



FAIR WORK
AUSTRALIA

29 May 2012

Mr Douglas Sallis
President
Australian Hotels Association, Northern Territory Branch
email: admin@ahant.com.au

Dear Mr Sallis

Re: Financial Report for the Australian Hotels Association, Northern Territory Branch for year ended 30 June 2011 – FR2011/2725

I acknowledge receipt of an email and revised (unsigned) financial report in reply to correspondence of Fair Work Australia (FWA) dated 15 March 2012 for the financial report for the Australian Hotels Association, Northern Territory Branch (the Branch) for the year ended 30 June 2011. The documents were lodged with FWA on 5 April 2012. My apologies for the late processing of this matter.

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.

Notes to the Cash Flow Statement

[Reporting Guideline](#) 15 of the General Manager's Reporting Guidelines (the Guidelines) states that 'where another reporting unit of the organisation is the source of cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned'. This is in addition to the requirement to disclose capitation fees to the national office (Guideline 11(b)). In future years please ensure that cash flows to and from the national office, and if relevant any branches, are disclosed in the notes to the cash flow statement.

Disclosure of provisions for office holders and other employees

The Guidelines require either the balance sheet or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 14(c) and 14 (d)). Note 8 discloses these provisions but does not distinguish between provisions for office holders and other employees. In future years please ensure that provisions for office holders and other employees are disclosed separately.

Disclosure of employee benefits to office holders and other employees

The Guidelines require reporting units to disclose in the income statement or in the notes to the financial statements employee benefits to holders of office (item 11(g)) and employee benefits to other employees (item 11(h)).

The reference in the income statement to 'Employee benefits expense' and the figure '\$319131' does not distinguish between salaries for office holders and other employees. In future years please ensure that salaries for office holders and other employees are disclosed separately.

Notes to Financial Reports

Entity

The introductory paragraph to the Notes to the financial statements states:

The financial statements cover Australian Hotels Association, Northern Territory Branch as an individual entity. Australian Hotels Association, Northern Territory Branch is an association incorporated in the Northern Territory under the *Associations Act*.

It should be noted that although a branch of a registered organisation can be a reporting unit under the Fair Work (Registered Organisations) Act 2009 (section 242) it does not have a discrete legal personality; it is a creation of the rules of the organisation only. The Australian Hotels Association is registered under the Act and the Branch is a reporting entity. The Branch is not an Association incorporated in the Northern Territory under the Associations Act. Future reports should indicate that the Northern Territory Branch is a reporting entity of the Australian Hotels Association which is registered under the Fair Work (Registered Organisations) Act 2009.

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).’

Operating Report

Trustee of superannuation entity

Subsection 254(2)(d) of the Act requires details of any *officer or member* of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme to be provided in the operating report ‘*where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation*’.

If no officers or members of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the s.254(2)(d) is:

'No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.'

Old legislative references

Reference to the 'Industrial Registrar', 'Registrar' and 'ROA Schedule' where appearing in the Committee of Management statement should properly refer to the 'General Manager, Fair Work Australia' and '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
Organisations, Research and Advice
Fair Work Australia
Email: kevin.donnellan@fwa.gov.au

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Financial Statements

For the Year Ended 30 June 2011

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2011

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Australian Hotels Association Northern Territory Branch

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Committee of Management Statement

On 25 October 2011, 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 2011:

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

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President
Doug Sallis

Dated this 25th day of October 2011

Australian Hotels Association Northern Territory Branch

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Operating Report

30 June 2011

I, Doug Sallis, being the designated officer responsible for preparing this report for the financial year ended 30 June 2011 of the Australian Hotels Association Northern Territory Branch (AHA), report to the best of my knowledge as follows.

Principal Activities

The principal activities of association during the financial year were:

- The Australian Hotels Association Northern Territory Branch ("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.
- 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.
- 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.
- The President and Chief Executive Officer attended several National Executive meetings throughout the year namely on 12 September 2010, 3 February 2011, 16 March 2011, 24 June 2011 as well as the National Board meeting on 1 November 2010

Significant Changes

No significant change in the nature of these activities occurred during the year.

Members advice

- 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);
- the register of members of the AHA was maintained in accordance with the ROA; and
- section 272 of the ROA outlines members and the registrar's rights to certain prescribed information.

Australian Hotels Association Northern Territory Branch

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Operating Report

30 June 2011

Prescribed and other information

As at 30 June 2011 to which this report relates, the number of members of the AHA was 155 including Honorary Life members (119 are voting members);

As at 30 June 2011, the total number of employees employed by the reporting entity was 5;

The office bearers during the financial year were:

Doug Sallis	Senior Vice President (outgoing) now President
Michael Burns	President (outgoing) now Senior Vice President
Andrew Hay	Vice President (outgoing)
Noel Fahey	Vice President
Justin Coleman	Secretary (outgoing) now Treasurer
Emmanuel Cruz	Secretary (outgoing)
John Tourish	Treasurer (outgoing)
Brad Morgan	Secretary
Alan Rowe	
Frank Dalton	
Peter Severin	
Lindsay Carmicheal	
Fiona Pryde	
Ray Loechel	
Tony Adams	
Craig Jervis	

There was one position which was not filled at the 2011 Election and remained vacant as at 30 June 2011

Operating result

The profit of the association for the financial year after providing for income tax amounted to \$ 32,578(2010: \$ 133,038).

Signed in accordance with a resolution of the Members of the Committee:

Committee Member:

Doug Sallis

Dated this 25th day of October 2011

Australian Hotels Association Northern Territory Branch

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Statement of Comprehensive Income

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Profit for the year	<u>32,578</u>	<u>133,038</u>
Other comprehensive income:		
Total comprehensive income for the year	<u><u>32,578</u></u>	<u><u>133,038</u></u>

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

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Income Statement

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	797,522	824,680
Other income	2	90,310	49,062
Insurance		(7,131)	(6,760)
Depreciation and amortisation expense		(8,345)	(6,442)
Accounting fees		(8,704)	(6,530)
Publications		(14,197)	(11,440)
Rent		(31,520)	(31,725)
Travel		(36,961)	(12,245)
Security costs		(63,010)	(68,146)
Other expenses		(74,265)	(78,590)
Consulting and professional fees		(80,769)	(28,300)
Conference/seminar costs		(211,221)	(207,237)
Employee benefits expense		(319,131)	(283,289)
Profit before income taxes		32,578	133,038
Income tax expense	1(i)	-	-
Profit for the year		32,578	133,038

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

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Statement of Financial Position

30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	586,138	885,543
Trade and other receivables	4	142,962	32,141
Other assets	5	200	1,202
TOTAL CURRENT ASSETS		729,300	918,886
NON-CURRENT ASSETS			
Trade and other receivables	4	173,111	173,111
Property, plant and equipment	6	51,700	25,153
TOTAL NON-CURRENT ASSETS		224,811	198,264
TOTAL ASSETS		954,111	1,117,150
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	336,688	524,695
Short-term provisions	8	23,971	31,581
TOTAL CURRENT LIABILITIES		360,659	556,276
NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		360,659	556,276
NET ASSETS		593,452	560,874
EQUITY			
Retained Earnings		593,452	560,874
TOTAL EQUITY		593,452	560,874

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Statement of Changes in Equity

For the Year Ended 30 June 2011

2010

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2009	427,836	427,836
Total comprehensive income for year	133,038	133,038
Balance at 30 June 2010	560,874	560,874

2011

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2010	560,874	560,874
Total comprehensive income for the year	32,578	32,578
Balance at 30 June 2011	593,452	593,452

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

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Statement of Cash Flows

For the Year Ended 30 June 2011

	2011	2010
Note	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 808,439	\$ 1,050,058
Payments to suppliers and employees	(1,126,547)	(635,279)
Interest received	52,142	33,085
Net cash provided by (used in) operating activities	11 <u>(265,966)</u>	<u>447,864</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	9,090	-
Purchase of property, plant and equipment	(42,529)	(6,358)
Net cash used by investing activities	<u>(33,439)</u>	<u>(6,358)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in cash and cash equivalents held	(299,405)	441,506
Cash and cash equivalents at beginning of year	885,543	444,037
Cash and cash equivalents at end of financial year	3 <u>\$ 586,138</u>	<u>\$ 885,543</u>

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

The financial statements cover Australian Hotels Association Northern Territory Branch as an individual entity. Australian Hotels Association Northern Territory Branch is an association incorporated in the Northern Territory under the *Associations Act*.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act ("ROA") 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 are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 25th day of October 2011 by the members association.

(b) Comparative Figures

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

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(c) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated and impairment losses.

The carrying amount of plant and equipment is reviewed annually by committee members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(c) Property, Plant and Equipment continued

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	
Plant and Equipment	20%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is expensed in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(f) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(g) 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 benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Income Tax

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

(j) Revenue and other income

The association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Australian Hotels Association Northern Territory Branch's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(j) Revenue and other income continued

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue

Dividends are recognised as revenue when the right to receive the dividend has been established. Where the dividend is paid out of pre-acquisition profits, it is taken to revenue; however this may be considered an impairment indicator causing an impairment review of the value of the investment.

Construction

Revenue relating to construction activities is detailed at Note .

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to, the ATO is included with other receivable or payable in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The association has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the association:

Standard name	Effective date for entity	Requirements	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	30 June 2012	<ul style="list-style-type: none"> - Clarification of the definition of a related party - Requirement to disclose commitments to related parties - Disclosure exemptions for government-related entities 	Minimal impact expected
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	<ul style="list-style-type: none"> - Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments. 	The impact of AASB 9 has not yet been determined.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	30 June 2012	Changes where the entity is subject to minimum funding requirements and makes an early payment to cover these requirements in relation to defined benefit plans.	No significant impact expected.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	30 June 2012	Makes changes to a number of standards / interpretations including: <ul style="list-style-type: none"> - Clarification of the content of the statement of changes in equity - Financial instrument disclosures - Fair value of award credits 	No impact expected.

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(l) New accounting standards for application in future periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	30 June 2012	Requires additional disclosures regarding for example, remaining risks where an entity has transferred a financial asset	No impact expected.
AASB 2010-8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.
AASB 2010-9 / 2010-10 Amendment to Australian Accounting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters	30 June 2012	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	30 June 2012	Collates the Australian specific disclosures into one Accounting Standard rather than including them within a number of different standards.	Little impact since most of the disclosures required by AASB 1054 are already included within the financial statements.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	FOR RDR ENTITIES Little impact since the disclosures are not included in the RDR financials. FOR NON RDR ENTITIES The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to ABS GFS Manual and Related Amendments	30 June 2013	Standard is applicable for whole of government and general government financial statements only. AASB 2011 provides details of changes in accounting treatment due to the Government Finance Statistics manual.	Standard is not applicable and therefore there will be no impact on adoption.

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(l) New accounting standards for application in future periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates. [These are expected to be released by the AASB in June / July].	30 June 2014	<p>AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess.</p> <p>AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice.</p> <p>AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.</p>	<p>The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated.</p> <p>All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11.</p> <p>Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.</p>
AASB 13 Fair Value Measurement	30 June 2014	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	<p>Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.</p> <p>The entity has not yet determined the magnitude of any changes which may be needed.</p> <p>Some additional disclosures will be needed.</p>

Australian Hotels Association Northern Territory Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2011

2 Revenue and Other Income

	2011	2010
	\$	\$
Sales revenue		
- Grant Funding	357,461	258,597
- Membership Fees and Subscriptions	28,720	151,801
- Corporate Sponsorship	184,955	200,205
- Functions	157,159	148,173
- Conference and Trade Fair	69,227	65,904
Total Revenue	<u>797,522</u>	<u>824,680</u>
- Other income	38,168	15,978
- Interest received	52,142	33,084
Total Other income	<u>90,310</u>	<u>49,062</u>
Total Revenue and Other income	<u>887,832</u>	<u>873,742</u>

3 Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash on hand	147	104
Cash at bank	585,991	885,439
	<u>586,138</u>	<u>885,543</u>

Reconciliation of cash

	2011	2010
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>586,138</u>	<u>885,543</u>
	<u>586,138</u>	<u>885,543</u>

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

4 Trade and Other Receivables

	2011	2010
	\$	\$
CURRENT		
Trade receivables	142,962	32,141
Total current trade and other receivables	<u>142,962</u>	<u>32,141</u>
	2011	2010
	\$	\$
NON-CURRENT		
Other receivables	173,111	173,111
Total non-current trade and other receivables	<u>173,111</u>	<u>173,111</u>

Credit risk

The association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the association.

On a geographical basis, the association has significant credit risk exposures in Australia. The association's exposure to credit risk for receivables at the end of the reporting period in Australia is as follows:

(a) Credit Risk - Trade and Other Receivables

The association does not have any material credit risk exposure to any single receivable or group of receivables.

Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the association.

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

The other classes of receivables do not contain impaired assets.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

5 Other Assets

	2011	2010
	\$	\$
CURRENT		
Prepayments	200	1,202
	<u>200</u>	<u>1,202</u>

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

6 Property, Plant and Equipment

	2011	2010
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	51,023	38,291
Accumulated depreciation	(29,777)	(24,465)
Total plant and equipment	<u>21,246</u>	<u>13,826</u>
Motor vehicles		
At cost	29,796	27,881
Accumulated depreciation	(1,020)	(18,652)
Total motor vehicles	<u>28,776</u>	<u>9,229</u>
Improvements		
At cost	10,001	10,001
Accumulated depreciation	(8,323)	(7,903)
Total improvements	<u>1,678</u>	<u>2,098</u>
Total property, plant and equipment	<u><u>51,700</u></u>	<u><u>25,153</u></u>

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Motor Vehicles	Improvements	Total
	\$	\$	\$	\$
Balance at the beginning of year	13,826	9,229	2,098	25,153
Additions	12,732	29,796	-	42,528
Disposals - written down value	-	(9,090)	-	(9,090)
Depreciation expense	(5,312)	(2,613)	(420)	(8,345)
Other changes, movements	-	1,454	-	1,454
Carrying amount at the end of 30 June 2011	<u>21,246</u>	<u>28,776</u>	<u>1,678</u>	<u>51,700</u>
Balance at the beginning of year	11,079	11,536	2,622	25,237

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

7 Trade and Other Payables

	2011	2010
	\$	\$
CURRENT		
Secured Liabilities		
Trade payables	17,958	17,800
Advance funding and sponsorship	304,007	460,827
Other payables	14,723	46,068
	<u>336,688</u>	<u>524,695</u>

8 Provisions

	2011	2010
	\$	\$
CURRENT		
Employee benefits	23,971	31,581
	<u>23,971</u>	<u>31,581</u>

9 Auditors' Remuneration

	2011	2010
	\$	\$
Remuneration of the auditor of the association for:		
- Auditing or reviewing the financial statement	9,371	9,298

10 Related Party Transactions

During the year ended 30 June 2008, the Branch provided a secured loan of \$173,392 to AHANT Incorporated to purchase units 20 and 23 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 \$17,414 (2010: \$17,414).

There are no set principal repayment 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 agrees 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 2011 was \$30,000.

The loan is secured by a charge over the units.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

11 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2011	2010
	\$	\$
Profit for the year	32,578	133,038
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation	8,345	6,442
- Net gain on disposal of property, plant and equipment	(1,453)	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	(110,821)	209,400
- (Increase)/decrease in prepayments	1,002	2,008
- Increase/(decrease) in trade payables and accruals	(188,007)	78,860
- Increase/(decrease) in provisions	(7,610)	18,116
	<u>(265,966)</u>	<u>447,864</u>

12 Association Details

The registered office of the association is:

Australian Hotels Association Northern Territory Branch
20/24 Cavenagh Street
DARWIN NT 0800

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Independent Audit Report to the members of Australian Hotels Association Northern Territory Branch

Report on the Financial Report

We have audited the accompanying financial report of Australian Hotels Association Northern Territory Branch (the association), which comprises the statement of financial position as at 30 June 2011, and the income statement, 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 statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act ("ROA")* 2009. This responsibility includes: designing, implementing and maintaining internal control 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report that gives a true and fair view 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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 Australian professional ethical pronouncements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Independent Audit Report to the members of Australian Hotels Association Northern Territory Branch

Auditor's Opinion

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.

PERKS AUDIT & ASSURANCE

59 Smith Street

Darwin

Northern Territory 0800

PETER J HILL

Partner

Registered Company Auditor

Dated this 25th day of October 2011

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2011

Disclaimer

The additional financial data presented on page 24 is in accordance with the books and records of the association which have been subjected to the auditing procedures applied in our statutory audit of the association for the year ended 30 June 2011. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Hotels Association Northern Territory Branch) in respect of such data, including any errors of omissions therein however caused.

PERKS AUDIT & ASSURANCE

59 Smith Street

Darwin

Northern Territory 0800

PETER J HILL

Partner

Registered Company Auditor

Dated this 25th day of October 2011

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2011

Profit and Loss Account

	2011	2010
	\$	\$
Income		
Sale of goods	357,461	258,597
Administration and management fees	28,720	151,801
Interest income	52,142	33,084
Royalty income	184,955	200,205
Rental income	157,159	148,173
Construction revenue	69,227	65,904
Other income	38,168	15,979
Total income	887,832	873,743
Less: Expenses		
Salaries	290,154	259,643
Conference/seminar costs	211,221	207,237
Consulting and professional fees	80,769	28,300
Security costs	63,010	68,146
Travel	36,961	12,245
Rent	31,520	31,725
Superannuation contributions	26,467	21,853
Publications	14,197	11,440
Sundry expenses	10,277	17,955
Auditors remuneration	9,371	9,298
Accounting fees	8,704	6,530
Telephone and fax	8,689	7,577
Depreciation	8,345	6,442
Insurance	7,131	6,760
Advertising	6,615	2,026
Repairs and maintenance	6,523	4,009
Computer expenses	5,568	2,104
Equipment < \$300	5,095	3,848
Printing and stationery	4,792	3,760
Postage	4,550	3,146
Electricity and water	3,061	3,217
Bank charges	2,672	3,217
Registration fees	2,642	8,560
Motor vehicle expenses	2,319	3,290
Debt collection	2,090	6,583
Staff training	1,371	325
Workers compensation insurance	1,140	1,469
Total Expenses	855,254	740,705
Profit before income tax	32,578	133,038



FAIR WORK
AUSTRALIA

15 March 2012

Mr Douglas Sallis
President
Australian Hotels Association, Northern Territory Branch

email: admin@ahant.com.au

cc. Ms Angela Yi
Auditor
Perks

email: ayi@perks.com.au

Dear Mr Sallis

Re: Financial Report for the Australian Hotels Association, Northern Territory Branch for year ended 30 June 2011 – FR2011/2725

I acknowledge receipt of the revised Audit Report and a more detailed income statement in reply to correspondence of Fair Work Australia (FWA) dated 13 January 2012 for the financial report for the Australian Hotels Association, Northern Territory (the Branch) for the year ended 30 June 2011. The documents were lodged with Fair Work Australia on 27 January 2012.

On examination of the income statement a number of queries, as detailed below, have arisen. I therefore seek further clarification from the Branch regarding these matters.

Total revenue

Revenue disclosed in the income statement totals \$887,832. However revenue disclosed in note 2 to the financial statements totals \$939,972, a difference of \$52,142. Please provide an explanation for the differing totals.

Other revenue

The income statement received 27 January 2012 discloses \$90,310 as 'other revenue', however note 2 discloses \$547,142 as 'other revenue'. As \$547,142 is a material amount a break-down of this line item is required.

Going Concern

Note 2 to the financial statements discloses \$127,018 received as grants and \$184,955 as sponsorships and \$547,142 as other revenue. Given the apparent reliance on external contributions to the Branch, on what basis do the Branch and its auditor believe that the Branch is a going concern?

Capitation fees

Rule 12 of the Australian Hotels Association's national rules require the payment of a capitation fees from the Branches to the national office. Item 11(b) of the Reporting Guidelines requires the disclosure of capitation fees paid and the name of the reporting unit to which the capitation fees have been paid in either the income statement or the notes to the financial statements. I cannot locate any such disclosure. Please advise the amount of any such payments, or if none have been made, please provide an explanation for the non-payment of capitation fees.

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

Organisations, Research and Advice

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

From: [Angela Yi](#)
To: [DONNELLAN, Kevin](#)
Subject: RE: FR2011/2725 - Financial year ended 30 June 2011 - Australian Hotels Association, Northern Territory Branch
Date: Friday, 27 January 2012 12:28:09 PM
Attachments: [image001.jpg](#)
[Page 5 & revised audit report.pdf](#)

Hi Kevin,
Please find attached the page 5 and the signed audit report as requested.

Regards
Angela



Angela Yi BCom
Auditor

180 Greenhill Road
Parkside SA 5063
Direct: +61 8 8273 9316
Main: +61 8 8273 9300
Fax: +61 8 8274 1466
ayi@perks.com.au
www.perks.com.au

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Please consider the environment before printing this e-mail.

From: DONNELLAN, Kevin [<mailto:Kevin.Donnellan@fwa.gov.au>]
Sent: Friday, 27 January 2012 11:19 AM
To: Angela Yi
Subject: FR2011/2725 - Financial year ended 30 June 2011 - Australian Hotels Association, Northern Territory Branch

Dear Angela, could you provide a copy of page 5 and a signed copy of the revised Audit Report. The attached pdf is watermarked Draft.

Regards

KEVIN DONNELLAN
Tribunal Services and Organisations

Fair Work Australia
Tel: 03 8661 7764
Fax: 03 9655 0410
kevin.donnellan@fwa.gov.au

11 Exhibition St, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001

www.fwa.gov.au

From: Angela Yi [<mailto:AYi@perks.com.au>]

Sent: Wednesday, 25 January 2012 10:27 AM
To: DONNELLAN, Kevin
Subject: FR2011/2725 - Financial year ended 30 June 2011 - Australian Hotels Association, Northern Territory Branch

Dear Kevin,
Please find attached the amended financial statements as requested.
Please let us know if you are happy with it and then we will issue you the final accounts.

Thanks and regards
Angela



Angela Yi BCom
Auditor

180 Greenhill Road
Parkside SA 5063
Direct: +61 8 8273 9316
Main: +61 8 8273 9300
Fax: +61 8 8274 1466
ayi@perks.com.au
www.perks.com.au

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Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Income Statement

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	797,522	824,680
Other income	2	90,310	49,062
Insurance		(7,131)	(6,760)
Depreciation and amortisation expense		(8,345)	(6,442)
Accounting fees		(8,704)	(6,530)
Publications		(14,197)	(11,440)
Rent		(31,520)	(31,725)
Travel		(36,961)	(12,245)
Security costs		(63,010)	(68,146)
Other expenses		(74,265)	(78,590)
Consulting and professional fees		(80,769)	(28,300)
Conference/seminar costs		(211,221)	(207,237)
Employee benefits expense		(319,131)	(283,289)
Profit before income taxes		32,578	133,038
Income tax expense	1(i)	-	-
Profit for the year		32,578	133,038

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Independent Audit Report to the members of Australian Hotels Association Northern Territory Branch

Report on the Financial Report

We have audited the accompanying financial report of Australian Hotels Association Northern Territory Branch (the association) , which comprises the statement of financial position as at 30 June 2011, and the income statement, 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 statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act ("ROA")* 2009. This responsibility includes: designing, implementing and maintaining internal control 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report that gives a true and fair view 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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 Australian professional ethical pronouncements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Independent Audit Report to the members of Australian Hotels Association Northern Territory Branch

Auditor's Opinion

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.

Perks Audit & Assurance
PERKS AUDIT & ASSURANCE

59 Smith Street

Darwin

Northern Territory 0800



PETER J HILL

Partner

Registered Company Auditor

Dated this 25th day of October 2011



FAIR WORK
AUSTRALIA

13 January 2012

Mr Douglas Sallis
President
Australian Hotels Association, Northern Territory Branch
email: admin@ahant.com.au

Dear Mr Sallis

Re: Financial Report for the Australian Hotels Association, Northern Territory Branch for year ended 30 June 2011 – FR2011/2725

I acknowledge receipt of the financial report for the Australian Hotels Association, Northern Territory Branch (the Branch) for the year ended 30 June 2011. The report was lodged with Fair Work Australia (FWA) on 19 December 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 the financial report of Australian Hotels Association Northern Territory Branch is in accordance with the *Fair Work (Registered Organisations) Act ("ROA") 2009*, including:

- (a) giving a true and fair view of the association's financial position as at 30 June 2011 and if its performance and its cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act ("ROA") 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.'

Notes to the Financial Statements

The reference to 'other revenue' appearing in note 2 of the notes to the financial statements and the figure of '\$547,139' and 'other expenses' and the figure of '\$527,777' appearing in the Income Statement exceeds the material limit (AASB 1031) where "*When items of income and expense are material, their nature and amount shall be disclosed separately*" (AASB 101 86.). Could you provide a breakdown of both figures for other income and other expenses.

Further, items 10 and 11 of the [General Manager's Reporting Guidelines](#) requires disclosure of specific items either in the income statement or the notes to the income statement. Please provide the required disclosure.

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

Organisations, Research and Advice

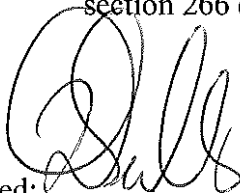
Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

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

I, Douglas Sallis, President of the Australian Hotels Association Northern Territory Branch, certify that:

1. the documents lodged herewith for the year ended 30 June 2011 are copies of the full report referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. a copy of the full report was available to members on 15 November 2011; and
3. a copy of the full report was presented to the Annual General Meeting of members of the reporting unit on 7 December 2011 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed: 

Dated: 16-12-2011

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Financial Statements

For the Year Ended 30 June 2011

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2011

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Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

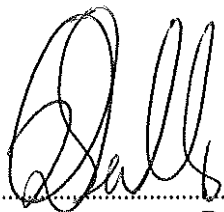
Committee of Management Statement

On 25 October 2011, 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 2011:

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

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President

Doug Sallis

Dated this 25th day of October 2011

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Operating Report

30 June 2011

I, Doug Sallis, being the designated officer responsible for preparing this report for the financial year ended 30 June 2011 of the Australian Hotels Association Northern Territory Branch (AHA), report to the best of my knowledge as follows.

Principal Activities

The principal activities of association during the financial year were:

- The Australian Hotels Association Northern Territory Branch ("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.
- 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.
- 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.
- The President and Chief Executive Officer attended several National Executive meetings throughout the year namely on 12 September 2010, 3 February 2011, 16 March 2011, 24 June 2011 as well as the National Board meeting on 1 November 2010

Significant Changes

No significant change in the nature of these activities occurred during the year.

Members advice

- 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);
- the register of members of the AHA was maintained in accordance with the RAO; and
- section 272 of the ROA outlines members and the registrar's rights to certain prescribed information.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Operating Report

30 June 2011

Prescribed and other information

As at 30 June 2011 to which this report relates, the number of members of the AHA was 155 including Honorary Life members (119 are voting members);

As at 30 June 2011, the total number of employees employed by the reporting entity was 5;

The office bearers during the financial year were:

Doug Sallis	Senior Vice President (outgoing) now President
Michael Burns	President (outgoing) now Senior Vice President
Andrew Hay	Vice President (outgoing)
Noel Fahey	Vice President
Justin Coleman	Secretary (outgoing) now Treasurer
Emmanuel Cruz	Secretary (outgoing)
John Tourish	Treasurer (outgoing)
Brad Morgan	Secretary
Alan Rowe	
Frank Dalton	
Peter Severin	
Lindsay Carmicheal	
Fiona Pryde	
Ray Loechel	
Tony Adams	
Craig Jervis	

There was one position which was not filled at the 2011 Election and remained vacant as at 30 June 2011

Operating result

The profit of the association for the financial year after providing for income tax amounted to \$ 32,578(2010: \$ 133,038).

Signed in accordance with a resolution of the Members of the Committee:

Committee Member:

Doug Sallis

Dated this 25th day of October 2011

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Profit for the year	32,578	133,036
Other comprehensive income:		
Total comprehensive income for the year	32,578	133,036

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Income Statement

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	340,692	418,328
Other income		547,139	455,415
Employee benefits expense		(319,131)	(283,289)
Depreciation and amortisation expense		(8,345)	(6,442)
Other expenses		(527,777)	(450,976)
Profit before income taxes		32,578	133,036
Income tax expense	1(i)	-	-
Profit for the year		32,578	133,036

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Statement of Financial Position

30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	586,138	885,543
Trade and other receivables	4	142,962	32,141
Other assets	5	200	1,202
TOTAL CURRENT ASSETS		729,300	918,886
NON-CURRENT ASSETS			
Trade and other receivables	4	173,111	173,111
Property, plant and equipment	6	51,700	25,153
TOTAL NON-CURRENT ASSETS		224,811	198,264
TOTAL ASSETS		954,111	1,117,150
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	336,688	524,695
Short-term provisions	8	23,971	31,581
TOTAL CURRENT LIABILITIES		360,659	556,276
NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		360,659	556,276
NET ASSETS		593,452	560,874
EQUITY			
Retained Earnings		593,452	560,874
TOTAL EQUITY		593,452	560,874

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Statement of Changes in Equity

For the Year Ended 30 June 2011

2010

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2009	427,836	427,836
Total comprehensive income for year	133,038	133,038
Balance at 30 June 2010	560,874	560,874

2011

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2010	560,874	560,874
Total comprehensive income for the year	32,578	32,578
Balance at 30 June 2011	593,452	593,452

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		808,439	1,050,058
Payments to suppliers and employees		(1,126,547)	(635,279)
Interest received		52,142	33,085
Net cash provided by (used in) operating activities	11	<u>(265,966)</u>	<u>447,864</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		9,090	-
Purchase of property, plant and equipment		<u>(42,529)</u>	<u>(6,358)</u>
Net cash provided by (used in) investing activities		<u>(33,439)</u>	<u>(6,358)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase (decrease) in cash and cash equivalents held		(299,405)	441,506
Cash and cash equivalents at beginning of financial year		<u>885,543</u>	<u>444,037</u>
Cash and cash equivalents at end of financial year	3	<u><u>586,138</u></u>	<u><u>885,543</u></u>

The accompanying notes form part of these financial statements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

The financial statements cover Australian Hotels Association Northern Territory Branch as an individual entity. Australian Hotels Association Northern Territory Branch is an association incorporated in the Northern Territory under the *Associations Act*.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act ("ROA") 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 are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 25th day of October 2011 by the members association.

(b) Comparative Figures

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

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(c) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated and impairment losses.

The carrying amount of plant and equipment is reviewed annually by committee members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(c) Property, Plant and Equipment continued

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	
Plant and Equipment	20%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is expensed in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(f) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(g) 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 benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Income Tax

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

(j) Revenue and other income

The association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Australian Hotels Association Northern Territory Branch's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(j) Revenue and other income continued

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue

Dividends are recognised as revenue when the right to receive the dividend has been established. Where the dividend is paid out of pre-acquisition profits, it is taken to revenue; however this may be considered an impairment indicator causing an impairment review of the value of the investment.

Construction

Revenue relating to construction activities is detailed at Note .

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to, the ATO is included with other receivable or payable in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The association has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the association:

Standard name	Effective date for entity	Requirements	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	30 June 2012	<ul style="list-style-type: none"> - Clarification of the definition of a related party - Requirement to disclose commitments to related parties - Disclosure exemptions for government-related entities 	Minimal impact expected
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	<ul style="list-style-type: none"> - Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments. 	The impact of AASB 9 has not yet been determined.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	30 June 2012	Changes where the entity is subject to minimum funding requirements and makes an early payment to cover these requirements in relation to defined benefit plans.	No significant impact expected.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	30 June 2012	Makes changes to a number of standards / interpretations including: <ul style="list-style-type: none"> - Clarification of the content of the statement of changes in equity - Financial instrument disclosures - Fair value of award credits 	No impact expected.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(i) New accounting standards for application in future periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	30 June 2012	Requires additional disclosures regarding for example, remaining risks where an entity has transferred a financial asset	No impact expected.
AASB 2010-8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.
AASB 2010-9 / 2010-10 Amendment to Australian Accounting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters	30 June 2012	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	30 June 2012	Collates the Australian specific disclosures into one Accounting Standard rather than including them within a number of different standards.	Little impact since most of the disclosures required by AASB 1054 are already included within the financial statements.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	FOR RDR ENTITIES Little impact since the disclosures are not included in the RDR financials. FOR NON RDR ENTITIES The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to ABS GFS Manual and Related Amendments	30 June 2013	Standard is applicable for whole of government and general government financial statements only. AASB 2011 provides details of changes in accounting treatment due to the Government Finance Statistics manual.	Standard is not applicable and therefore there will be no impact on adoption.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(I) New accounting standards for application in future periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates. [These are expected to be released by the AASB in June / July].	30 June 2014	<p>AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess.</p> <p>AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice.</p> <p>AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.</p>	<p>The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated.</p> <p>All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11.</p> <p>Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.</p>
AASB 13 Fair Value Measurement	30 June 2014	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	<p>Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.</p> <p>The entity has not yet determined the magnitude of any changes which may be needed.</p> <p>Some additional disclosures will be needed.</p>

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

2 Revenue and Other Income

	2011	2010
	\$	\$
Sales revenue		
- interest received	52,142	33,084
- operating grants	127,018	66,323
- Sponsorship	184,955	200,205
- member subscriptions	28,720	151,801
- other revenue	547,139	455,414
Total Revenue	<u>939,974</u>	<u>906,827</u>

3 Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash on hand	147	104
Cash at bank	585,991	885,439
	<u>586,138</u>	<u>885,543</u>

Reconciliation of cash

	2011	2010
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>586,138</u>	<u>885,543</u>
	<u>586,138</u>	<u>885,543</u>

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

4 Trade and Other Receivables

	2011	2010
	\$	\$
CURRENT		
Trade receivables	142,962	32,141
Total current trade and other receivables	<u>142,962</u>	<u>32,141</u>
	2011	2010
	\$	\$
NON-CURRENT		
Other receivables	173,111	173,111
Total non-current trade and other receivables	<u>173,111</u>	<u>173,111</u>

Credit risk

The association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the association.

On a geographical basis, the association has significant credit risk exposures in Australia. The association's exposure to credit risk for receivables at the end of the reporting period in Australia is as follows:

(a) Credit Risk - Trade and Other Receivables

The association does not have any material credit risk exposure to any single receivable or group of receivables.

Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the association.

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

The other classes of receivables do not contain impaired assets.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

5 Other Assets

	2011	2010
	\$	\$
CURRENT		
Prepayments	200	1,202
	<u>200</u>	<u>1,202</u>

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

6 Property, Plant and Equipment

	2011	2010
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	51,023	38,291
Accumulated depreciation	(29,777)	(24,465)
Total plant and equipment	<u>21,246</u>	<u>13,826</u>
Motor vehicles		
At cost	29,796	27,881
Accumulated depreciation	(1,020)	(18,652)
Total motor vehicles	<u>28,776</u>	<u>9,229</u>
Improvements		
At cost	10,001	10,001
Accumulated depreciation	(8,323)	(7,903)
Total improvements	<u>1,678</u>	<u>2,098</u>
Total property, plant and equipment	<u>51,700</u>	<u>25,153</u>

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Motor Vehicles	Improvements	Total
	\$	\$	\$	\$
Balance at the beginning of year	13,826	9,229	2,098	25,153
Additions	12,732	29,796	-	42,528
Disposals - written down value	-	(9,090)	-	(9,090)
Depreciation expense	(5,312)	(2,613)	(420)	(8,345)
Other changes, movements	-	1,454	-	1,454
Carrying amount at the end of 30 June 2011	<u>21,246</u>	<u>28,776</u>	<u>1,678</u>	<u>51,700</u>

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

7 Trade and Other Payables

	2011	2010
	\$	\$
CURRENT		
Secured Liabilities		
Trade payables	17,958	17,800
Advance funding and sponsorship	304,007	460,827
Other payables	14,723	46,068
	<u>336,688</u>	<u>524,695</u>

8 Provisions

	2011	2010
	\$	\$
CURRENT		
Employee benefits	23,971	31,581
	<u>23,971</u>	<u>31,581</u>

9 Auditors' Remuneration

	2011	2010
	\$	\$
Remuneration of the auditor of the association for:		
- auditing or reviewing the financial statements	7,371	7,298

10 Related Party Transactions

During the year ended 30 June 2008, the Branch provided a secured loan of \$173,392 to AHANT Incorporated to purchase units 20 and 23 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 \$17,414 (2010: \$17,414).

There are no set principal repayment 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 agrees 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 2011 was \$30,000.

The loan is secured by a charge over the units.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Notes to the Financial Statements

For the Year Ended 30 June 2011

11 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2011	2010
	\$	\$
Profit for the year	32,578	133,036
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation	8,345	6,442
- Net gain on disposal of property, plant and equipment	(1,453)	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	(110,821)	209,400
- (Increase)/decrease in prepayments	1,002	2,008
- Increase/(decrease) in trade payables and accruals	(188,007)	78,860
- Increase/(decrease) in provisions	(7,610)	18,116
	<u>(265,966)</u>	<u>447,862</u>

12 Association Details

The registered office of the association is:
Australian Hotels Association Northern Territory Branch
20/24 Cavenagh Street
DARWIN NT 0800

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Independent Audit Report to the members of Australian Hotels Association Northern Territory Branch

Report on the Financial Report

We have audited the accompanying financial report of Australian Hotels Association Northern Territory Branch (the association) , which comprises the statement of financial position as at 30 June 2011, and the income statement, 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 statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act ("ROA")* 2009. This responsibility includes: designing, implementing and maintaining internal control 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report that gives a true and fair view 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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 Australian professional ethical pronouncements.

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

Independent Audit Report to the members of Australian Hotels Association Northern Territory Branch

Auditor's Opinion

In our opinion the financial report of Australian Hotels Association Northern Territory Branch is in accordance with the *Fair Work (Registered Organisations) Act ("ROA") 2009*, including:

- (a) giving a true and fair view of the association's financial position as at 30 June 2011 and of its performance and its cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act ("ROA") 2009*.

Perks Audit & Assurance
PERKS AUDIT & ASSURANCE

59 Smith Street

Darwin

Northern Territory 0800



PETER J HILL

Partner

Registered Company Auditor

Dated this 25th day of October 2011

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2011

Disclaimer

The additional financial data presented on page 24 is in accordance with the books and records of the association which have been subjected to the auditing procedures applied in our statutory audit of the association for the year ended 30 June 2011. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Hotels Association Northern Territory Branch) in respect of such data, including any errors of omissions therein however caused.

Perks Audit & Assurance
PERKS AUDIT & ASSURANCE

59 Smith Street

Darwin

Northern Territory 0800



PETER J HILL

Partner

Registered Company Auditor

Dated this 25th day of October 2011

Australian Hotels Association Northern Territory Branch

ABN 48 911 463 427

For the Year Ended 30 June 2011

Profit and Loss Account

	2011	2010
	\$	\$
Income		
Interest income	52,142	33,084
Member subscriptions	28,720	151,801
Grants	127,018	66,323
Sponsorship	184,955	200,205
Other income	494,997	422,330
Total income	887,832	873,743
Less: Expenses		
Salaries	290,154	259,643
Awards dinner	81,021	75,668
Consulting and professional fees	80,769	28,300
Sundry expenses	79,615	89,516
Security costs	63,010	68,146
Conference/Seminar costs	57,260	57,538
Travel - domestic	36,961	12,245
Rental outgoings	31,520	31,725
Superannuation contributions	26,467	21,853
Publications	14,197	11,440
Insurance	11,040	6,760
Telephone and fax	10,053	8,815
Auditors remuneration - parent entity	9,371	9,298
Administration and management fees	8,704	6,530
Depreciation	8,345	6,442
Repairs and maintenance	6,523	4,009
Computer expenses	5,568	2,104
Equipment < \$300	5,095	3,848
Printing and stationery	4,792	3,760
Postage	4,550	3,146
Electricity and water	3,061	3,217
Advertising	2,706	2,026
Bank charges	2,672	3,217
Registration fees	2,642	8,560
Motor vehicle expenses	2,319	3,290
Debt collection	2,090	6,583
Staff training	1,371	325
Entertainment	1,176	695
Workers compensation insurance	1,140	1,469
Staff amenities	1,062	538
Total Expenses	855,254	740,706
Profit before income tax	32,578	133,037