



FAIR WORK  
AUSTRALIA

2 March 2011

Mr Michael Burns  
President  
Australian Hotels Association, Northern Territory Branch

email: [admin@ahant.com.au](mailto:admin@ahant.com.au)

Dear Mr Burns

**Re: Financial Report for the Australian Hotels Association, Northern Territory Branch for year ended 30 June 2010 – FR2010/2713**

I acknowledge receipt of the revised Audit Report in reply to correspondence of Fair Work Australia (FWA) of 7 February 2011. The report was lodged with Fair Work Australia on 9 February 2011.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

#### **Timing of Financial Documents - Lodgement of documents with Fair Work Australia**

[Section 268](#) of the Fair Work (Registered Organisations) Act 2009 (the Act) requires the Australian Hotels Association, Northern Territory Branch to lodge its financial documents with FWA within 14 days of the date of the General Meeting of Members at which they were presented (that is, 22 December 2010). The documents were not lodged with FWA until 10 January 2011. In future years please ensure that financial reports are lodged with FWA within 14 days of the General Meeting of Members.

#### **Going Concern**

I note the reference to going concern in note 12 of the notes to the financial statements and the comments of the Committee of Management that there are reasonable grounds to believe that the reporting unit will be able to pay its debts when they become due and payable.

#### **Notes to Financial Reports**

Notice under Section 272(5) of the Act

As you are aware, the Notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information that is prescribed by the Fair Work (Registered Organisations) Regulations 2009 is available to members on request.

The wording of section 272(5) of the Act is as follows (emphasis added):

‘(5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section **and setting out those subsections.**’

Would you please ensure in future that the Notes contain this extract of the Act, word for word:

'272 Information to be provided to members or General Manager

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

Note: This subsection is a civil penalty provision (see section 305).'

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: [kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

**Independent auditor's report to the members of the Australian Hotels Association (NT Branch) Inc.**

We have audited the accompanying financial report of Australian Hotels Association (NT Branch) Inc. ("the Branch"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management's statement.

*The Committee of Management's Responsibility for the Financial Report*

The Branch's Committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

*Auditor's Opinion*

In our opinion:

- a) In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- b) The rules relating to the administration of the funds of the Branch have been observed.
- c) Complying with Accounting Standards in Australia and other mandatory professional reporting requirements; and
- d) The requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

*Merit Partners*

Merit Partners

*Aminul Islam*

Aminul Islam, Fellow of the Institute of Chartered Accountants in Australia.  
Director  
Registered Company Auditor  
Also holds a current Public Practice Certificate

Darwin

Date: *revised 9 February 2011*



FAIR WORK  
AUSTRALIA

7 February 2011

Mr Michael Burns  
President  
Australian Hotels Association, Northern Territory Branch

email: [admin@ahant.com.au](mailto:admin@ahant.com.au)

Dear Mr Burns

**Re: Financial Report for the Australian Hotels Association, Northern Territory Branch for year ended 30 June 2010 – FR2010/2713**

I acknowledge receipt of the financial report for the Australian Hotels Association, Northern Territory Branch for the year ended 30 June 2010. The report was lodged with Fair Work Australia on 10 January 2011.

The financial report has not been filed.

The following matters require your attention before any action can be taken to file the above report.

**Audit Report**

Auditor's Opinion

The Audit Report contained the following opinion:

'In our opinion:

- a) The financial report of Australian Hotels Association (NT Branch) Inc. is properly drawn up so as to give a true and fair view of the financial position of the Branch as at 30 June 2010 and of its results for the year ended on that date.
- b) The rules relating to the administration of the funds of the Branch have been observed.
- c) Complying with Accounting Standards in Australia and other mandatory professional reporting requirements; and
- d) The requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009'

The term 'true and fair view' was used in the superseded legislation. Subsection 257(5) of the Fair Work (Registered Organisations) Act 2009 (the Act) sets out the matters upon which an auditor is required to make an opinion. In particular an opinion is required on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the Act. The following wording in the auditor's opinion would satisfy the requirements:

'In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.'

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Tribunal Services and Organisations


Fair Work Australia

Email: [kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

**Designated Officer's Certificate**  
*s268 Fair Work (Registered Organisations) Act 2009*

I, Michael Burns, President of the Australian Hotels Association Northern Territory Branch, certify that:

1. the documents lodged herewith for the year ended 30 June 2010 are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. a copy of the full report was available to members on 15 November 2010; and
3. a copy of the full report was presented to the annual general meeting of members of the reporting unit on 8 December 2010 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed: .....  


Dated: ..... 23.12.2010 .....

**Australian Hotels Association  
Northern Territory Branch**

**ABN 48 911 463 427**

**General Purpose Financial Report  
for the year ended 30 June 2010**



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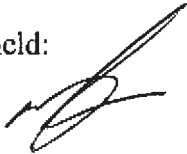
*Committee of Management Statement*

On 15 November 2010, the Committee of Management of the Australian Hotels Association Northern Territory Branch passed the following resolution in relation to the general purpose financial report (“GPFR”) of the reporting unit for the financial year ended 30 June 2010:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (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;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act* (“ROA”); and
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) no request for any information has been made by any member of the reporting unit or by a Registrar under Section 272 of the ROA during the period; and
  - (vi) no orders have been made by the Commission under section 273 of the ROA Schedule during the period.

For Committee of Management: Michael Burns

Title of Office held:  President

Signature:

Date: 15 November 2010

## Operating Report

I, Michael Burns, being the designated officer responsible for preparing this report for the financial year ended 30 June 2010 of the Australian Hotels Association Northern Territory Branch (“AHA”), report to the best of my knowledge as follows:

### (a) Principal Activities

- (i) The AHA is an employers’ association representing the rights and interests of licensees particularly in relation to liquor licensing, gaming, small business, tourism, industrial relations and health.
- (ii) The AHA considers all political developments both Commonwealth and in the Northern Territory affecting the AHA and takes steps to initiate, promote, amend, modify or reject, as the case may be, all or any of such political measure. The AHA regularly meets with Members of Parliament and key Government representatives to consult key issues.
- (iii) Included in the Annual Report are the various reports compiled by the President and the Treasurer of the AHA, outlining the activities for the year (**attached**). There were no significant changes in the nature of these activities during the year under review.
- (iv) The State President and Chief Executive Office attended several National Executive meetings throughout the year namely on 15 July 2009, 9 March 2010 as well as the National Board meeting on 2 November 2009.

### (b) Significant financial changes

There were no significant changes in the AHA’s financial affairs during the period to which this report relates.

### (c) Members advice

- (i) under section 174 of the *Fair Work (Registered Organisations) Act* (“ROA”), a member may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which he is a member (see rule 32, Australian Hotels Association Rules);
- (ii) the register of members of the AHA was maintained in accordance with the RAO; and
- (iii) section 272 of the RAO outlines members and the registrar’s rights to certain prescribed information.

### (d) Prescribed and other information

- (i) As at 30 June 2010 to which this report relates, the number of members of the AHA was 144 including Honorary Life members (123 are voting members);
- (ii) As at 30 June 2010, the total number of employees employed by the reporting entity was five (5);

- (iii) The office bearers during the financial year were:
- Michael Burns            President
  - Doug Sallis             Senior Vice President
  - Andrew Hay             Vice President
  - Justin Coleman         Treasurer (outgoing) Secretary (incoming)
  - Emmanuel Cruz         Secretary (outgoing)
  - John Tourism            Treasurer (incoming)
  - Alan Rowe
  - Frank Dalton
  - Peter Severin
  - Lindsay Carmichael
  - Adam Glass
  - Ray Loechel
  - Tony Adams
  - Craig Jervis

There was one position which was not filled at the 2010 election and remained vacant as at 30 June 2010.



.....  
MICHAEL BURNS

Date: 15 October 2010

**Independent auditor's report to the members of the Australian Hotels Association (NT Branch) Inc.**

We have audited the accompanying financial report of Australian Hotels Association (NT Branch) Inc. ("the Branch"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management's statement.

*The Committee of Management's Responsibility for the Financial Report*

The Branch's Committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

*Auditor's Opinion*

In our opinion:

- a) The financial report of Australian Hotels Association (NT Branch) Inc. is properly drawn up so as to give a true and fair view of the financial position of the Branch as at 30 June 2010 and of its results for the year ended on that date.
- b) The rules relating to the administration of the funds of the Branch have been observed.
- c) Complying with Accounting Standards in Australia and other mandatory professional reporting requirements; and
- d) The requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

*Merit Partners*

Merit Partners

*Aminul Islam*

Aminul Islam, Fellow of the Institute of Chartered Accountants in Australia.  
Director  
Registered Company Auditor  
Also holds a current Public Practice Certificate

Darwin

Date: *16 November 2010*

AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Revenue	2	873,743	778,922
Depreciation and amortisation expense	3	(6,442)	(7,688)
Employee benefits expenses	3	(281,496)	(276,422)
Other Expenses	4	(452,767)	(394,126)
<b>Profit from continuing operations before income tax</b>		<b>133,038</b>	100,686
Income tax expense	13	0	0
<b>Profit from continuing operations after income tax</b>		<b>133,038</b>	100,686
Other comprehensive income		0	0
<b>Total comprehensive income for the period</b>		<b>133,038</b>	100,686
<b>Profit for the period attributable to the members of the entity</b>		<b>133,038</b>	100,686
<b>Total comprehensive income for the period attributable to members of the entity</b>		<b>133,038</b>	100,686

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	885,543	444,037
Trade and other receivables	5	32,141	241,541
Other current assets	6	1,202	3,210
<b>TOTAL CURRENT ASSETS</b>		<b>918,886</b>	688,788
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	25,153	25,237
Receivables	5	173,111	173,111
<b>TOTAL NON-CURRENT ASSETS</b>		<b>198,264</b>	198,348
<b>TOTAL ASSETS</b>		<b>1,117,150</b>	887,136
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	524,695	445,835
Provision for employee entitlements		31,581	13,465
<b>TOTAL CURRENT LIABILITIES</b>		<b>556,276</b>	459,300
<b>TOTAL LIABILITIES</b>		<b>556,276</b>	459,300
<b>NET ASSETS</b>		<b>560,874</b>	427,836
<b>EQUITY</b>			
Retained earnings		560,874	427,836
<b>TOTAL EQUITY</b>		<b>560,874</b>	427,836

The Statement of Financial Position should be read in conjunction with the accompanying notes.



**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010**

	<b>Retained Earnings \$</b>	<b>Total \$</b>
Balance at 1 July 2008	<b>327,150</b>	<b>327,150</b>
Total comprehensive income for the period	100,686	100,686
Balance at 30 June 2009	<b>427,836</b>	<b>427,836</b>
Total comprehensive income for the period	133,038	133,038
<b>Balance at 30 June 2010</b>	<b>560,874</b>	<b>560,874</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and funding bodies		1,050,058	809,257
Payments to Suppliers and Employees		(635,279)	(639,156)
Interest Received		33,085	33,681
Net cash flows provided by / (used in) operating activities	9	447,864	203,782
<b>CASH FROM INVESTING ACTIVITIES</b>			
Purchases of Assets		(6,358)	(5,093)
Repayment of loan to related party		0	281
Net cash flows (used in) investing activities		(6,358)	(4,812)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		0	(12,943)
Net cash flows (used in) financing activities		0	(12,943)
Net increase / (decrease) in cash held		441,506	186,027
Cash at beginning of financial year		444,037	258,010
<b>Cash at end of financial year</b>	9	<b>885,543</b>	444,037

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

## AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

#### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### 1.1 Overview

The financial report covers Australian Hotels Association (NT Branch) Inc. "The Branch" as an individual entity. The Branch is a registered industrial body under the Fair Work (Registered Organisations) Act 2009.

##### 1.2 Basis of Preparation of the Financial Report

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, and Interpretations issued by the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars and values are rounded to the nearest dollars unless otherwise specified.

##### 1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Branch has not made any significant judgments that have the most significant impact on the amounts recorded in the financial statements, except for depreciation and provision for employee entitlements.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

##### 1.4 Statement of Compliance

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRSs) to be made where the report complies with these standards. Some Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The Branch is a not-for-profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards it cannot make this statement.

##### *Adoption of new Australian Accounting Standard Requirements*

No accounting standards have been adopted earlier than the application date as noted in the standard

New standards, revised standards, interpretations or amending standards that were issued prior to the signing of the Committee of Management Statement, and are applicable to the current reporting period did not have a financial impact and are not expected to have a future financial impact on the Branch.

## AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

#### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### *Future Australian Accounting Standard Requirements*

New standards, revised standards, interpretations or amending standards issued by the Australian Accounting Standards Board prior to the signing of the Committee of Management Statement officer, that are applicable to future reporting periods are not expected to have a future financial impact on the Branch.

#### **1.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Branch and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised.

##### *Grants*

Grants are taken up as income in the year to which the funds relate.

##### *Membership Fees*

Membership subscriptions are recognised on a straight-line basis over the financial year in which it relates.

##### *Sponsorship*

Sponsorships are recognised on a straight-line basis over the financial year in which they relate.

##### *Interest income*

Interest income is recognised as interest accrues using the effective interest method.

#### **1.6 Provision for Employee Entitlements**

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits are expected to be settled within one year and have been measured at the amounts expected to be paid when the liability is settled.

The present value of the liability takes into account attrition rate and pay increases through promotion and inflation.

##### *Superannuation*

The employees of the Branch are members of various superannuation funds but most are members of HostPlus Super Fund. The Branch makes employer contributions to these various Super Funds at the rate of 9% paid on monthly basis. The Branch complies with the requirements of superannuation choice legislation.

#### **1.7 Borrowing Costs**

All borrowing costs are expensed in the period in which they are incurred.

#### **1.8 Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash, net of outstanding bank overdrafts.

## AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

#### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 1.9 Financial Instruments

###### Financial Assets

###### *Initial Recognition*

Financial assets and financial liabilities are recognised in the statement of financial position when the Branch becomes a party to the contractual provisions of the instrument.

Financial instruments are recognised initially at fair value plus transaction costs except for those designated at fair value through profit and loss (FVPL).

###### *Classification of Financial Instruments*

The Branch classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, loans and receivables and available-for-sale (AFS) investments. Financial liabilities are classified as financial liabilities at FVPL and other liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

The Branch does not have any financial assets at FVPL, HTM investment, AFS investments and financial liabilities at FVPL.

###### *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at cost or amortised cost in the statement of financial position. Amortisation is determined using the effective interest rate method. Effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Gains and losses are recognised in the profit and loss when the loans and receivables are derecognised or impaired and through amortisation process.

###### Financial Liabilities

###### *Other Financial Liabilities*

This classification pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. Included in this category are liabilities arising from operations or borrowings.

The financial liabilities are recognised initially at fair value and are subsequently carried at amortised cost, taking into account the impact of applying the effective interest rate method of amortisation (or accretion) for any related premium, discount and any directly attributable transaction costs.

**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Impairment*

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit and loss.

*Derecognition*

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit and loss.

**1.10 Property, plant and equipment**

*Initial Recognition and Subsequent Measurement*

Property, plant and equipment are initially carried at cost less accumulated depreciation and any accumulated impairment losses. Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that the future economic benefits in excess of the originally assessed performance of the asset will flow to the Branch in future years. All other costs are accounted as repairs and maintenance and are recognised in the profit and loss as incurred.

*Impairment*

Property, plant and equipment are assessed for indicators of impairment annually. If indicator of impairment exists, the Branch determines the asset's recoverable amount. The recoverable amount is determined as the higher of the asset's fair value less costs to sell and value in use. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount.

*Depreciation*

Depreciation on property, plant and equipment is calculated on the reducing balance method and is charged against income so as to provide for the write down of cost over the estimated life of the asset to the Branch.

Major depreciation rates are:	2010	2009
• Motor vehicles	20%	20%
• Plant & equipment	20% - 40%	20% - 40%
• Leasehold Improvements	20%	20%

*Derecognition*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit and loss.

**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.11 Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Branch, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Branch will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

**1.12 Goods and Services Tax "GST"**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 2. REVENUE**

Conference and Trade Fair  
Corporate Sponsorship  
Functions  
Grant Funding  
Interest Received  
Membership Fees and Subscriptions  
Sundry Income

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
	<b>65,904</b>	53,739
	<b>200,206</b>	205,415
	<b>148,173</b>	129,982
	<b>258,598</b>	180,440
	<b>33,084</b>	33,681
	<b>151,801</b>	145,518
	<b>15,978</b>	30,147
	<b>873,743</b>	778,922
<hr/>		
	<b>2,307</b>	2,884
	<b>3,811</b>	4,148
	<b>524</b>	656
	<b>6,442</b>	7,688

**NOTE 3. EXPENSES**

Depreciation  
    Motor Vehicle  
    Plant & Equipment  
    Leasehold Improvements

Employee Benefits Expense  
The compensation of the office holders and employees  
as of 30 June 2010 is as follows:

Wages and salaries  
Annual leave and sick leave  
Superannuation contributions  
Payroll tax and other employee benefits

	<b>Office Holders</b>	<b>Non-Office Holders</b>
	-	241,151
	-	18,492
	-	21,853
	-	<b>0</b>
	-	281,496

The compensation of the office holders and employees  
as of 30 June 2009 is as follows:

Wages and salaries  
Annual leave and sick leave  
Superannuation contributions  
Payroll tax and other employee benefits

	-	<b>236,000</b>
	-	19,003
	-	21,419
	-	<b>0</b>
	-	276,422



**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
<b>NOTE 4. OTHER EXPENSES</b>			
Affiliation Fees and Levies	15	8,580	12,968
Audit and Accounting Fees		9,298	12,528
Bank Charges		3,217	2,602
Conference and Trade Fairs		126,640	107,073
Doubtful Debts Expense		6,583	545
Functions		74,030	69,493
Insurance		6,780	7,617
Legal Fees		1,626	515
Magazine Expenses		6,672	5,395
Motor Vehicle Expenses		3,290	1,934
Office Equipment		3,848	4,444
Postage and Stationery		6,726	7,862
Power and Body Corporate		3,217	2,906
Professional Fees		5,349	5,280
Rental		31,725	31,035
Repairs and Maintenance		4,009	4,920
Sundry		62,924	24,952
Taxi Rank Security		68,146	67,000
Telephone and Facsimile		7,577	12,511
Trainings and Seminars		325	1,379
Travel and Accommodation		12,245	11,167
		<b>452,767</b>	394,126
<b>NOTE 5. TRADE AND OTHER RECEIVABLES</b>			
<i>Current</i>			
Trade debtors		35,411	244,811
Provision for doubtful debts		(3,270)	(3,270)
		<b>32,141</b>	241,541

Current trade receivables are non-interest bearing and generally are receivable within 60 days. A provision for impairment is recognised against Trade Debtors where this is objective evidence that an individual trade receivable is impaired.

**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 5. TRADE AND OTHER RECEIVABLES (continued)**

**Credit Risk**

The entity has no significant concentration of credit risk with respect to any signed counterparty or group of counterparties other than those receivables specially provided for and mentioned within Note 5. The main source of credit risk to the entity is considered to relate to the class of assets described as Trade Debtors.

The following table details the entity's Trade Debtors exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the entity and the counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the entity.

The balances of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			<30	31-60	>61	
	\$	\$	\$	\$	\$	\$
<b>2010</b>						
Trade Debtors	35,411	3,270	15,190	7,908	7,071	1,972
<b>2009</b>						
Trade Debtors	244,811	3,270	9,095	7,579	4,901	219,966

The entity does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired

*Collateral held as security*

No collateral is held as security for any of the trade and other receivable balances.

*Non-Current*

Loans to related party

	2010 \$	2009 \$
Loans to related party	173,111	173,111
	<b>173,111</b>	<b>173,111</b>

For terms and conditions relating to the related party loan refer to note 11.

Details regarding fair values, interest rate risk and credit risk, refer to note 15.

AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010

**NOTE 6. OTHER CURRENT ASSETS**

	<b>2010</b> <b>\$</b>	<b>2009</b> <b>\$</b>
Prepayments	<b>1,002</b>	3,010
Other assets	<b>200</b>	200
	<b>1,202</b>	3,210

**NOTE 7. PROPERTY, PLANT & EQUIPMENT**

Motor vehicle		
At cost	<b>27,881</b>	27,881
Accumulated Depreciation	<b>(18,652)</b>	(16,345)
	<b>9,229</b>	11,536
Plant and equipment		
At cost	<b>38,291</b>	31,933
Accumulated Depreciation	<b>(24,465)</b>	(20,854)
	<b>13,826</b>	11,079
Leasehold Improvements		
At cost	<b>10,001</b>	10,001
Accumulated Depreciation	<b>(7,903)</b>	(7,379)
	<b>2,098</b>	2,622
	<b>25,153</b>	25,237

**Movement in carrying amounts:**

	<b>Motor Vehicles</b>	<b>Plant &amp; Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2008	14,420	10,250	3,278	27,948
Additions	0	5,093	0	5,093
Disposals	0	(118)	0	(118)
Depreciation expense	<b>(2,884)</b>	<b>(4,146)</b>	<b>(656)</b>	<b>(7,686)</b>
Balance at 30 June 2009	11,536	11,079	2,622	25,237
Additions	0	6,358	0	6,358
Disposals	0	0	0	0
Depreciation expense	<b>(2,307)</b>	<b>(3,611)</b>	<b>(524)</b>	<b>(6,442)</b>
Carrying amount at 30 June 2010	9,229	13,826	2,098	25,153

**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 8. TRADE AND OTHER PAYABLES**

Trade Creditors	<b>17,800</b>	32,572
Advance funding and sponsorship	<b>460,827</b>	370,876
Other payables and accruals	<b>16,107</b>	16,360
GST payable	<b>29,961</b>	26,027

<b>524,695</b>	445,835
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Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables

- Total current	<b>524,695</b>	445,835
- Total non-current	<b>0</b>	<b>0</b>

Less: GST payable

	<b>(29,961)</b>	(26,027)
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Less: advance funding and sponsorship	<b>(460,827)</b>	(370,876)
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Financial liabilities as trade and other payables

<b>33,907</b>	48,932
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**NOTE 9. CASH FLOW INFORMATION**

a) Reconciliation of cash and cash equivalents

Cash balance comprises:

- Cash on hand	<b>104</b>	346
- Cash in bank	<b>885,439</b>	443,691

<b>885,543</b>	444,037
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**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 9. CASH FLOW INFORMATION (continued)**

b) Reconciliation of cash flow from operations with profit after income tax

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax	<b>133,038</b>	100,686
Depreciation	<b>6,442</b>	7,688
Loss on disposal of assets	<b>0</b>	116
Changes in assets and liabilities:		
Decrease/(Increase) in Trade and other receivables	<b>209,400</b>	(154,311)
Decrease/(Increase) in Other current assets	<b>2,008</b>	(666)
(Decrease)/Increase in Trade and other payables	<b>78,860</b>	247,391
Increase/(Decrease) in Provision for Employee Entitlements	<b>18,116</b>	2,878
<b>Net cash flows provided by/(used in) operating activities</b>	<b>447,864</b>	203,782

**NOTE 10. AUDITORS REMUNERATION**

Remuneration of the auditor of the Branch for:

- auditing the financial report	<b>4,350</b>	4,000
- non assurance services	<b>3,200</b>	3,000
	<b>7,550</b>	7,000

**NOTE 11. RELATED PARTY TRANSACTIONS**

During the year ended 30 June 2008, the Branch provided an secured loan of \$173,392 to AHANT Incorporated to purchase units 20 and 23 at 24 Cavenagh Street, Darwin NT where the Branch currently operates. The loan accrues interest at 10% per annum and is paid monthly. The interest earned for the year was \$17,581 (2009: \$17,408).

There are no set principal repayments terms, however the loan must be repaid in full; within 30 days of being notified in writing by the Branch, or immediately in the event of; the appointment of a statutory manager under the Associations Act (NT), dissolution of AHANT Incorporated, or if AHANT Incorporated becomes insolvent, enters into an agreement with its creditors or an application or order is made for the winding up of AHANT Incorporated.

AHANT Incorporated has agreed to lease the units back to the Branch at a rate of \$15,000 per unit per annum. Rent paid for the year ended 30 June 2010 was \$30,000.

The loan is secured by a charge over the units.

**NOTE 12. GOING CONCERN**

The accounts have been prepared on the going concern basis. The ability of the Branch to continue as a going concern is dependent upon the continued support of its members and the government.

## AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

#### NOTE 13. INCOME TAX

No formal exemption from income tax under Section 50 (15) of the Income Tax Assessment Act has been granted by the Australian Taxation Office. The Branch however believes that it is exempt and as such no liability has been booked in the accounts.

#### NOTE 14. AFFILIATION FEES

Affiliation fees paid by the Branch during the year (total \$8,560) were paid to the Australian Hotels Association National Office. No other affiliation fees have been paid by the Branch.

#### NOTE 15. FINANCIAL INSTRUMENTS

The Branch's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. There has been no change in the risk factors from the prior year or management thereof.

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The main risks that the Branch is exposed through financial instruments are deposit interest rate risk and credit risk.

The total for each category of financial instruments measured in accordance with the Accounting Standards as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 \$	2009 \$
<b>Financial Assets</b>			
Cash and cash equivalents	9	885,543	444,037
Trade and other receivables	5	32,141	241,541
Loans to related parties	5	173,111	173,111
		<b>1,090,796</b>	858,689
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost: -trade and other payables	8	33,907	48,932
		<b>33,907</b>	48,932

AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15. FINANCIAL INSTRUMENTS (continued)

(a) Market Risk

(i) Currency Risk & Price Risk

The Branch has no exposure to "currency risk" or "price risk"

(ii) Interest Rate Risk

The Branch earns minimal interest on the amounts deposited with banks. Although the Branch is exposed to interest rate risk, sensitivity to interest rate risk is minimal and is not considered to have a significant impact on the Branch's operations.

30 June 2010

Financial Instruments	Floating Interest rate	Fixed interest rate maturing in:			Non-Interest bearing	Total carrying amount	Weighted average interest rate
		within 12 months	1 –5 Years	Over 5 years			
	\$	\$	\$	\$	\$	\$	%
<b>(i) Financial assets</b>							
Cash and cash equivalents	885,543	0	0	0	0	885,543	3.5%
Receivables	0	0	0	0	32,141	32,141	N/A
Loans to related party	0	0	0	173,111	0	173,111	10.0%
Total Financial Assets	885,543	0	0	173,111	32,141	1,090,795	
<b>(ii) Financial liabilities</b>							
Payables	0	0	0	0	33,907	33,907	N/A
Total financial liabilities	0	0	0	0	33,907	33,907	

30 June 2009

Financial Instruments	Floating Interest rate	Fixed interest rate maturing in:			Non-Interest bearing	Total carrying amount	Weighted average interest rate
		within 12 months	1 –5 Years	Over 5 years			
	\$	\$	\$	\$	\$	\$	%
<b>(i) Financial assets</b>							
Cash and cash equivalents	444,037	0	0	0	0	444,037	0.175%
Receivables	0	0	0	0	241,541	241,541	N/A
Loans to related party	0	0	0	173,111	0	173,111	10.0%
Total Financial Assets	444,037	0	0	173,111	241,541	858,689	
<b>(ii) Financial liabilities</b>							
Payables	0	0	0	0	48,932	48,932	N/A
Total financial liabilities	0	0	0	0	48,932	48,932	

**AUSTRALIAN HOTELS ASSOCIATION (NT BRANCH) INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**NOTE 15. FINANCIAL INSTRUMENTS (continued)**

**(b) Credit Risk**

The Branch's exposure to credit risk is mainly restricted to accounts receivable. The maximum exposure to credit risk is the risk that arises from potential default of debtors and is equivalent to the carrying value of those financial assets as presented in the statement of financial position.

The Branch holds no collateral to mitigate against credit risk.

There has been no change in credit risk from the previous period.

**(c) Liquidity Risk**

The Branch's exposure to liquidity risk is mainly restricted to accounts payable. The exposure to liquidity risk is based on the notion that the Branch will encounter difficulties in meeting its obligations associated with paying these debts.

The Branch manages its risk through the following mechanisms:

- Regular review of profit and loss and statement of financial position items to ensure the Branch is in a position to pay liabilities as they arise
- Monitoring the recovery of trade debtors.

No financial assets have been pledged as security for any financial liability.

**(d) Fair Value Estimation**

The carrying amount of all financial instruments is a reasonable approximation of fair value in both the current and prior years.