



Australian Government

Australian Industrial Registry

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Melbourne, VIC 3000
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Email: melbourne@air.gov.au

Mr Daniel Hanna
General Manager
Tasmanian Branch
Australian Hotels Association
Level 2, 11 Morrison St
HOBART TAS 7000

Dear Daniel,

**Australian Hotels Association - Tasmanian Branch
Financial Report for the Year Ended 30th June 2005 - FR2005/242
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial report of the Tasmanian Branch of the Australian Hotels Association for the year ended 30 June 2005. The documents were lodged in the Industrial Registry on 21 April 2006 with further documentation being lodged on 28 July 2006.

The documents have been filed.

I draw your attention to the following comments concerning the above report and the financial reporting obligations under the RAO Schedule. Please note that these matters are generally advised for assistance in the future preparation of financial reports.

Designated Officer's Certificate (Secretary's Certificate)

It would seem that the covering letter of 18 April 2006 should have been signed by an (authorised) officer of the branch, as defined under the RAO Schedule. The information provided in the letter is more commonly described as the 'Designated Officer Certificate' and must be made by an officer of the branch - either the President or another officer who is authorised by the rules to sign the certificate - refer s268(c) of the RAO Schedule and regulation 162 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (the RAO Regulations).

The meaning of 'office' is set out in section 9 of the RAO Schedule. The position of General Manager does not appear, under the rules of the branch, to meet the description of office; the functions of which include the participation of the officer as a voting member of a collective body that has power in relation to the implementation and functions set out in section 9.

Further, before the financial documents are presented to a general meeting of the members, the documents must be provided to the members at least 21 days prior to that event. The Designated Officer must include that information in his or her certificate, and state the date upon which the documents were provided to the members – refer s268(c).

Operating Report

Trustee of a Superannuation Entity: The Operating Report is required to state whether any officer or member of the organisation is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

In the event that no officer or member of the organisation is a trustee or director of a superannuation entity, the Operating Report should include a comment to that effect.

Resignation from membership: Subsection 254(2)(c) requires the operating report to “give details” of the right of members to resign from the reporting unit under s174 of the RAO Schedule. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 32 of the Organisation’s rules is applicable.

Insufficient time before documents presented to meeting

Given that the auditor's report is dated 24 November 2005, it would appear that the Annual General Meeting held on 30 November 2006 was not sufficient for the purposes of subsection 265(5). In other words, after the auditor has made his or her report, the financial documents must be provided to the members. At least 21 days has to lapse between the date the members have been provided with the financial documents and the presentation of those documents to a general meeting of members.

The relevant timescale requirements of the Act are summarised for your assistance in the attachment.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, please contact me by email at robert.pfeiffer@air.gov.au or on (03) 8661 7817.

Yours sincerely,



Robert Pfeiffer
Statutory Services Branch

10 August 2006



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

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

FR2005/242

Dear Robert

Re: Australian Hotels Association (Tasmanian Branch) Outstanding Financial Documents

Further to my reply of 22nd March 2006, please find attached a copy of the full financial report of the AHA Tasmanian Branch as endorsed by the State Council and presented at the Annual General Meeting of 30th November 2005.

This has been reviewed by our auditors, PKF Accountants and Business Advisers, in accordance with relevant standards.

I trust that this meets with your requirements.

Yours sincerely

Daniel Hanna
General Manager

**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 Statement by Committee of Management, for Australian Hotels Association – Tasmanian Branch for the year ended 30 June 2005.

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 2005, 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

24 November 2005
Melbourne

A Victorian Partnership

R A Dean
Partner

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

Page No.

CONTENTS

1	Operating Report
3	Statement by Committee of Management
4	Statement of Financial Performance
5	Statement of Financial Position
6	Statement of Cash Flows
7	Notes to the Financial Statements
16	Independent Audit Report

**AUSTRALIAN HOTELS ASSOCIATION – TASMANIAN BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

Your councillors submit the operating report of the Australian Hotels Association – Tasmanian Branch for the financial year ended 30 June 2005.

Councillors

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

Councillor	Date of Appointment
Paul Jubb	
Don McQuestin	
Jim Bleasel	
Frank Morgan	
Robert Humphries	
Fiona Jones	
John Dabner	
Peter Grubb	
Grant Beaumont	
Greg Astell	
Darren Brown	

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 loss of \$21,192 (2004: profit of \$134,612)

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.

Number of Employees

The number of employees as at the end of the year was 5.

Number of Members

The number of members was 199.

**AUSTRALIAN HOTELS ASSOCIATION – TASMANIAN BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

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

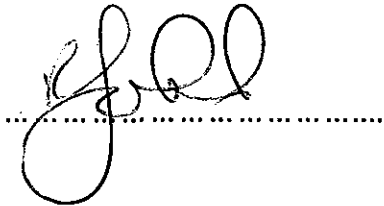
No person has applied for leave to court to bring proceedings on behalf of the association or intervene in any proceedings to which the association is a party for the purpose of taking responsibility on behalf of the association for all or part of those proceedings.

Rights of Members

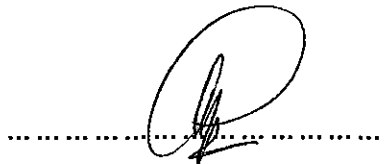
Under section 174, members have the right to resign from Australian Hotels Association by providing written notice.

Signed in accordance with a resolution of the Councillors

Councillor

A handwritten signature in black ink, appearing to be 'J. G. O.', written over a horizontal dotted line.

Councillor

A handwritten signature in black ink, appearing to be 'P.', written over a horizontal dotted line.

Dated this

day of November 2005

**AUSTRALIAN HOTELS ASSOCIATION – TASMANIAN BRANCH
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005**

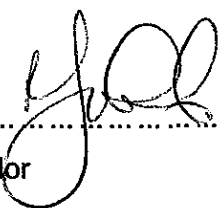
In the opinion of the Councillors, the financial report as set out on pages 4 to 15;


- 1 Presents a true and fair view of the financial position of the Australian Hotels Association – Tasmanian Branch as at 30 June 2005 and its performance for the year ended on that date in compliance 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 2005, 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 2005, and is signed for and on behalf of the councillors by:


.....
Councillor


.....
Councillor

Signed at Hobart this day of November 2005

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005	2004
		\$	\$
Revenue from ordinary activities	2	672,809	1,019,115
Depreciation and Amortisation	3	16,843	27,872
Employee Expense		271,465	237,932
National Affiliation and Capitation		45,722	41,384
Fees paid to Australian Hotels			
Promotions		79,500	74,022
Promotions -Special Project		18,182	-
Occupancy Costs		49,113	31,752
Public Affairs & Governement		11,257	12,290
Newletters & Memberships		51,825	37,488
Carrying Value of Property Plant & Equipment disposed of		20,909	321,443
Office & Administration Expenses		14,776	12,229
Bad & Doubtful Debts		13,073	10,322
Vehicle Expenses		10,266	11,614
Accounting & Audit Expenses		8,799	11,130
Postage & Freight Expenses		9,965	12,015
Other expenses		72,306	43,010
		<u>694,001</u>	<u>884,503</u>
Profit (loss) from ordinary activities before income tax		<u>(21,192)</u>	<u>134,612</u>
Income tax relating to ordinary activities	1 (b)	<u>-</u>	<u>-</u>
Net profit (loss) from ordinary activities		<u><u>(21,192)</u></u>	<u><u>134,612</u></u>

The accompanying notes form part of these financial statements

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005**

	Note	2005	2004
		\$	\$
CURRENT ASSETS			
Cash assets	4	647,272	249,966
Receivables	5	176,541	604,465
Inventories	6	<u>3,515</u>	<u>4,753</u>
TOTAL CURRENT ASSETS		<u>827,328</u>	<u>859,184</u>
NON - CURRENT ASSETS			
Property, Plant & Equipment	7	<u>69,470</u>	<u>70,344</u>
TOTAL NON - CURRENT ASSETS		<u>69,470</u>	<u>70,344</u>
TOTAL ASSETS		<u>896,798</u>	<u>929,528</u>
CURRENT LIABILITIES			
Payables	8	231,524	260,653
Interest Bearing Liabilities	9	12,853	-
Provisions	10	<u>11,404</u>	<u>6,666</u>
TOTAL CURRENT LIABILITIES		<u>255,781</u>	<u>267,319</u>
TOTAL LIABILITIES		<u>255,781</u>	<u>267,319</u>
NET ASSETS		<u>641,017</u>	<u>662,209</u>
MEMBERS FUNDS			
Retained profits	11	<u>641,017</u>	<u>662,209</u>
TOTAL MEMBERS FUNDS		<u>641,017</u>	<u>662,209</u>

The accompanying notes form part of these financial statements

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005	2004
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		641,100	666,130
Payments to suppliers and employees		(750,561)	(562,295)
Payments to Australian Hotels Association		-	(41,384)
Other Income		6,441	-
Interest received		<u>29,949</u>	<u>9,330</u>
Net cash provided by/(used in) operating activities	12(b)	<u>(73,071)</u>	<u>71,781</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceed from sale of Assets		498,573	10,909
Payments for property, plant & equipment		(41,049)	(27,409)
Net Cash used in/(provided by) investing activities		<u>457,524</u>	<u>(16,500)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		<u>12,853</u>	-
Net Cash used in/(provided by) financing activities		<u>12,853</u>	-
Net increase /(decrease) in cash held		397,306	55,281
Cash at beginning of year		<u>249,966</u>	<u>194,685</u>
Cash at end of year	4	<u>647,272</u>	<u>249,966</u>

The accompanying notes form part of these financial statements

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

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>
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.

(d) Cash

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

**AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

(e) Receivables

Trade receivables 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.

(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.

**AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

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).

	2005 \$	2004 \$
2 REVENUE FROM ORDINARY ACTIVITIES		
Revenue from operating activities		
Membership income	477,889	430,791
Commissions	13,300	18,537
Promotions	43,217	55,741
Gaming Training	31,288	42,099
Revenue from non operating activities		
Proceeds from Sale of Vehicle	20,909	10,909
Proceeds from Sale of Furniture	461	-
Proceeds from Sale of Land and Buildings	-	435,000
Interest Income	29,949	9,330
Rental Income	1,615	7,825
Stationery Sales	-	7,669
Special Project Income	40,000	-
Other	14,182	1,214
Total Revenue from Ordinary Activities	<u>672,809</u>	<u>1,019,115</u>
3 EXPENSES FROM ORDINARY ACTIVITIES		
Depreciation of non current assets		
Land & Buildings	-	4,628
Plant & Equipment	16,843	23,244
Total depreciation of non current assets	<u>16,843</u>	<u>27,872</u>
(Profit)/Loss on disposal of Property Plant and Equipment	4,170	(124,466)
Bad and Doubtful Debts	13,073	10,322
Operating Lease Expense	24,763	-

**AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
4 Cash Assets		
Cash at Bank	-	8,535
Deposits at call	<u>647,272</u>	<u>241,431</u>
	<u>647,272</u>	<u>249,966</u>
5 Receivables		
Trade debtors	187,031	118,782
Provision for Doubtful Debts	(13,073)	-
Other debtors	953	-
Settlement from Sale of Land & Building	-	477,664
FBT Reimbursement due	-	2,076
Prepaid Expenditure	<u>1,631</u>	<u>5,943</u>
	<u>176,541</u>	<u>604,465</u>
Trade debtors are non interest bearing and generally on 30 day terms.		
6 Inventories		
Stationery at Cost	<u>3,515</u>	<u>4,753</u>
	<u>3,515</u>	<u>4,753</u>

**AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

	2005 \$	2004 \$
7 Property Plant & Equipment		
Plant and equipment at cost	121,824	169,259
Less: Provision for Depreciation	<u>(52,354)</u>	<u>(98,915)</u>
	<u>69,470</u>	<u>70,344</u>

(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

	2005 \$ Plant & Equipment
Opening Balance	70,344
Additions	41,038
Disposals	(25,069)
Depreciation Expense	<u>(16,843)</u>
Carrying amount at the end of the year	<u>69,470</u>

8 Payables

Trade Creditors	24,326	22,538
Income received in advance	183,540	187,628
Accrued Expenses	6,820	6,050
GST Liabilities	<u>16,838</u>	<u>44,437</u>
	<u>231,524</u>	<u>260,653</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 2005.

9 Interest Bearing Liabilities

CURRENT

Bank Overdraft (Unsecured and carries interest @19.85% per annum.)	12,853	-
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10 Provisions

Current

Employee Benefits	<u>11,404</u>	<u>6,666</u>
	<u>11,404</u>	<u>6,666</u>
Number of employees at year end	5	4

11 Retained Profits

Balance at the beginning of the financial year	662,209	527,597
Net profit / loss	<u>(21,192)</u>	<u>134,612</u>
Balance at the end of the financial year	<u>641,017</u>	<u>662,209</u>

12 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>647,272</u>	<u>249,966</u>
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AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
(b) Reconciliation of net profit / (loss) after tax to the net cash flows from operations		
Net Profit /(Loss)	(21,192)	134,612
Non-cash items		
Depreciation	16,843	27,872
Bad & Doubtful Debts	13,073	10,322
Profit on sale of land & buildings	-	(126,172)
Loss on disposal of property, plant & equipment	4,170	2,712
Changes in Assets & Liabilities:		
(Increase) / Decrease in receivables	(67,125)	(21,208)
(Increase) / Decrease in inventories	1,238	-
(Increase) / Decrease in prepayments	4,313	-
Increase / (Decrease) in payables	1,788	(2,977)
Increase / (Decrease) in accrued expenses	770	950
Increase / (Decrease) in GST Liabilities	(27,599)	869
Increase/ (Decrease) in Pre Paid Income	(4,088)	46,256
Increase / (Decrease) in provisions	4,738	238
Net cash flow from operating activities	(73,071)	73,474

13 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>	
	2005	2004	2005	2004	2005	2004
	%	%	\$	\$	\$	\$
<i>i) Financial Assets</i>						
Cash	-	4.75	-	8,535	-	-
Receivables	-	-	-	-	176,541	604,465
Deposits at call	5.20	5.00	647,272	241,431	-	-
<i>ii) Financial Liabilities</i>						
Bank Overdraft	14.25	-	(12,853)	-	-	-
Payables	-	-	-	-	47,984	73,025

**AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

(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
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.

AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

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.

15 Capital and Leasing Commitments

	2005	2004
<i>Lease Expenditure Commitments</i>	\$	\$
Minimum lease payments		
not later than one year	28,035	25,699
later than one year and not later than five years	30,994	56,070
Aggregate lease expenditure contracted at reporting date	<u>57,029</u>	<u>81,769</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

Amounts received or due and receivable		
Audit services	6200	5500
	<u>6,200</u>	<u>5500</u>

18 Impact of Adopting AIFRS

Australian Hotel Association – Tasmanian Branch is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (A-IFRS), which will be applicable for the year ending 30 June 2006. In 2005 the Association allocated internal resources to assess the impact of the transition to A-IFRS. The outcomes of this assessment will form the basis of accounting for A-IFRS in the future and is required when it prepares its first fully A-IFRS compliant financial report for the year ended 30 June 2006.

**AUSTRALIAN HOTELS ASSOCIATION - TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

In some cases choices of accounting policies are available including elective exemptions under AASB 1 first time Adoption of Australian Equivalents to IFRS. Some of these choices are still being analysed to determine the most appropriate accounting policy.

IFRS difference identified

Potential nature of the IFRS impact

Asset Impairment

Impairment of assest will be determined on a discounted basis, with strict tests to determine whether relevant assets have been impaired. Impairment testing will be conducted at a cash generating unit level.

Potential impact on Net Assets and reported profit are not expected to be material.

Comparatives

Changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

Potential impact on Net Assets and reported profit are not expected to be material.

24 November 2005

Mr Richard Dean
Partner
PKF
Level 11, CGU Tower
485 LaTrobe Street
MELBOURNE VIC 3000

Dear Sir

This representation letter is provided in connection with your audit of the financial report of Australian Hotels Association – Tasmanian Branch for the year ended 30 June 2005, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with Accounting Standards, UIG Consensus Views, the Workplace Relations Act 1996 and relevant statutory and other requirements.

We acknowledge our responsibility for ensuring that the financial report is in accordance with Accounting Standards, UIG Consensus Views and the Workplace Relations Act 1996 and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We have made available to you:
 - (a) all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and
 - (b) minutes of all meetings of committees of management.
2. There have been no:
 - (a) irregularities involving management or employees who have a significant role in the internal control structure;
 - (b) irregularities that could have a material effect on the financial report;
 - (c) communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

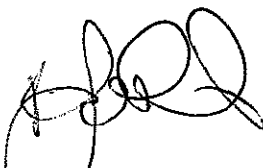
3. We acknowledge our responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error and we have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
4. We have no plans or intentions that may materially effect the carrying values, or classification, of assets and liabilities.
5. We have considered the requirements of AASB 1010 "Recoverable Amount of Non-Current Assets" when assessing the carrying value of non-current assets and in ensuring that no non-current assets are stated in excess of their recoverable amount.
6. The following have been properly recorded or disclosed in the financial report:
 - (a) related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral);
 - (b) share options, warrants, conversions or other requirements;
 - (c) arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements;
 - (d) agreements to repurchase assets previously sold;
 - (e) material liabilities or contingent liabilities or assets including those arising under derivative financial instruments;
 - (f) unasserted claims or assessments that our lawyer has advised us are probable of assertion;
 - (g) losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.
7. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
8. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
9. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
10. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.
11. We have disclosed to you that there has been no significant fraud or suspected fraud. Our assessment of the risk that the financial report may be materially misstated as a result of fraud is low.
12. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose affects should be considered when preparing the financial report.

13. We have considered the effect on the financial report of the following uncorrected misstatements, aggregated by you and brought to our attention. We confirm that we consider the misstatements to be immaterial individually and in aggregate to the financial report taken as a whole.

	\$
Superannuation understated	983
Wages understated	870
FBT understated	945
Employee Leave Entitlements understated	1,140
Hotel Revenue Overstated	2,092
Conference and Awards Revenue Understated	1,317
	<hr/>
Profit overstated	4,713
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We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully



Councillor



Councillor