss this matter, please contact Kylie Ngo on (03) 9603 0764 or by email at kylie.ngo@roc.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read '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
(FR2019/307)

MR ENRIGHT

MELBOURNE, 11 JUNE 2020

Reporting unit's financial affairs encompassed by associated State body

[1] On 22 May 2020 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 2019.

[2] On 22 May 2020, 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 2019, 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



14 May 2020

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) (RO Act)*

I am the Secretary/Treasurer of the Australian Hotels Association, NSW Branch (**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) (State Act)*, being an associated state body; and
- ii. That the Branch is taken to have satisfied Part 3 of the RO 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 (**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 RO 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.

- ii. All members of the Branch and the State Organisation, at substantially the same time, have been provided with a copy of the audited accounts of the State Organisation, in accordance with the provisions of the State Act through their reproduction in the 2019 Annual Report of the State Organisation (**Annexure B**); and
- iii. At the time of providing a copy of the 2019 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 2019, which is set out on pages 42 to 44 of Annexure B.

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,

JOANNE BLAIR
Secretary/Treasurer

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.

ANNUAL
REPORT
2019

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

**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 2019**

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
REVENUE					
Membership Subscriptions		4,282,286	4,369,120	4,282,286	4,369,120
Gain on Disposal of Non-Current Assets		-	1,523	-	1,523
Grants and/or Donations		-	-	-	-
Other Revenue		6,610,180	6,813,896	5,097,204	4,973,125
Revenue from Recovery of Wages Activity		-	-	-	-
	3	10,892,466	11,184,539	9,379,490	9,343,768
EXPENDITURE					
Advertising		(116,682)	(65,550)	(116,682)	(65,550)
Capitation Fees and Other Expenses to Another Reporting Unit	4(b) - (d)	(308,129)	(658,579)	(308,129)	(658,579)
Donations to Political Parties		(534,398)	(172,977)	(534,398)	(172,977)
Legal Costs		(81,447)	(43,440)	(81,447)	(43,440)
Operating Costs		(4,731,813)	(4,415,547)	(4,632,787)	(4,381,477)
Remuneration, and Other Employment Related Expenses, in respect of Employees	4(a)	(3,894,172)	(3,660,473)	(3,894,172)	(3,660,473)
Profit Before Depreciation, Loss on Disposal of Non-Current Assets and Income Tax Expense		1,225,825	2,167,973	(188,125)	361,272
Depreciation		(483,618)	(384,711)	(483,618)	(384,711)
Loss on Disposal of Non-Current Assets		(15,281)	-	(15,281)	-
Profit / (Loss) Before Income Tax Expense		726,926	1,783,262	(687,024)	(23,439)
Income Tax Expense	6	-	-	-	-
PROFIT / (LOSS) FOR THE YEAR		726,926	1,783,262	(687,024)	(23,439)
OTHER COMPREHENSIVE INCOME					
Items that may be Reclassified Subsequently to Profit or Loss		-	-	-	-
Items that will not be Reclassified Subsequently to Profit or Loss		4,820,000	-	4,820,000	4,800,000
		4,820,000	-	4,820,000	4,800,000
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		5,546,926	1,783,262	4,132,976	4,776,561

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

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and Cash Equivalents	7	7,519,510	13,245,551	7,366,500	13,188,095
Trade and Other Receivables	8	970,957	848,731	1,086,514	893,891
Inventory	9	1,161	1,161	1,161	1,161
Other Assets	10	124,244	276,106	124,244	276,106
TOTAL CURRENT ASSETS		8,615,872	14,371,549	8,578,419	14,359,253
NON-CURRENT ASSETS					
Property, Plant and Equipment	11	11,347,237	5,557,891	11,347,237	5,557,891
Investments	12	9,620,000	4,800,000	9,620,002	4,800,002
TOTAL NON-CURRENT ASSETS		20,967,237	10,357,891	20,967,239	10,357,893
TOTAL ASSETS		29,583,109	24,729,440	29,545,658	24,717,146
CURRENT LIABILITIES					
Trade and Other Payables	13	818,980	5,106,836	2,827,399	5,726,462
Provisions	14	787,287	712,583	787,287	712,583
Contract Liabilities	15	3,569,216	-	3,569,216	-
TOTAL CURRENT LIABILITIES		5,175,483	5,819,419	7,183,902	6,439,045
NON-CURRENT LIABILITIES					
Provisions	14	84,044	133,365	84,044	133,365
TOTAL NON-CURRENT LIABILITIES		84,044	133,365	84,044	133,365
TOTAL LIABILITIES		5,259,527	5,952,784	7,267,946	6,572,410
NET ASSETS		24,323,582	18,776,656	22,277,712	18,144,736
EQUITY					
Capital Funds	10	10	-	-	-
Retained Earnings		19,503,572	18,776,646	12,657,712	13,344,736
Asset Revaluation Reserve		4,820,000	-	9,620,000	4,800,000
TOTAL EQUITY		24,323,582	18,776,656	22,277,712	18,144,736

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

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Cash Flows from Operating Activities:					
Receipts from Members and Third Parties		9,401,546	9,101,849	9,049,973	10,197,404
Payment to Suppliers and Employees		(10,036,481)	(8,023,892)	(8,366,512)	(7,370,195)
Contributions to Other Reporting Units		(308,129)	(1,408,579)	(308,129)	(1,408,579)
Low Value and Short Term Leases		(45,577)	-	(45,577)	-
Dividend Received		1,413,950	1,806,700	-	-
Interest Income		136,895	242,036	136,895	242,036
Net Cash Provided By Operating Activities	18	562,204	1,718,114	466,650	1,660,666
Cash Flows from Investing Activities					
Payment for Property, Plant and Equipment		(6,307,336)	(99,582)	(6,307,336)	(99,582)
Proceeds from Sale of Property, Plant and Equipment		19,091	24,047	19,091	24,047
Proceeds from Sale of Investments		-	-	-	2
Net Cash (Used In) Investing Activities		(6,288,245)	(75,535)	(6,288,245)	(75,533)
Net (Decrease) / Increase in Cash held Cash and Cash Equivalents at Beginning of Financial Year		(5,726,041)	1,642,579	(5,821,595)	1,585,133
Cash and Cash Equivalents at End of Financial Year	7	7,519,510	13,245,551	7,366,500	13,188,095

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

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**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 2019**

	Capital Funds \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
CONSOLIDATED				
At 1 January 2018	10	16,993,384	-	16,993,394
Total Comprehensive Income for the Year				
Profit for the Year	-	1,783,262	-	1,783,262
Other Comprehensive Income				
Other Comprehensive Income	-	-	-	-
At 31 December 2018	10	18,776,646	-	18,776,656
Total Comprehensive Income for the Year				
Profit for the Year	-	726,926	-	726,926
Other Comprehensive Income				
Asset Revaluation	-	-	4,820,000	4,820,000
At 31 December 2019	10	19,503,572	4,820,000	24,323,582
PARENT				
At 1 January 2018	-	13,368,175	-	13,368,175
Total Comprehensive Income for the Year (Loss) for the Year				
(Loss) for the Year	-	(23,439)	-	(23,439)
Other Comprehensive Income				
Asset Revaluation	-	-	4,800,000	4,800,000
At 31 December 2018	-	13,344,736	4,800,000	18,144,736
Total Comprehensive Income for the Year (Loss) for the Year				
(Loss) for the Year	-	(687,024)	-	(687,024)
Other Comprehensive Income				
Asset Revaluation	-	-	4,820,000	4,820,000
At 31 December 2019	-	12,657,712	9,620,000	22,277,712

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

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**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 2019**

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 2019 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 in New South Wales.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(n) 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.

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**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 2019**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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. Trade and other payables have been brought to account at cost.

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.

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**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 2019**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Adoption of new and revised accounting standards

The Reporting Unit has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Reporting Unit, apart from the restatement to fair value of the investment in Hospitality Employers Mutual Limited and the Association's corresponding investment in its Controlled Entity. Refer below for details of the changes due to standards adopted.

Financial Instruments - Adoption of AASB 9

The Reporting Unit has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial application of 1 January 2019. The Association has restated the comparative information relative to its investment in a Controlled Entity.

Revenue from Contracts with Customers - Adoption of AASB 15

The Reporting Unit has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 January 2019.

The Reporting Unit has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. The only changes required from the adoption of the standard were accounting policy notes and the presentation of subscriptions and accrued income in advance. They have been reclassified from Trade and Other Payables to Contract Liabilities.

Leases - Adoption of AASB 16

The Reporting Unit has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information has not been restated and has been prepared in accordance with AASB 117 *Leases* and related interpretations.

Under AASB 117, the Reporting Unit assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Reporting Unit or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Reporting Unit has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight-line basis.

The only change required from the adoption of the standard was the classification of short-term leases and leases of low value assets which have been included in the Statement of Cash Flows.

**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 2019**

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Basis of Consolidation

The Australian Hotels Association (NSW) ("the Association") is the ultimate parent entity. 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 and Hospitality Legal Pty Limited (together referred to as "the Reporting Unit").

Hospitality Legal Pty Limited is the Trustee of Australian Hotels Association NSW Legal Practice Trust ("the Trust"). The Association is the sole beneficiary of the Trust.

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.

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 2019

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Revenue Recognition

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Reporting Unit expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Reporting Unit have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams:

Membership subscriptions – Membership subscriptions are payments which give members access to a range of services to support hotels and bars, these are recognised progressively over a 12 month period as this is when the performance obligations are expected to be met.

Membership activities – These are payments by members, sponsors, associates and others who have an interest in events run by the Association and who obtain an opportunity to promote their products and services through these activities. These are recognised at a point in time when the event occurs or progressively over a 12 month period.

Legal fees – These are paid by the members and other associates for additional legal services provided by a controlled entity outside the normal scope of standard service provided to members. These are recognised at the time the service has been completed and an invoice has been raised.

Commissions – These are commissions received from service providers with whom the Association negotiates prices, by which members enjoy preferential rates that would have not been possible if they negotiated individually for products and services. These are recognised over time as this is when the various performance obligations are met.

Contract liabilities

When an amount of consideration is received from a member or customer prior to the Reporting Unit transferring a good or service to the member or customer, the Reporting Unit presents the contract sum as a contract liability.

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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 2019

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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 Trust does not pay tax as all its income is distributed to the Association.

Australian Hotels Association (NSW) Holdings Pty Limited is not exempt from income tax.

(h) Special Note Concerning Basis of Financial Statements

- (i) The financial statements herein are a consolidation of the financial affairs of the following entities:
 - a) 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 (c) 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 (c) 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 and by way of an explanation at note 16 concerning related party transactions.

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AUSTRALIAN HOTELS ASSOCIATION (NSW)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2019

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (i) **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.

(j) **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.

(k) **Trade and Other Receivables**

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

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

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

Strata Units

Strata units including improvements thereto 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2019

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) **Investments**

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. The investment is recorded at the cost price paid for the shares in HEM together with the Controlled Entity's share of HEM's retained earnings which is considered equates to fair value.

The Association also accounts for its investments in Controlled Entities at fair value.

(n) **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.

(o) **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.

(p) **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.

(q) **Provisions**

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

AUSTRALIAN HOTELS ASSOCIATION (NSW)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2019

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Employee Benefits

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

(s) 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.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
 ABN 64 243 628 807
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2019

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) 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 the Macquarie Street 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 2019 financial year.
- The Strata Unit purchased during 2019 – the Castlereagh Street asset is carried at cost.
- Valuation of Investments – as outlined in note 12 these assets are carried at fair value. The Committee of Management has determined fair value based on the net tangible asset value of the investments held. HEM and the Controlled Entities are unlisted entities.
- Provision for Expected Credit Losses – The Reporting Unit reviews all trade debtors at each reporting date and makes a specific provision for all debtors considered doubtful. At the reporting date there was no provision required as no debts were considered doubtful.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) **Financial Instruments**

Financial instruments are recognised initially on the date that the Reporting Unit becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Reporting Unit has financial assets measured at amortised cost. These are assets where the business model is to hold assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Reporting Unit's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) **Financial Instruments (Continued)**

Fair Value Through Other Comprehensive Income

Investments

The Reporting Unit has a strategic investment in HEM over which it does not have significant influence nor control. The Reporting Unit has made an irrevocable election to classify this investment at fair value through other comprehensive income, as the investment is not held for trading purposes.

This investment is carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income.

A similar treatment occurs for the investments in Controlled Entities.

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.

AUSTRALIAN HOTELS ASSOCIATION (NSW)
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FOR THE YEAR ENDED 31 DECEMBER 2019

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Going Concern

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

(w) Events after the Reporting Period

There were no events that occurred after 31 December 2019, 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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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
3 REVENUE				
Advertising Commissions	956,320	893,423	956,320	893,423
Dividend Received	1,413,950	1,806,700	-	-
Gain on Disposal of Non-Current Assets	-	1,523	-	1,523
Grants and/or Donations	-	-	-	-
Legal Fees	300,234	122,670	-	-
Interest Income	136,895	242,036	136,895	242,036
Keno Commissions	857,246	884,191	857,246	884,190
Membership Activities	2,945,535	2,864,876	3,058,435	2,864,876
Membership Subscriptions	4,282,286	4,369,120	4,282,286	4,369,120
Revenue from Recovery of Wages Activity	-	-	-	-
Trust Distribution	-	-	88,308	88,600
	<u>10,892,466</u>	<u>11,184,539</u>	<u>9,379,490</u>	<u>9,343,768</u>
(a) Capitation Fees included in Membership Subscriptions	<u>144,944</u>	<u>145,394</u>	<u>144,944</u>	<u>145,394</u>
Revenue from Contracts with Customers				
Advertising Commissions	956,320	893,423	956,320	893,423
Legal Fees	300,234	122,670	-	-
Keno Commissions	857,246	884,191	857,246	884,190
Membership Activities	2,945,535	2,864,876	3,058,435	2,864,876
Membership Subscriptions	4,282,286	4,369,120	4,282,286	4,369,120
	<u>9,341,621</u>	<u>9,134,280</u>	<u>9,154,287</u>	<u>9,011,609</u>
Other Revenue				
Dividend Received	1,413,950	1,806,700	-	-
Gain on Disposal of Non-Current Assets	-	1,523	-	1,523
Grants and/or Donations	-	-	-	-
Interest Income	136,895	242,036	136,895	242,036
Revenue from Recovery of Wages Activity	-	-	-	-
Trust Distribution	-	-	88,308	88,600
	<u>1,550,845</u>	<u>2,050,259</u>	<u>225,203</u>	<u>332,159</u>

AUSTRALIAN HOTELS ASSOCIATION (NSW)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
4 EXPENSES				
(a) Salaries and Wages				
Total Employee Benefits Expense				
Annual Leave	(1,455)	29,422	(1,455)	29,422
Fringe Benefits Tax	19,200	14,400	19,200	14,400
Long Service Leave	36,540	76,843	36,540	76,843
Payroll Tax	175,074	157,184	175,074	157,184
Salary and Wages	3,354,651	3,086,679	3,354,651	3,086,679
Superannuation	310,162	295,945	310,162	295,945
	<u>3,894,172</u>	<u>3,660,473</u>	<u>3,894,172</u>	<u>3,660,473</u>
Breakdown of Salaries and Wages and Superannuation Expenses:				
Employees Other Than Holders of Office				
Salary and Wages	3,354,651	3,086,679	3,354,651	3,086,679
Superannuation	310,162	295,945	310,162	295,945
	<u>3,664,813</u>	<u>3,382,624</u>	<u>3,664,813</u>	<u>3,382,624</u>

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AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
4 EXPENSES (Continued)				
(b) Capitation Fees				
Australian Hotels Association (National Office)	144,644	145,094	144,644	145,094
(c) Affiliation Fees				
Australian Hotels Association (National Office)	300	300	300	300
(d) Other Expenses				
Australian Hotels Association (National Office)	163,185	513,185	163,185	513,185
(e) Grants or Donations				
(incl. amounts paid to political parties)				
Total paid \$1,000 or less	-	-	-	-
Total paid greater than \$1,000	573,416	378,556	573,416	378,556
	<u>573,416</u>	<u>378,556</u>	<u>573,416</u>	<u>378,556</u>
Donations – paid to political parties:				
Total paid \$1,000 or less	-	-	-	-
Total paid greater than \$1,000	534,398	172,977	534,398	172,977
	<u>534,398</u>	<u>172,977</u>	<u>534,398</u>	<u>172,977</u>
(f) Legal Costs				
Legal Costs	81,447	43,440	81,447	43,440
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	16,810	21,300	16,810	21,300
Other Services – Controlled Entities	300	150	-	-
	<u>59,110</u>	<u>63,450</u>	<u>58,810</u>	<u>63,300</u>
6 INCOME TAX EXPENSE				
No provision has been made for income tax on the results of the Association as it is exempted from income tax under Section 50-15 of the Income Tax Assessment Act 1997.				
The Controlled Entities have no tax payable for the 2019 financial year.				

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AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
7 CASH AND CASH EQUIVALENTS				
CURRENT				
Cash on Hand	3,009	3,009	2,999	2,999
Term Deposits	4,000,000	10,008,356	4,000,000	10,008,356
Cnsh at Bank	3,516,501	3,234,186	3,363,501	3,176,740
	<u>7,519,510</u>	<u>13,245,551</u>	<u>7,366,500</u>	<u>13,188,095</u>
8 TRADE AND OTHER RECEIVABLES				
CURRENT				
Receivable from Other Reporting Units	-	-	-	-
Trade Debtors	970,957	848,731	1,086,514	893,891
	<u>970,957</u>	<u>848,731</u>	<u>1,086,514</u>	<u>893,891</u>
9 INVENTORY				
CURRENT				
Promotion Items – At Cost	1,161	1,161	1,161	1,161
	<u>1,161</u>	<u>1,161</u>	<u>1,161</u>	<u>1,161</u>
10 OTHER ASSETS				
CURRENT				
Prepayments	124,244	276,106	124,244	276,106
	<u>124,244</u>	<u>276,106</u>	<u>124,244</u>	<u>276,106</u>
11 PROPERTY, PLANT & EQUIPMENT				
NON-CURRENT				
Strata Units – At Cost	14,005,045	7,762,585	14,005,045	7,762,585
Accumulated Depreciation	(2,866,081)	(2,460,468)	(2,866,081)	(2,460,468)
	<u>11,138,964</u>	<u>5,302,117</u>	<u>11,138,964</u>	<u>5,302,117</u>
Plant and Equipment – At Cost	734,846	729,557	734,846	729,557
Accumulated Depreciation	(685,844)	(651,803)	(685,844)	(651,803)
	<u>49,002</u>	<u>77,754</u>	<u>49,002</u>	<u>77,754</u>
Motor Vehicles – At Cost	249,486	246,274	249,486	246,274
Accumulated Depreciation	(90,215)	(68,254)	(90,215)	(68,254)
	<u>159,271</u>	<u>178,020</u>	<u>159,271</u>	<u>178,020</u>
Total	<u>11,347,237</u>	<u>5,557,891</u>	<u>11,347,237</u>	<u>5,557,891</u>

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	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
11 PROPERTY, PLANT & EQUIPMENT (Continued)				
Reconciliations				
Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:				
Strata Units				
Carrying Amount at Beginning of Year	5,302,117	5,610,192	5,302,117	5,610,192
Additions	6,242,460	-	6,242,460	-
Depreciation	(405,613)	(308,075)	(405,613)	(308,075)
	<u>11,138,964</u>	<u>5,302,117</u>	<u>11,138,964</u>	<u>5,302,117</u>
Plant & Equipment				
Carrying Amount at Beginning of Year	77,754	75,517	77,754	75,517
Additions	5,289	29,900	5,289	29,900
Depreciation	(34,041)	(27,663)	(34,041)	(27,663)
	<u>49,002</u>	<u>77,754</u>	<u>49,002</u>	<u>77,754</u>
Motor Vehicles				
Carrying Amount at Beginning of Year	178,020	179,835	178,020	179,835
Additions	59,587	69,682	59,587	69,682
Disposals	(34,372)	(22,524)	(34,372)	(22,524)
Depreciation	(43,964)	(48,973)	(43,964)	(48,973)
	<u>159,271</u>	<u>178,020</u>	<u>159,271</u>	<u>178,020</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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FOR THE YEAR ENDED 31 DECEMBER 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
12 INVESTMENTS				
NON-CURRENT				
Shares in Hospitality Employers Mutual Limited – At Fair Value	9,620,000	4,800,000	-	-
Shares in Subsidiary Companies – At Cost	-	-	9,620,002	4,800,002
	<u>9,620,000</u>	<u>4,800,000</u>	<u>9,620,002</u>	<u>4,800,002</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 ("HEML") with the remaining shareholding split equally between AHA Holdings – 25% and Clubs (NSW) – 25%. The investment is valued at fair value in the current year and at cost in the prior year. The Association's investment in AHA Holdings is also valued at fair value, as outlined in note 2 (m).

13 TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
CURRENT				
Payable to Other Reporting Units	-	-	-	-
Trade Creditors and Accruals	510,653	942,782	473,211	930,497
GST Payable	308,327	302,800	308,327	302,800
Subscriptions in Advance	-	3,043,918	-	3,043,918
Income in Advance	-	817,336	-	817,336
Loan - Australian Hotels Association (NSW) Holdings Pty Limited	-	-	2,045,861	631,911
	<u>818,980</u>	<u>5,106,836</u>	<u>2,827,399</u>	<u>5,726,462</u>

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AUSTRALIAN HOTELS ASSOCIATION (NSW)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
14 PROVISIONS				
CURRENT				
Employee Entitlements	787,287	712,583	787,287	712,583
NON-CURRENT				
Employee Entitlements	84,044	133,365	84,044	133,365
Holders of Office				
Annual Leave	8,413	25,574	8,413	25,574
Long Service Leave	106,087	94,459	106,087	94,459
	<u>114,500</u>	<u>120,033</u>	<u>114,500</u>	<u>120,033</u>
Employees Other Than Holders of Office				
Annual Leave	327,412	321,410	327,412	321,410
Long Service Leave	429,419	404,505	429,419	404,505
	<u>756,831</u>	<u>725,915</u>	<u>756,831</u>	<u>725,915</u>
15 CONTRACT LIABILITIES				
Subscriptions in Advance	2,932,404	-	2,932,404	-
Income in Advance	636,812	-	636,812	-
	<u>3,569,216</u>	<u>-</u>	<u>3,569,216</u>	<u>-</u>

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AUSTRALIAN HOTELS ASSOCIATION (NSW)
ABN 64 243 628 807
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16 RELATED PARTY TRANSACTIONS

Executive Members and Councillors Related Parties

Executive Members and Councillors are officeholders of the Association.

Executive Members as set out in note 17 are entitled to claim for attendance at meetings at the rate of \$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 2019 apart from those identified in the subsequent paragraphs.

The President was paid an allowance of \$100,000 in the financial year (2018: \$100,000) and Treasurer \$50,000 (2018: \$50,000) by way of compensation to their businesses for costs incurred.

Other Related Parties

Payment of the sum of \$144,944 (2018: \$145,394) 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 (2018: \$163,185) and an Industry Protection Fund contribution of \$NIL (2018: \$350,000).

A company owned by an Executive Member, Phillip Webster, was paid \$3,600 for charter boat hire on normal commercial terms.

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 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$

17 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel

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

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

Scott Leach	Rolly De With	Phillip Webster	Lynette Humphreys
Kim Maloney	Peter Tudelope	Michael Johnson	Gavin Brown
Desmond Kennedy	Joanne Blair	Robert Lees	Peter Harris

Transactions with Key Management Personnel

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

Short Term Employee Benefits

Salary and Wages	462,237	451,986	462,237	451,986
Superannuation	25,000	25,000	25,000	25,000
	<u>487,237</u>	<u>476,986</u>	<u>487,237</u>	<u>476,986</u>

Transactions with members of the Executive Committee have been disclosed in Note 16.

The following key management personnel were officeholders in the Association's subsidiary companies referred to in note 2 (e); Scott Leach, Lynette Humphreys, Joanne Blair, Kim Maloney and the Chief Executive Officer. No remuneration was received for the holding of an office in a subsidiary company.

18 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT / (LOSS) AFTER INCOME TAX

Profit / (Loss) for the Year	726,926	1,783,262	(687,024)	(23,439)
Non-Cash Flows and Non-Operating Items in Operating Profit:				
Depreciation	483,618	384,711	483,618	384,711
Loss / (Profit) on Disposal of Non-Current Assets	15,281	(1,523)	15,281	(1,523)
Changes in Assets and Liabilities:				
(Decrease) / Increase in Receivables	(122,226)	(32,431)	(192,623)	1,097,196
Decrease / (Increase) in Other Assets	151,862	(151,799)	151,862	(151,799)
(Decrease) / Increase in Payables & Contract Liabilities	(426,601)	162,284	962,192	781,910
(Decrease) / Increase in Income in Advance	(292,039)	229,462	(292,039)	229,462
Increase / (Decrease) in Provisions	25,383	(655,852)	25,383	(655,852)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>562,204</u>	<u>1,718,114</u>	<u>466,650</u>	<u>1,660,666</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 2019

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$

19 FINANCIAL INSTRUMENTS

Capital Management

The Reporting Unit manages its capital to ensure it is able to continue as a going concern. 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:

Term Deposits & Trade and Other Receivables	4,970,957	10,857,087	5,086,514	10,902,247
Fair Value through Other Comprehensive Income	9,620,000	4,800,000	9,620,002	4,800,002
	<u>14,590,957</u>	<u>15,657,087</u>	<u>14,706,516</u>	<u>15,702,249</u>

Financial Liabilities:

Trade and Other Payables	818,980	5,106,835	2,827,399	5,726,462
Contract Liabilities	3,569,216	-	3,569,216	-
	<u>4,388,196</u>	<u>5,106,835</u>	<u>6,396,615</u>	<u>5,726,462</u>

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)	7,516,501	13,242,542	7,363,501	13,185,096
Trade and Other Receivables	970,957	848,731	1,086,514	893,891
Investments	9,620,000	4,800,000	9,620,002	4,800,002
	<u>18,107,458</u>	<u>18,891,273</u>	<u>18,070,017</u>	<u>18,878,989</u>

Cash at bank and term deposits are held with St George Bank and the Committee of Management has therefore limited any credit risk, however recognising the concentration risk of having all bank accounts and investments with the same institution.

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 fair value.

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.

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 2019

20 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 Commissioner of the Fair Work Commission:

1. A member of a reporting unit, or Commissioner, 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)*."

21 EVENTS SUBSEQUENT TO REPORTING PERIOD

No matters or circumstances have arisen since 31 December 2019 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**

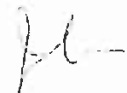
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

I, Joanne Blair, 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 2019 referred to in *Section 264* 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 5 March 2020 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 6 May 2020.

I also certify:

- a) the number of members of the Association at 31 December 2019 was 1,754;
- b) The accompanying consolidated financial statements show a true and fair view of the financial affairs of the Reporting Unit at 31 December 2019;
- 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)*.



Joanne Blair
Accounting Officer

Dated at Sydney: 20th April 2020

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

EXPENDITURE REPORT

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$

The Committee of Management presents this expenditure report for expenditure incurred by the State Organisation for the year ended 31 December 2019. The Report is consistent with the requirements of *subsection 255 (2A)* of the *Fair Work (Registered Organisations) Act 2009* (see note 2 (h)).

Categories of expenditure

Advertising	(116,682)	(65,550)	(116,682)	(65,550)
Capitalisation Fees and Other Expenses to Another Reporting Unit	(308,129)	(658,579)	(308,129)	(658,579)
Donations to Political Parties	(534,398)	(172,977)	(534,398)	(172,977)
Legal Costs	(81,447)	(43,440)	(81,447)	(43,440)
Operating Costs	(4,747,094)	(4,415,547)	(4,648,058)	(4,381,477)
Remuneration, and Other Employment Related Expenses, in respect of Employees	<u>(3,894,172)</u>	<u>(3,660,473)</u>	<u>(3,894,172)</u>	<u>(3,660,473)</u>



Joanne Blair
Accounting Officer

Dated at Sydney: 5th March 2020

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

COMMITTEE OF MANAGEMENT STATEMENT

On 5 March 2020, 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 2019:

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 any other requirements imposed by the Reporting Guideline or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* ("RO Act");
- 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 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 Commissioner duly made under Section 272 of the RO Act has been provided to the member or the Commissioner; 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 Commissioner; 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)


- 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 these 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)*.

This Statement is made in accordance with a resolution Committee of Management


Kim Maloney
Member of Committee


Joanne Blair
Member of Committee

Dated at Sydney: 5 March 2020



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

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 2019, consisting of the Consolidated Statement of Financial Position as at 31 December 2019, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Notes to the Consolidated Financial Statements including a summary of significant policies for the year then ended; Certificate by Prescribed Accounting Officer, Expenditure Report 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 any other requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 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 2019; 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.

We declare that the Committee of Management's use of the going concern basis of accounting in the preparation of the financial statements of the Reporting Unit is appropriate.

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 Reporting Unit 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)**

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

The Committee of Management is responsible for the other information. The other information comprises the information included in the Reporting Unit's annual report for the year ended 31 December 2019, the Operating Report, Officer Declaration Statement and the Officer and Related Party Disclosure Statement ("the other information") 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 the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit 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 of Management 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 of Management 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 of Management either intends to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

The Committee of Management 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)**

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 of Management.
- Conclude on the appropriateness of the Committee of Management'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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the controlled entities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for the audit opinion.
- We communicate with the Committee of Management 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.

We declare that the Audit Partner is an auditor registered under the *RO Act*.

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: *5 March 2020*

Registration Number: AA2017/212

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**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 37 and 38 is in accordance with the books and records of the Australian Hotels Association (NSW) ("the Association") and its Controlled Entities (together referred to as "the Reporting Unit") which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2019. 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.

V J RYAN & CO
Chartered Accountants

Level 5
255 George Street
SYDNEY NSW 2000

P G Crawford

Peter Gerard Crawford
Partner

Dated at Sydney: *5 March 2020*

Registration Number: AA2017/212

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

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Consolidation	
	2019	2018
	\$	\$
INCOME		
Advertising Commissions	956,320	893,423
Dividend Received	1,413,950	1,806,700
Interest Income	136,895	242,036
Legal Fees	300,234	122,670
Keno Commission	857,246	884,191
Membership Activities	2,945,535	2,864,876
Membership Subscriptions	4,282,286	4,369,120
Profit on Disposal of Non-Current Assets	-	1,523
	<u>10,892,466</u>	<u>11,184,539</u>
EXPENDITURE		
Accommodation Division	447,602	603,979
Accounting and Consulting Fees	16,810	21,300
Administration	931	797
Annual Leave	(1,455)	29,422
Auditor's Remuneration	42,000	42,000
Bank and Credit Card Charges	13,503	13,318
Capitation and Affiliation Fees	144,944	145,394
Cleaning and Laundry	59,216	57,888
Computer and Development Costs	386,465	98,781
Delegates	269,102	244,872
Depreciation	483,618	384,711
Donations	573,416	378,556
Electricity	47,755	49,440
Executive Administration	512,182	454,033
Executive and Committee of Management	61,327	68,053
Flowers and Plant Hire	3,704	7,730
Fringe Benefits Tax	19,200	14,400
Gaming Department	177,500	122,517
Hotel Advertising Campaign	116,682	65,550
Hotel News	204,560	218,123
Industrial and Membership	191,460	176,286
Industry Protection Expenses	81,131	350,000
Insurance	108,953	85,507
Legal Costs	81,447	43,440
Liquor, Policing & Research	51,079	60,723
Long Service Leave	36,540	76,843
Loss on Disposal of Non-Current Assets	15,281	-
Marketing	1,204,970	1,107,644

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 2019

	Consolidation	
	2019	2018
	\$	\$
EXPENDITURE (Continued)		
Membership	179,293	185,151
National Executive and Board Meetings	23,039	15,429
National Office Costs	163,185	163,185
Parking Levy	41,935	41,504
Payroll Preparation	4,619	4,734
Payroll Tax	175,075	157,184
Political Engagement	32,777	94,656
President's Allowance	100,000	100,000
Printing and Stationery	4,148	3,692
Public Relations	67,681	64,825
Rates, Taxes and Strata Levies	139,238	72,312
Recruitment	8,450	14,000
Regional Meetings	17,302	24,436
Repairs and Maintenance	83,688	35,279
Salaries and Wages	3,354,651	3,086,679
Security	768	558
Sponsorship	18,500	24,614
Staff Amenities	14,876	14,422
Superannuation	310,162	295,945
Telephone	19,793	24,457
Travel	6,437	6,908
Treasurer's Allowance	50,000	50,000
	<u>10,165,540</u>	<u>9,401,277</u>
Profit for the Year	<u>726,926</u>	<u>1,783,262</u>

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

AUSTRALIAN HOTELS ASSOCIATION – NEW SOUTH WALES BRANCH

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

This operating report covers the results of those activities that were provided for the financial year which ended on 31 December 2019.

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*.
- 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 hosting 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

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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 principal activities of the Branch in the financial year ended 31 December 2019.
2. Financial activities of the Branch
- There were no financial activities of the Branch for the financial year which ended on 31 December 2019.
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 2019 was 1,754.
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.

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7. Details of persons who were a member of the Committee of Management

For the period of 1 January 2019 to 31 December 2019 the Branch's Committee of Management comprised of the following persons:

Name	Position	Period
Scott Leach	President	1 January 2019 to 31 December 2019
Lynette Humphreys	Senior Vice-President (General Division)	1 January 2019 to 31 December 2019
Peter Tudehope	Senior Vice-President (Accommodation Division)	1 January 2019 to 26 June 2019
Kim Maloney	Vice President	1 January 2019 to 31 December 2019
Joanne Blair	Secretary/Treasurer	1 January 2019 to 31 December 2019
Desmond Kennedy	Country Member representing the General Division	1 January 2019 to 31 December 2019
Rolly De With	Country Member representing the General Division	1 January 2019 to 31 December 2019
Phillip Webster	Metropolitan Member representing the General Division	1 January 2019 to 31 December 2019
Peter Harris	Metropolitan Member representing the General Division	1 January 2019 to 31 December 2019
Robert Lees	Metropolitan Member representing the General Division	1 January 2019 to 31 December 2019
Michael Johnson	Member representing the Accommodation Division	1 January 2019 to 20 May 2019
Garvin Brown	Country Member representing the General Division	1 January 2019 to 31 December 2019

Signed on behalf of the Committee of Management


Kim Maloney
Member of Committee


Joanne Blair
Member of Committee

Dated at Sydney: 5 March 2020

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AUSTRALIAN HOTELS ASSOCIATION (NSW)
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OFFICER DECLARATION STATEMENT

I, Joanne Blair, being the Accounting Officer of the Australian Hotels Association New South Wales Branch, declare that the following activities did not occur during the reporting period ended 31 December 2019.

The Reporting Unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under *Part 2 of Chapter 3 of the RO Act*, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay legal costs relating to litigation
- pay a penalty imposed under the *RO Act* or the *Fair Work Act 2009*
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the Reporting Unit
- make a payment to a former related party of the Reporting Unit


Joanne Blair
Accounting Officer

Dated at Sydney: 5th March 2020

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