



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
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Mr Frank Morgan
Branch Secretary-Treasurer
Australian Hotels Association
Tasmanian Branch
Level 2, 11 Morrison Street
HOBART TAS 7000

Dear Mr Morgan,

Re: Financial Documents - year ended 30 June 2004 (FR2004/272)
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I have received the financial report for the Tasmanian Branch of the Australian Hotels Association for the year ended 30 June 2004. The documents were lodged in the Registry on 17 May 2005 under s268 of Schedule 1B of the Workplace Relations Act 1996.

As you would be aware, this is the first lodgment by the branch of its audited financial report under Schedule 1B (Registration and Accountability of Organisations (RAO) Schedule) which commenced on 12 May 2003.

The documents have been filed.

The following comments may assist you when you next prepare financial reports. No further action is required regarding these issues with respect to the lodged documents.

Timing of financial documents

The RAO Schedule sets out a particular chronological order in which the financial documents must be prepared, made available to members and presented to a meeting - see the enclosed *Timeline*.

It is noted that the lodged documents did not comply fully with these requirements as follows:

- The documents were lodged in the Registry more than 6 months after the date of the meeting, rather than within 21 days of the meeting as required by s268 of the RAO Schedule.

Accordingly, in future financial years the branch should ensure that the financial documents are prepared, made available to members and presented to the relevant meeting in the strict chronological sequence set out in the *Timeline* – see also sections 253, 265, 266 and 268 of the RAO Schedule.

Auditor's Report

I note that the lodged Auditor's Report referred to 'the requirements of the Workplace Relations Act 1996, Part 3 – Accounts and Audit' – this reference is erroneous.

The Auditor's Report should be revised so that it specifically confirms whether, in the Auditor's opinion, the accounts are presented fairly in accordance with the *Australian Accounting*

Standards and the requirements of Part 3 of Chapter 8 of the RAO Schedule (Accounts and Audit) of the Workplace Relations Act 1996 – see s257(5) of the RAO Schedule.

Disclosure of Expenditure

An organisation is required to disclose specific expenditure items in the main body of the accounts. It is noted however that some of the expenditure information provided in the Statement of Financial Performance was grouped in very broad categories such as 'Public Affairs and Government' and 'Other Expenses' rather than as discrete items such as:

- Affiliation fees or subscriptions to political parties or industrial bodies
- Grants or Donations
- Legal costs
- Conferences - fees/allowance for attendance
- Conference Expenses

Accordingly, in future financial years please ensure that the abovementioned items of expenditure (where relevant) are separately disclosed in the accounts as required by the Industrial Registrar's Reporting Guidelines at Note 11 - see enclosed.

Operating Report

The Operating Report prepared under s254 of the RAO Schedule was titled a 'Councillor's Report'. In future financial years this document should be clearly titled the 'Operating Report'.

Reference to Legislation

The reference in Note 1 to the Accounts to s272 of the Workplace Relations Act 1996 should be amended to s272 of the RAO Schedule.

Due date for next financial return is 15 January 2006

Now that the financial year for 30 June 2005 has ended, the branch should consider commencing the financial reporting process set out in the enclosed *Timeline* to ensure that the financial documents are lodged in the Registry by 15 January 2006. The maximum extension that is available is one month – see s265(5).

If you have any queries please contact me on (03) 8661 7799.

Yours faithfully,



Andrew Schultz
Statutory Services Branch

30 August 2005



AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
RESTAURANT & CATERING ASSOCIATION - TASMANIA

Level 2, 11 Morrison St Hobart Tas 7000 T: 03 6224 7033 F: 03 6224 7988
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Need \$ 17/5/05

Mr Robert Pfeiffer
Statutory Services Branch
Australian Industrial Registry
Level 35
80 Collins Street
Melbourne VIC 3000

FR2004/272

11th May 2005

Dear Mr Pfeiffer,

Re: Australian Hotels Association (Tasmanian Branch) – Financial Return for the Financial Year 2003-2004

The Annual General Meeting of the AHA Tasmanian Branch was held on 11 November 2004 in Hobart.

Enclosed are the following documents which are being lodged in accordance with the requirements of the *Workplace Relations Act 1996*:

- The full report of the AHA Tasmanian Branch
- The signed certificate of the Secretary/Treasurer confirming that the documents are copies of the documents provided to members and presented to both the State Council meeting and the Annual General Meeting on 11 November 2004.

I trust that the above documentation is appropriate and meets your requirements. If you have any questions in regard to this matter, please contact me on 03 6224 7033.

Yours sincerely

Daniel Hanna
General Manager

AUSTRALIAN HOTELS ASSOCIATION (TASMANIAN BRANCH)

CERTIFICATE OF SECRETARY/TREASURER

I, Frank Morgan, being the Secretary/Treasurer of the Australian Hotels Association (Tasmanian Branch) certify:

1. That the documents lodged herewith are copies of the full report of the AHA (Tasmanian Branch) for the financial year 2003-2004.
2. That the full report was provided to members on 4 November 2004.
3. That the full report was presented to an Annual General Meeting of the Australian Hotels Association (Tasmanian Branch) on 11 November 2004.



.....
Frank Morgan
Secretary/Treasurer

.....11-5-05
Date

**AUSTRALIAN HOTELS ASSOCIATION – TASMANIAN BRANCH
ABN 16 231 925 997**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2004**

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**AUSTRALIAN HOTELS ASSOCIATION – TASMANIAN BRANCH
COUNCILLORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2004**

Your councillors submit the financial report of the Australian Hotels Association – Tasmanian Branch for the financial year ended 30 June 2004.

Councillors

The names of the Councillors throughout the year and at the date of this report are:

Paul Jubb
Michael Best (resigned October 2003)
Don McQuestin
Jim Bleasel
Frank Morgan
Robert Humphries
Fiona Jones
John Dabner
Peter Grubb
Grant Beaumont (appointed October 2003)
Greg Astell (appointed October 2003)
Darren Brown (appointed October 2003)

Principal Activities

The principal activities for the association during the financial period were:

- The provision of benefits and support to members.

There are no significant changes in the nature of the associations principal activities during the financial year.

Operating Results

The net result for the year amounted to a profit of \$134,612 (2003: loss of \$97,512)

After Balance Date Events

The settlement related to the sale of the property owned at 176 New Town Road will occur after the end of the financial year. The sale price of the building was \$435,000 and settled in September. The association has signed a lease on rental premises at Level 2, 11 Morrison Street commencing on 9 August 2004. The rental will be approximately \$28,000 per annum.

Future Developments

During the 2005 financial year, subject to the approval of members, the rules of the association will be amended to include Restaurant and Catering Association Tasmania (RCAT) members. If or when this occurs, the accounts of the Australian Hotels Association and RCAT will be amalgamated. Until this time, the accounts of both associations will remain separate.

**AUSTRALIAN HOTELS ASSOCIATION – TASMANIAN BRANCH
COUNCILLORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2004**

Indemnifying Officers or Auditors

The association has not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the association or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying a liability, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of the Association

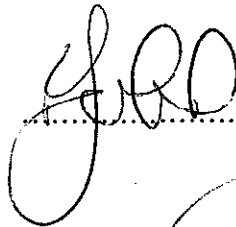
No person has applied for leave to court to bring proceedings on behalf of the association or intervene in any proceedings to which the association is a party for the purpose of taking responsibility on behalf of the association for all or part of those proceedings.

Membership

Under section 174, members have the right to resign from Australian Hotels Association by providing written notice.


Signed in accordance with a resolution of the Councillors

Councillor



.....

Councillor



.....

Dated this

7th

day of

OCTOBER.

2004

**INDEPENDENT AUDIT REPORT
TO MEMBERS OF AUSTRALIAN HOTELS ASSOCIATION
– TASMANIAN BRANCH**

Scope

The Financial Report and Councillors Responsibility.

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and Committee of Management Statement, for Australian Hotels Association – Tasmanian Branch for the year ended 30 June 2004.

The Councillors are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of Australian Hotels Association – Tasmanian Branch. Our audit was conducted in accordance with Australian Auditing and Assurance Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the requirements of the Workplace Relations Act 1996, Part 3 – Accounts and Audit, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Australian

Hotels Association – Tasmanian Branch's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- (a) examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- (b) assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Australian Hotels Association – Tasmanian Branch is in accordance with:

- (a) the Workplace Relations Act 1996, including:
 - (i) giving a true and fair view of Australian Hotels Association – Tasmanian Branch's financial position at 30 June 2004, and of its performance for the year ended on that date, and
 - (ii) complying with Accounting Standards in Australia and the requirements of the Workplace Relations Act 1996, Part 3 – Accounts and Audit; and
- (b) other mandatory financial reporting requirements in Australia.

PKF
Chartered Accountants

7 October 2004
Melbourne

A Victorian Partnership

R A Dean
Partner

**AUSTRALIAN HOTELS ASSOCIATION – TASMANIAN BRANCH
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2004**

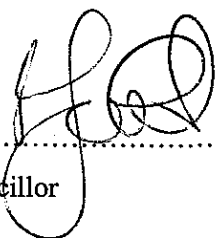
In the opinion of the Councillors, the financial report as set out on pages 5 to 15;


- 1 Presents a true and fair view of the financial position of the Australian Hotels Association – Tasmanian Branch as at 30 June 2004 and its performance for the year ended on that date in accordance with reporting guidelines of the Industrial Registrar, Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

- 2 During and since the end of the financial year ended 30 June 2004, the;
 - a) meetings of the committee of management were held in accordance with the rules of the association.
 - b) financial affairs have been managed in accordance with the rules of the association and the financial records have been kept and maintained in accordance with the *Workplace Relations Act 1996*.
 - c) information sought in any request of a member of the Australian Hotels Association – Tasmanian Branch or a Registrar has been provided to the member or Registrar in accordance with the *Workplace Relations Act 1996*, and any order for inspection of financial records made by the Commission under Section 273 of the act has been complied with.

- 3 At the date of this statement, there are reasonable grounds to believe that the Australian Hotels Association – Tasmanian Branch will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the councillors made on the 30 June 2004, and is signed for and on behalf of the councillors by:


.....
Councillor


.....
Councillor

Signed at Hobart this 7 day of October 2004

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	<u>Note</u>	<u>2004</u>	<u>2003</u>
		\$	\$
Revenue from ordinary activities	2	1,019,115	533,516
Depreciation and Amortisation	3	27,872	25,670
Employee Benefits Expense		237,932	210,505
National Affiliation and Capitation Fees paid to Australian Hotels Association		41,384	56,176
Promotions		74,022	57,631
Occupancy Costs		31,752	39,432
Public Affairs & Governement		12,290	55,259
Newletters & Memberships		37,488	33,587
Carrying Value of Property Plant & Equipment disposed of		321,443	-
Other expenses		100,320	152,768
		<hr/>	<hr/>
		884,503	631,028
Profit (loss) from ordinary activities before income tax expense		134,612	(97,512)
Income tax relating to ordinary activities	1 (b)	<hr/>	<hr/>
		-	-
Net profit (loss) from ordinary activities		<hr/> <hr/>	<hr/> <hr/>
		134,612	(97,512)

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004**

	<u>Note</u>	<u>2004</u> \$	<u>2003</u> \$
CURRENT ASSETS			
Cash assets	4	249,966	194,685
Receivables	5	604,465	115,916
Inventories	6	<u>4,753</u>	<u>3,060</u>
TOTAL CURRENT ASSETS		<u>859,184</u>	<u>313,661</u>
NON - CURRENT ASSETS			
Property, Plant & Equipment	7	<u>70,344</u>	<u>392,489</u>
TOTAL NON - CURRENT ASSETS		<u>70,344</u>	<u>392,489</u>
TOTAL ASSETS		<u>929,528</u>	<u>706,150</u>
CURRENT LIABILITIES			
Payables	8	260,653	172,125
Provisions	9	<u>6,666</u>	<u>6,428</u>
TOTAL CURRENT LIABILITIES		<u>267,319</u>	<u>178,553</u>
TOTAL LIABILITIES		<u>267,319</u>	<u>178,553</u>
NET ASSETS		<u>662,209</u>	<u>527,597</u>
MEMBERS FUNDS			
Retained profits	10	<u>662,209</u>	<u>527,597</u>
TOTAL MEMBERS FUNDS		<u>662,209</u>	<u>527,597</u>

The accompanying notes form part of these financial statements

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

	<u>Note</u>	2004	2003
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		666,130	442,055
Payments to suppliers and employees		(562,295)	(542,793)
Payments to Australian Hotels Association		(41,384)	(56,176)
Interest received		<u>9,330</u>	<u>13,890</u>
Net cash provided by (used in) operating activities	11(b)	<u>71,781</u>	<u>(143,024)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		10,909	15,454
Payments for property, plant & equipment		<u>(27,409)</u>	<u>(43,727)</u>
Net Cash used in investing activities		<u>(16,500)</u>	<u>(28,273)</u>
Net increase /(decrease) in cash held		55,281	(171,297)
Cash at beginning of year		<u>194,685</u>	<u>365,982</u>
Cash at end of year	4	<u>249,966</u>	<u>194,685</u>

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1 Statement of Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

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

The following is a summary of the significant accounting policies adopted by the Association in the preparation of the financial statements.

(a) Property, Plant & Equipment

Property, plant and equipment are measured on the cost basis.

The carrying amount of property, plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount of the assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The depreciable amount of all fixed assets are depreciated on either a straight line or diminishing value basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

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

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Buildings	2%
Plant & Equipment	7.5% - 50%

(b) Income Tax

The association is exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(c) Revenue

Interest revenue is recognised over the period for which the funds are invested.

Fundraising income and donations are recognised when received by the association.

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

(d) Cash

For the purposes of the Statement of Cash Flows, cash includes cash at bank and on deposit.

(e) Receivables

Trade receivable are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due.

(f) Inventories

Inventories of stationery are valued at the lower of cost and net realisable value.

(g) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

The lease incentive liability in relation to the non cancelable operating lease is being reduced on an imputed interest basis over the lease term at interest rate implicit in the lease.

(h) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employees benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

(i) 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of the acquisitions of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

(j) Liabilities

Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Association.

Information to be provided to Members or Registrar

In accordance with the requirement of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of section 272, which reads as follows:

- (1) - A member of a reporting unit, or a Registrar, 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).

	2004	2003
	\$	\$
2 REVENUE FROM ORDINARY ACTIVITIES		
Revenue from operating activities		
Membership income	430,791	269,937
Commissions	18,537	24,761
Promotions	55,741	114,085
Publications	-	16,131
Gaming Training	42,099	32,500
Revenue from non operating activities		
Proceeds from Sale of Vehicle	10,909	15,454
Proceeds from Sale of Land and Buildings	435,000	-
Interest Income	9,330	13,890
Rental Income	7,825	9,130
Race Day Income	-	13,138
Stationery Sales	7,669	7,229
Other	1,214	17,261
Total Revenue from Ordinary Activities	1,019,115	533,516

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
3 Depreciation of non current assets		
Land & Buildings	4,628	5,628
Plant & Equipment	<u>23,244</u>	<u>20,042</u>
Total depreciation of non current assets	<u><u>27,872</u></u>	<u><u>25,670</u></u>
4 Cash Assets		
Cash at Bank	8,535	3,577
Deposits at call	<u>241,431</u>	<u>191,108</u>
	<u><u>249,966</u></u>	<u><u>194,685</u></u>
5 Receivables		
Trade debtors	118,782	115,916
Settlement from Sale of Land &	477,664	-
FBT Reimbursement due	2,076	-
Prepaid Expenditure	<u>5,943</u>	<u>-</u>
	<u><u>604,465</u></u>	<u><u>115,916</u></u>
Trade debtors are non interest bearing and generally on 30 day terms.		
6 Inventories		
Stationery at Cost	<u>4,753</u>	<u>3,060</u>
	<u><u>4,753</u></u>	<u><u>3,060</u></u>
7 Property Plant & Equipment		
Land and Buildings at Cost	-	375,183
Less: Provision for Depreciation	<u>-</u>	<u>(67,167)</u>
	<u>-</u>	<u>308,016</u>
Plant and equipment at cost	169,259	194,675
Less: Provision for Depreciation	<u>(98,915)</u>	<u>(110,202)</u>
	<u>70,344</u>	<u>84,473</u>
	<u><u>70,344</u></u>	<u><u>392,489</u></u>

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

(a) Movements in Carrying Amounts

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

	Land & Buildings	Plant & Equipment
Opening Balance	308,016	84,473
Additions	-	27,409
Disposals	(303,388)	(18,294)
Depreciation Expense	<u>(4,628)</u>	<u>(23,244)</u>
Carrying amount at the end of the year	<u><u>-</u></u>	<u><u>70,344</u></u>

8 Payables

	2004	2003
	\$	\$
Trade Creditors	22,538	25,515
Income received in advance	187,628	141,372
Accrued Expenses	6,050	5,100
GST Liabilities	<u>44,437</u>	<u>138</u>
	<u><u>260,653</u></u>	<u><u>172,125</u></u>

Trade Creditors and accruals are non interest bearing and are normally settled on 30 day terms. Income in advance represents membership subscriptions which relate to the period of membership subsequent to 30 June 2004.

9 Provisions

Current

Employee Benefits	<u>6,666</u>	<u>6,428</u>
	<u><u>6,666</u></u>	<u><u>6,428</u></u>
Number of employees at year end	<u>4</u>	<u>4</u>

10 Retained Profits

Balance at the beginning of the financial year	527,597	625,109
Net profit / loss	<u>134,612</u>	<u>(97,512)</u>
Balance at the end of the financial year	<u><u>662,209</u></u>	<u><u>527,597</u></u>

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

11 Statement of Cash Flows

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash assets	<u>249,966</u>	<u>194,685</u>
-------------	----------------	----------------

(b) Reconciliation of net profit / (loss) after tax to the net cash flows from operations

Net Profit / (Loss)	134,612	(97,512)
Non-cash items		
Depreciation	27,872	26,710
Bad & Doubtful Debts	10,322	-
Profit on sale of land & buildings	(126,172)	-
Loss on disposal of property, plant & equipment	2,712	-
Changes in Assets & Liabilities:		
(Increase) / Decrease in receivables	(21,208)	(82,717)
(Increase) / Decrease in inventories	(1,693)	(810)
Increase / (Decrease) in payables	(2,977)	(7,697)
Increase / (Decrease) in accrued	950	32121
Increase / (Decrease) in GST Liabilities	869	(2,828)
Increase/ (Decrease) in Pre Paid Income	46,256	-
Increase / (Decrease) in provisions	<u>238</u>	<u>(10,291)</u>
Net cash flow from operating activities	<u><u>71,781</u></u>	<u><u>(143,024)</u></u>

12 Financial Instruments

(a) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on these financial assets and financial assets and financial liabilities, is as follows:

	<i>Weighted Average</i>		<i>Floating Interest</i>		<i>Non-Interest Bearing</i>	
	2004	2003	2004	2003	2004	2003
<i>i) Financial Assets</i>						
Cash	4.75	1.00	8,535	3,577		
Receivables	N/A	N/A	-	-	604,465	115,916
Deposits at call	5.00	3.99	241,431	191,108		
<i>ii) Financial Liabilities</i>						
Payables	N/A	N/A	-	-	73,025	30,753

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

(b) Net Fair Values

For all financial assets and liabilities, the net fair value approximates their carrying value.

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

13 Related Party Transactions

The Australian Hotels Association - National is a related entity. Affiliation fees paid by Australian Hotels Association - Tasmania Branch were on normal commercial terms. There were no loans during the year to councilors of the association or to councilor related entities.

The members of the Committee of Management were:

Paul Jubb

Michael Best

Don McQuestin

Jim Bleasel

Frank Morgan

Robert Humphries

Fiona Jones

John Dabner

Peter Grubb

Grant Beaumont

Greg Astell

Darren Brown

The members of the Committee of Management who held office during the financial year received no remuneration.

14 Association Details

The principal place of business of the association is:

Australian Hotels Association - Hobart Branch

11 Morrison Street

Hobart Tas 7000

The principal activities of the association is the provision of support and benefits to its members. It is incorporated and domiciled in Australia.

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
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15	Capital and Leasing Commitments	2004	2003
	<i>Lease Expenditure Commitments</i>	\$	\$
	Minimum lease payments		
	not later than one year	25,699	-
	later than one year and not later than five years	56,070	-
		<hr/>	<hr/>
	Aggregate lease expenditure contracted at reporting date	<u>81,769</u>	<u>-</u>

The commitment relates to the Associations's rented premises.

16 Segment
Australian Hotels Association - Tasmanian Branch operates in one geographical segment being Tasmania.

17	Auditors Remuneration	2004	2003
		\$	\$
	Amounts received or due and receivable		
	Audit services	5500	5100
	Other service	-	-
		<hr/>	<hr/>
		<u>5,500</u>	<u>5100</u>

18 Impact of adopting AASB Equivalents to IASB Standards
Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the end of the current financial year.

The directors are assessing the significance of these changes and preparing for their implementation. The directors are of the opinion that the key differences in the Association's accounting policies which will arise from the adoption of IFRS are:

Classification of Financial Instruments

Under AASB 139 Financial Instruments: *Recognition and Measurement*, financial instruments will be required to be classified into one of five categories which will, in turn, determine the accounting treatment of the item. The classifications are loans and receivables measured at amortised cost, held for trading - measured at fair value with fair value changes taken to equity and non trading liabilities - measured at amortised cost. This will result in a change in the current accounting policy that does not classify financial instruments. Current measurement is at amortised cost, with certain derivative financial instruments not recognised on balance sheet. The future financial effect of this change in accounting policy is not yet known as the classification and measurement process has not yet been fully completed.