Australian Government
Australian Industrial Registry

11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7989
Fax: (03) 9655 0410
Email: Cynthia.lobooth@air.gov.au

Mr Eric Sward
Treasurer
The Motor Inn, Motel and Accommodation Association
National Office
Level 6, Alexandra House
201 Wickham Terrace
BRISBANE QLD 4000

By email: mail@hmaa.com.au

Dear Mr Sward

Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial reports for year ended 30 June 2006 − FR2006/240

I acknowledge receipt of the financial reports of The Motor Inn, Motel and Accommodation Association for the year ended 30 June 2006. The documents were lodged in the Industrial Registry on 8 May 2007 and in response to our request of 28 June 2007, further documents were lodged on 19 September 2007.

The financial reports have been filed.

I have made some comments to assist you when your organisation next prepare a financial report. You are not required to take any further action in respect of the report lodged.

1. Provision of Financial Documents to Members

I note the full report was provided to members on 2 August 2007, however the Auditor's Report was dated 3 August 2007. As previously mentioned in our letter of 28 July 2007, s265 of the *Registration and Accountability of Organisations Schedule 1* of the *Workplace Relations Act 1996* (RAO Schedule) defines a full report to include the signed Auditor's Report, the General Purpose Financial Report (which includes the Committee of Management Statement) and the Operating Report. The full report should have been provided to members at a date after the Auditor's Report was signed.

In future, non−compliance with this requirement will result in the financial report not being filed and your organisation will be required to repeat certain steps before the financial report can be filed.

2. Auditor's Qualifications

In future financial years the Auditor's Report should provide details of the Auditor's qualifications to confirm he is an 'approved auditor' under s256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants *and holds a current Public Practice Certificate.*

I note your auditor provided a statement that he was a Certified Accountant and a qualified public practice auditor. The Registrar prefers that the auditor also state that he "holds a current Public

Practice Certificate" as this is an explicit requirement of Regulation 4 of the RAO Regulations. Please advise your auditor of this for future reports.

3. General Purpose Financial Report

The General Purpose Financial Report must include a notice drawing attention to the fact that prescribed information is available to members on request.

This requirement is set out in subsection 272(5) of the RAO Schedule, and specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) 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).*
>
> *Note: This subsection is a civil penalty provision (see section 305)."*

This information should be set out in the Notes to the Accounts. This should also be brought to your auditor's attention.

4. Committee of Management Statement − Resolution Date

Item 26 of the Reporting Guidelines requires that the Committee of Management Statement be made in accordance with a resolution passed by the committee of management. The Statement must specify the date of passage of the resolution. I note the date of the resolution was provided in the cover letter dated 4 September 2007, in future this must appear in the Committee of Management Statement.

Furthermore, your organisation's Committee of Management Statement presently use the word "declares". This is unclear to the Registrar as to whether a resolution has been passed. The following wording in the Committee of Management Statement would satisfy the requirements of Item 26:

> *"On* (insert date), *the Committee of Management of The Motor Inn, Motel and Accommodation Association passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30* June (insert year) . . ."

Also, please note in the Committee of Management Statement dated 19 July 2007 there were references to the "RAG Regulations" in paragraph 8 and "RAG Schedule" in paragraph 11. Please amend this to the "RAO Regulations" and "RAO Schedule" for future financial returns.

5. Certificate of Secretary

The Certificate of Secretary dated 24 August **2006** was certifying to events in August 2007. I note this as an oversight in regards to the year as your cover letter of 4 September 2007 referred to the Secretary's Certificate as dated 24 August 2007.

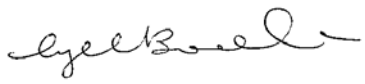
The Registry aims to assist registered organisations in complying with their obligations under the RAO Schedule and Reporting Guidelines, by providing advice about errors identified in the financial reports. Please note the inaccuracies identified in this correspondence and address these matters in future financial reports.

ELECTRONIC LODGMENT

The Registrar encourages you to take advantage of the electronic lodgement service provided by the Registry for future lodgements. You may register as a user and then lodge your documents via the Electronic Lodgement page of the AIRC website at www.airc.gov.au Alternatively, you may send an email with the documents attached to: riateam3@air.gov.au Please note the Rules of the Commission allow for electronic signatures to be used, other than for statutory declarations (see subrule 74A(1)). Where documents are lodged electronically, there will be no need to forward hard copies of the documents.

If you wish to discuss any matters regarding your organisation's financial reporting obligations I can be contacted on (03) 8661 7989 (Wed and Thurs) or by e-mail at cynthia.lobooth@air.gov.au.

Yours sincerely,



Cynthia Lo-Booth
Statutory Services Branch

17 October 2007

Cc: Greg Holmes
Chief Executive

Accommodation Association Australia

Motor Inn
Motel and
Accommodation
Association
Australia

4 September 2007

Ms Cynthia Lo-Booth
Statutory Services Officer Team 3
Statutory Services Branch
Australian Industrial Registry
11 Exhibition Street
MELBOURNE VIC 3000

Dear Ms Lo-Booth,

Re: MIMAA Accounts – 2005/06

Further to previous correspondence between your office and ours regarding the above matter, I am now able to advise that all matters raised by you have been attended to the best of our knowledge and understanding and I now attach the completed documents, with explanations where required.

Enclosed now please find –

- Copy of the audited Financial Report for year ended 30 June 2006
- Copy of the Operating Report dated 19 December 2006
- Copy of the Secretary's Certificate dated 24 August 2007

The full report was sent to members on 2 August 2007 and a general meeting was held on 24 August 2006 at which the full report was presented as required.

I am able to certify that the Committee of Management Statement dated 19//7/07 was passed by resolution of the Committee of Management on 19 July 2007.

The variation in subscription income declared at page 9 of the financial report was due to a loan received from the Motor Inn, Motel and Accommodation Association of NSW in the amount of $173,944 (refer accounts for 2005). Note that for year ended 30 June 2004, subscription income was $12,000 and for the year ended 30 June 2006 was $17,213.

I trust this completes our reporting for year ending 30 June 2006.

Yours faithfully,

Eric Sward
Treasurer

AUSTRALIAN INDUSTRIAL REGISTRY
RECEIVED
19 SEP 2007
PRINCIPAL REGISTRY

Level 6, Alexandra House, 201 Wickham Tce, Brisbane Qld 4000 **Ph 07 3831 8628** Fax 07 3832 2983

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

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THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

COMMITTEE'S REPORT

Your committee members submit the financial report of The Motor Inn, Motel and Accommodation Association of Australia for the financial year ended 30 June 2006.

Committee Members
The names of committee members throughout the financial year and at the date of this report are:
David Brown
Eric Sward
Jean Muller
Garry Crockett
Bruce Copland

Principal Activities
The principal activities of the association during the financial year were liaising with the Australian Industrial Relations Commission and the Liquor Hospitality and Miscellaneous Workers Union.

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

Operating Result
The profit from operations after providing for income tax amounted to $16,745.

After Balance Date Events
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

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

....
Committee Member Committee Member

Dated this 19th Day of July 2007

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NATIONAL RETAIL ASSOCIATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDO Kendalls (QLD)
Chartered Accountants

Damian Wright
(CA and qualified public practice auditor)
Partner

DATE
Brisbane 19 Jul 2007

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 $	2005 $
Revenue	2	17,225	175,144
Expenses		(480)	(1,164)
Profit before income tax expense		16,745	173,980
Income tax expense		-	-
Profit after related income tax expense (income tax revenue)		16,745	173,980

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

BALANCE SHEET

AS AT 30 JUNE 2006

	Notes	2006 $	2005 $
CURRENT ASSETS			
Cash and cash equivalents	3	18,972	91
Trade and other receivables	4	-	18,714
TOTAL CURRENT ASSETS		18,972	18,805
TOTAL ASSETS		18,972	18,805
CURRENT LIABILITIES			
Trade and other payables	5	1,716	18,294
TOTAL CURRENT LIABILITIES		1,716	18,294
TOTAL LIABILITIES		1,716	18,294
NET ASSETS		17,256	511
MEMBERS' FUNDS			
Retained profits	6	17,256	511
TOTAL MEMBERS' FUNDS		17,256	511

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006	2005
Cash Flow from Operating Activities			
Receipts from members, charitable bodies, government and customers		35,939	170,700
Payments to suppliers and employees		(17,058)	(170,984)
Net cash provided by operating activities		18,881	(284)
Net increase/(decrease) in cash held	7	18,881	(284)
Cash at beginning of year		91	375
Cash at end of year	3	18,972	91

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers The Motor Inn, Motel and Accommodation Association of Australia as an individual entity. The financial report of The Motor Inn, Motel and Accommodation Association of Australia as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

First-time adoption of Australian Equivalents to International Financial Reporting Standards The Motor Inn, Motel and Accommodation Association of Australia has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

These accounts are the first financial statements of The Motor Inn, Motel and Accommodation Association of Australia be prepared in accordance with AIFRS.

The effect of transition from previous AGAAP to AIFRSs on the equity and net income was nil.

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost, less where applicable, any accumulated depreciation.

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (continued)

The carrying amount of plant and equipment is reviewed annually by the Association 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 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.

Property, plant and equipment are measured at cost. The depreciable amount of all fixed assets, excluding freehold land, are depreciated over their useful lives commencing from the time the asset is held ready for use.

Depreciation on all fixed assets, excluding freehold land, is calculated on a straight line basis over their useful lives at the following rates:

Furniture and Fixtures	15%-30%
Leasehold Improvement	2.5%

Income Tax

The Association is an exempt body for income tax purposes under Section 23 (f) of the Income Tax Assessment Act.

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 borrowings in current liabilities on the balance sheet.

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
Dividend revenue is recognised when the right to receive a dividend has been established.

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

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. 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Financial Instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

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

NOTE 2: REVENUE	Note	2006 $	2005 $
Income		12	-
Membership Subscriptions		17,213	175,144
		17,225	175,144

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank	18,972	91

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT		
Term Receivables	-	18,714

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 5: TRADE AND OTHER PAYABLES

	Note	2006	2005
Unsecured liabilities			
Sundry creditors		1,716	18,294

NOTE 6: RETAINED EARNINGS

Retained earnings/Accumulated losses at the beginning of the financial year	511	(173,469)
Net profit / (loss) attributable to members of the entity	16,745	173,980
Retained earnings/Accumulated losses at the end of the financial year	17,256	511

NOTE 7 – RECONCILIATION OF CASH FLOWS

Operating surplus / (loss)	16,745	173,980
Non cash flows in operating surplus / (loss)		
Depreciation	-	
Gain on Disposal of Fixed Asset	-	
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	18,714	(4,444)
Increase/(decrease) in trade and other payables	(16,578)	(169,820)
Cash flows from operations	18,881	(284)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 8 : AUDITOR'S REMUNERATION	Note	2006	2005
Fees Received and Receivable for -			
Auditor's Remuneration			
- audit or review		450	-

NOTE 9 – 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 classes of financial assets and financial liabilities, is as follows:

Cash bears floating interest rate of 3.5% and are on normal commercial terms. All other financial assets and financial liabilities are non-interest bearing.

(b) Credit Risk

The maximum exposure to credit risks 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 balance sheet and notes to the financial statements.

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

NOTE 9 – FINANCIAL INSTRUMENTS (continued)

(c) Net Fair Values

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

	Weighted Average Effective Interest Rate		*Floating Interest Rate*		*Fixed Interest Rate Maturing Within a Year*	
	2006	*2005*	*2006*	*2005*	*2006*	*2005*
Financial Assets						
Cash	0.10%	0.20%	-	-	-	-

	Non-interest Bearing		*Total*	
	2006	*2005*	*2006*	*2005*
Financial Assets				
Cash	18,972	91		
Trade and other receivables	-	18,714		
Total financial assets	**18,972**	**18,805**		
Financial Liabilities				
Trade & other payables	1,716	18,294		
Others	-	-		
Lease liabilities	-	-		
Total financial liabilities	**1,716**	**18,294**		

NOTE 10 – EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item transaction or event of a material nature likely in the opinion of the committee members, to affect significantly the operations of the association, the results of those operations, or the State of affairs of the association in subsequent financial years.

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee of Management declares in relation to the general purpose financial report (GPFR) that in its opinion:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar:
3. 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;
4. 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;
5. During the financial year to which the GPFR relates and since the end of that year:
6. Meetings of the committee of management were held in accordance with the rules of the organization including the rules of a branch concerned; and
7. The financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned;
8. The financial records of the reporting unit have been kept and maintained in accordance with Schedule 16 of the Workplace Relations Act, and the RAG Regulations; and
9. 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 organization; and
10. No requests were received from any member of the reporting unit or a Registrar for information under section 272 of the RAO Schedule; and
11. No order has been made for inspection of financial records made by the Commission under Section 273 of the RAG Schedule.

For the Committee of management:
Eric Sward
Title of Office Held Treasurer

.....
Signature

Brisbane
Dated: 19/7/07

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Accumulated Funds, Cash Flow Statements, accompanying notes to the financial statements, and the statement by members of the committee of The Motor Inn, Motel and Accommodation Association of Australia for the year ended 30 June, 2006.

The Committee is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations and Incorporation Act (ACT). 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. Our audit was conducted in accordance with Australian Auditing 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 judgment, 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 Associations and Incorporation Act (NSW) including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Association'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:

examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

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.

Unqualified Audit Opinion

In our opinion, the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards, the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia, the financial position of The Motor Inn, Motel and Accommodation Association of Australia as at 30 June 2006 and the results of its operations and its cash flows for the year then ended.

BDO Kendalls (QLD)
Chartered Accountants

Damian Wright
(CA and qualified public practice auditor)
Partner

Brisbane:
Dated 3/8/07

Operating Report for year ended 30 June 2006

Committee of Management Members:

The persons who held office as a member of the Committee of Management of the Motor Inn, Motel and Accommodation Association for the financial year ending 30 June 2006 were:-

Title	**Name**
President: Occupation: Address:	Garry Crockett Company Director C/- The Crockett Group P.O. Box 7027 Leura NSW 2780
Vice President: Occupation: Address:	Jean Muller Company Director C/- Balmoral Motor Inn 511 Brooker Highway Glenorchy TAS 7010
Treasurer: Occupation: Address:	Eric Sward Company Executive C/- The Crockett Group P.O. Box R 1958 Royal Exchange Sydney NSW 1225
Executive Director: Occupation: Address:	Eric Sward Company Executive C/- The Crockett Group P.O. Box R 1958 Royal Exchange Sydney NSW 1225
Committee Member: Occupation: Address:	David Brown Company Executive Fraser Suites Sydney 488 Kent Street Sydney NSW 2000
Committee Member: Occupation: Address:	Bruce Copland Company Executive Toga Group P.O. Box 1745 Strawberry Hills NSW 2012

Principal Activities of the Organisation:

The principal activities of the organisation during the financial year were providing advice and representation for members on employment issues and acting as a peak employer organization consistent with its objects.

Results of Principal Activities:

The Organisation's activities resulted in delivering industrial relations and human resources services, workplace health and safety services and training, negotiation with relevant union and government bodies and representation of members in Industrial tribunals.

Significant changes in the Organisation's financial affairs:

There were no significant changes affecting the financial affairs of the organization during the financial year.

Right of members to resign:

A copy of the relevant organization rule in this regard is attached hereto.

Trustee or Director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme:

There were no officers or members of the Organisation who were trustees or directors of a prescribed superannuation entity during the financial year.

Number of members of the Organisation:

There were 714 members of the Organisation at the end of the financial year.

Employees of the Organisation:

The number of employee at the end of the financial year was one (1).

Name: Eric Sward

Title of Office Held: Treasurer

Signature: .....

Date: 19/12/2005

41 – RESIGNATION

1. A member may resign from membership by written notice addressed and delivered to the Executive Director or the Secretary of a Branch of which they are a member.

2. Such a notice takes effect;
   a) where the member is no longer eligible to be a member;

      (i) on the day on which the notice is received by the Association; or

      (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceased to be eligible as a member;

      whichever is the later; or

   b) in any other case;

      (i) at the end of three (3) months after the notice is received by the Association; or

      (ii) on the day specified in the notice;

      whichever is later.

3. Any dues payable but not paid by a former member, in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Association in a Court of competent jurisdiction, as a debt due to the Association.

4. A notice delivered to the Executive Director or Branch Secretary shall be taken to have been received by the Association when it was delivered.

5. A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-rule (1)

6. A resignation from membership is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resigned had been accepted.

Certificate of Secretary or other Authorised Officer

I, Eric Sward, being the Treasurer of the reporting organization certify:-

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on 2 August 2007; and
- that the full report was presented to a General Meeting of the reporting unit to which invitations were sent to all members to attend the general meeting held on 24 August 2007 in accordance with section 266 of the RAO Schedule.

Signature:.....

Date: 24/8/2006

Australian Government
Australian Industrial Registry

11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7989
Fax: (03) 9655 0410
Email: Cynthia.lobooth@air.gov.au

Mr Greg Holmes
Executive Director
The Motor Inn, Motel and Accommodation Association
National Office
Level 6, Alexandra House
201 Wickham Terrace
BRISBANE QLD 4000

By email: mail@hmaa.com.au

Dear Mr Holmes

Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial reports for year ended 30 June 2006 − FR2006/240

I acknowledge receipt of the financial reports of The Motor Inn, Motel and Accommodation Association for the year ended 30 June 2006. The documents were lodged in the Industrial Registry on 8 May 2007.

I also refer to our telephone conversation of 7 June 2007 regarding the absence of some notes in the general purpose financial report, particularly 12. I have yet to receive a response to the query from you after you were to make enquiries with your auditor.

Nevertheless, the financial documents have not been filed and will require further work before they can be filed.

1. Sequence of Events in Preparation of Financial Reports

One of the main problems with The Motor Inn, Motel and Accommodation Association's financial documents is the time sequence of their preparation.

According to Schedule 1 of the *Workplace Relations Act 1996* (the RAO Schedule) the financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in the Industrial Registry within certain timescale requirements. A diagram has been enclosed to assist you.

From the information available, I note the Committee of Management Statement is dated 19 December 2006 and the Auditor's Report is dated 4 May 2007. It would appear that the auditor could not have taken into account the Committee of Management Statement in their auditing of the general purpose financial reports. Section 253(2)(c) of the RAO Schedule provides that the general purpose financial report must consist of the statement of financial performance, statement of financial position, statement of cash flows, notes to the accounts and "any other reports or statements required by the reporting guidelines". Item 24 of the Reporting Guidelines requires a committee of management statement to be prepared. Therefore, the Committee of Management Statement must be prepared and signed *before* the Auditor's Report so that the statement can be considered by the auditor.

I also note in the Certificate of Secretary that the full report was provided to members on 19 December 2006 and the general meeting was held on the same day. This would suggest that the members were not properly provided with a full report containing the signed Auditor's Report. Section 265 of the RAO Schedule defines a full report to include the Auditor's Report, the General

Purpose Financial Report (which includes the Committee of Management Statement) and the Operating Report.

Furthermore, s266 of the RAO Schedule makes provision for the methods by which a reporting entity may satisfy its obligation to present the full report to members. The general purpose of the financial reporting provisions is to ensure disclosure to members (*at least 21 days before the general meeting*) and, to offer those members an opportunity to raise any matter that concerns them regarding material disclosed in that information. The vehicle for your members to achieve this is at a general meeting of members. The provision of the full report to members and the presentation of the full report to a general meeting were done on the same day which is contrary to subsection 266(5) of the RAO Schedule.

2. Auditor's Report

(a) Auditor's Opinion

Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is *presented fairly* in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. 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 RAO Schedule of the Workplace Relations Act 1996".*

In the current Auditor's Report dated 4 May 2007 there is no specific mention of whether the general purpose financial report presents fairly in accordance with the RAO Schedule which is one of the main legislative frameworks the organisation operates under. If the statement stands true, it is preferred that the auditor adopts a similar wording to that provided to incorporate the requirements of the RAO Schedule.

(b) Approved Auditor

It is not clear from the report whether or not the auditor is an approved auditor. In this regard I draw your attention to the definition of an *approved auditor* in regulation 4 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (the RAO Regulations). In all likelihood your auditor is such a person however, it is our preference that this is made explicit in the report.

(c) Notes to the Financial Statements

As I mentioned in our telephone conversation of 7 June 2007, please ask your auditor to address the missing notes from the general purpose financial reports. There are explanatory notes for note 7 to 10 but they do not correspond to any figures contained in the general purpose financial reports. Additionally, I am looking for an explanation to note 12 that appears on page 9 and note 11 is missing.

3. Operating Report

In the Operating Report under the sub−heading of Committee of Management Members, the address details of members have been included. Once your organisation's reporting obligations have been fulfilled and the financial reports for the year ended 30 June 2006 are filed, the financial reports of The Motor Inn Motel and Accommodation Association will appear in your organisation's website under the AIRC website address. Please advise me if you wish such addresses to appear on the website as they may be member's private addresses, or you may want to provide a replacement page of the Operating Report without the member's addresses.

4. <u>What you are required to do?</u>

In order to secure compliance with your obligations under the ROA Schedule, I require you to:

- arrange for the preparation of a fresh auditor's report to take into account the Committee of Management Statement. The auditor's report should incorporate the amendments noted in point 2 of this letter; and

- supply the full report, which consists of the Operating Report, Committee of Management Statement, the signed Auditor's Report and the General Purpose Financial Report, to the members; and

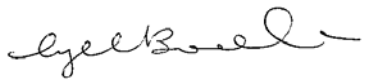
- present the full report to a general meeting of members *at least 21 days after* the provision of the full report to the members; and

- prepare a fresh and appropriately signed designated officer's certificate and lodge this with copies of the relevant documents with the Registry.

Finally, for future reference, it should be noted that under s268 of the RAO Schedule unless an extension is granted, the full financial reports should be lodged in the Industrial Registry within 14 days of the meeting at which the financial reports were presented.

If you wish to discuss any matters regarding your organisation's financial reporting obligations I can be contacted on (03) 8661 7989 (Wed and Thurs) or by e-mail at cynthia.lobooth@air.gov.au.

Yours faithfully,



Cynthia Lo-Booth
Statutory Services Branch

28 June 2007

FE2006/240

The Accommodation Association

Motor Inn
Motel and
Accommodation
Association

National Office

20 April 2007

Ms Cynthia Lo-Booth
Statutory Services Branch
Australian Industrial Registry
11 Exhibition Street
MELBOURNE VIC 3000

Dear Ms Lo-Booth,

Re: **Motor Inn, Motel and Accommodation Association, The**
Outstanding Financial Documents – *Workplace Relations Act 1966*

I refer to our previous conversations and emails regarding the above matter and now enclose the "full report" for the above Association as requested by letter from Dimitra Doukas of your office dated 8 March 2007.

Yours faithfully,

Greg Holmes
Chief Executive

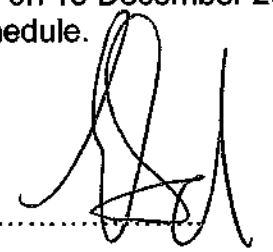
Level 6, Alexandra House, 201 Wickham Terrace, Brisbane Q. 4000
Ph: (07) 3831 8628 Fax: (07) 3832 2983

[redacted]

Certificate of Secretary or other Authorised Officer

I, Eric Sward, being the Treasurer of the reporting organization certify:-

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on 19 December 2006; and
- that the full report was presented to a General Meeting of the reporting unit to which invitations were sent to all members to attend the general meeting held on 19 December 2006 in accordance with section 266 of the RAO Schedule.

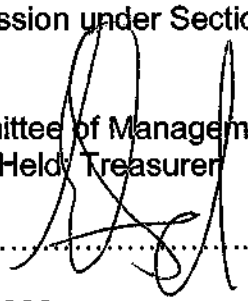
Signature: 

Date: 19/12/2006

Committee of Management Statement

The Committee of Management declares in relation to the general purpose financial report (GPFR) that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
3. 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;
4. 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;
5. during the financial year to which the GPFR relates and since the end of that year:
6. meetings of the committee of management were held in accordance with the rules of the organization including the rules of a branch concerned; and
7. the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned;
8. the financial records of the reporting unit have been kept and maintained in accordance with Schedule 1B of the Workplace Relations Act, and the RAO Regulations; and
9. 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 organization; and
10. no requests were received from any member of the reporting unit or a Registrar for information under section 272 of the RAO Schedule; and
11. no order has been made for inspection of financial records made by the Commission under Section 273 of the RAO Schedule.



For the Committee of Management: Eric Sward
Title of Office Held: Treasurer

Signature:.....

Date: 19/12/2006

Operating Report for year ended 30 June 2006

Committee of Management Members:

The persons who held office as a member of the Committee of Management of the Motor Inn, Motel and Accommodation Association for the financial year ending 30 June 2006 were:-

Title	Name
President: Occupation: Address:	Garry Crockett Company Director C/- The Crockett Group P.O. Box 27 Leura NSW 2780
Vice President: Occupation: Address:	Jean Muller Company Director C/- Balmoral Motor Inn 511 Brooker Highway Glenorchy TAS 7010
Treasurer: Occupation: Address:	Eric Sward Company Executive C/- The Crockett Group P.O. Box R 1958 Royal Exchange Sydney NSW 1225
Executive Director: Occupation: Address:	Eric Sward Company Executive C/- The Crockett Group P.O. Box R 1958 Royal Exchange Sydney NSW 1225
Committee Member: Occupation: Address:	David Brown Company Executive Fraser Suites Sydney 488 Kent Street Sydney NSW 2000
Committee Member: Occupation: Address:	Bruce Copeland Company Executive Toga Group P.O. Box 1745 Strawberry Hills NSW 2012

Principal Activities of the Organisation:

The principal activities of the organisation during the financial year were providing advice and representation for members on employment issues and acting as a peak employer organization consistent with its objects.

Results of Principal Activities:

The organisation's activities resulted in delivering industrial relations and human resources services, workplace health and safety services and training, negotiation with relevant union and government bodies, providing educational seminars on new workplace relations laws across Australia and representation of members in industrial tribunals.

Significant changes in the Organisation's financial affairs:

There were no significant changes affecting the financial affairs of the organization during the financial year.

Right of Members to resign:

A copy of the relevant organization rule in this regard is attached hereto.

Trustee or Director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme:

There were no officers or members of the Organisation who were trustees or directors of a superannuation entity during the financial year.

Number of members of the Organisation:

There were 714 members of the Organisation at the end of the financial year.

Employees of the Organisation:

The number of employees at the end of the financial year was one (1).

Name: Eric Sward

Title of Office Held: Treasurer

Signature: .....

Date: 19/12/2006

41 – RESIGNATION

1. A member may resign from membership by written notice addressed and delivered to the Executive Director or the Secretary of a Branch of which they are a member.

2. Such a notice takes effect;
   a) where the member is no longer eligible to be a member;

      (i) on the day on which the notice is received by the Association; or

      (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceased to be eligible as a member;

      whichever is the later; or

   b) in any other case;

      (i) at the end of three (3) months after the notice is received by the Association; or

      (ii) on the day specified in the notice;

      whichever is later.

3. Any dues payable but not paid by a former member, in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Association in a Court of competent jurisdiction, as a debt due to the Association.

4. A notice delivered to the Executive Director or Branch Secretary shall be taken to have been received by the Association when it was delivered.

5. A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-rule (1)

6. A resignation from membership is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resigned had been accepted.

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

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THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

COMMITTEE'S REPORT

Your committee members submit the financial report of The Motor Inn, Motel and Accommodation Association of Australia for the financial year ended 30 June 2006.

Committee Members
The names of committee members throughout the financial year and at the date of this report are:
David Brown
Eric Sward
Jean Muller
Garry Crockett
Bruce Copland

Principal Activities
The principal activities of the association during the financial year were liaising with the Australian Industrial Relations Commission and the Liquor Hospitality and Miscellaneous Workers Union.

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

Operating Result
The profit from operations after providing for income tax amounted to $16,745.

After Balance Date Events
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations or the state of affairs of the association in future financial years.

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

.....
Committee Member

.....
Committee Member

Dated this 2nd Day of MAY 2007

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NATIONAL RETAIL ASSOCIATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDO Kendalls (QLD)
Chartered Accountants

D P Wright
Partner
DATE 4/5/07
Brisbane

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 $	2005 $
Revenue	2	17,225	175,144
Expenses		(480)	(1,164)
Profit before income tax expense		16,745	173,980
Income tax expense		-	-
Profit after related income tax expense (income tax revenue)		16,745	173,980

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

BALANCE SHEET

AS AT 30 JUNE 2006

	Notes	2006 $	2005 $
CURRENT ASSETS			
Cash and cash equivalents	3	18,972	91
Trade and other receivables	4	-	18,714
TOTAL CURRENT ASSETS		18,972	18,805
TOTAL ASSETS		18,972	18,805
CURRENT LIABILITIES			
Trade and other payables	5	1,716	18,294
TOTAL CURRENT LIABILITIES		1,716	18,294
TOTAL LIABILITIES		1,716	18,294
NET ASSETS		17,256	511
MEMBERS' FUNDS			
Retained profits	6	17,256	511
TOTAL MEMBERS' FUNDS		17,256	511

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006	2005
Cash Flow from Operating Activities			
Receipts from members, charitable bodies, government and customers		35,939	170,700
Payments to suppliers and employees		(17,058)	(170,984)
Net cash provided by operating activities		18,881	(284)
Net increase/(decrease) in cash held		18,881	(284)
Cash at beginning of year		91	375
Cash at end of year		18,972	91

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers The Motor Inn, Motel and Accommodation Association of Australia as an individual entity. The financial report of The Motor Inn, Motel and Accommodation Association of Australia as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

First-time adoption of Australian Equivalents to International Financial Reporting Standards The Motor Inn, Motel and Accommodation Association of Australia has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

These accounts are the first financial statements of The Motor Inn, Motel and Accommodation Association of Australia be prepared in accordance with AIFRS.

The effect of transition from previous AGAAP to AIFRSs on the equity and net income was nil.

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost, less where applicable, any accumulated depreciation.

The carrying amount of plant and equipment is reviewed annually by the Association 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 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.

Property, plant and equipment are measured at cost. The depreciable amount of all fixed assets, excluding freehold land, are depreciated over their useful lives commencing from the time the asset is held ready for use.

Depreciation on all fixed assets, excluding freehold land, is calculated on a straight line basis over their useful lives at the following rates:

Furniture and Fixtures	15%-30%
Leasehold Improvement	2.5%

Income Tax

The Association is an exempt body for income tax purposes under Section 23 (f) of the Income Tax Assessment Act.

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 borrowings in current liabilities on the balance sheet.

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
Dividend revenue is recognised when the right to receive a dividend has been established.

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

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. 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Financial Instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

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

NOTE 2: REVENUE	Note	2006 $	2005 $
Income		12	-
Membership Subscriptions	12	17,213	175,144
		17,225	175,144

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank	18,972	91

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT		
Term Receivables	-	18,714

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 5: TRADE AND OTHER PAYABLES

	Note	2006	2005
Unsecured liabilities			
Sundry creditors		1,716	18,294

NOTE 6: RETAINED EARNINGS

Retained earnings/Accumulated losses at the beginning of the financial year		511	(173,469)
Net profit / (loss) attributable to members of the entity		16,745	173,980
Retained earnings/Accumulated losses at the end of the financial year		17,256	511

NOTE 7 – RECONCILIATION OF CASH FLOWS

Operating surplus / (loss)	16,745	173,980
Non cash flows in operating surplus / (loss)		
Depreciation	-	
Gain on Disposal of Fixed Asset	-	
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	18,714	(4,444)
Increase/(decrease) in trade and other payables	(16,578)	(169,820)
Cash flows from operations	18,881	(284)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 8 : AUDITOR'S REMUNERATION	Note	2006	2005
Fees Received and Receivable for -			
Auditor's Remuneration			
- audit or review		450	-

NOTE 9 – 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 classes of financial assets and financial liabilities, is as follows:

Cash bears floating interest rate of 3.5% and are on normal commercial terms. All other financial assets and financial liabilities are non-interest bearing.

(b) Credit Risk

The maximum exposure to credit risks 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 balance sheet and notes to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 9 – FINANCIAL INSTRUMENTS (continued)

(c) **Net Fair Values**

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

	Weighted Average Effective Interest Rate		*Floating Interest Rate*		*Fixed Interest Rate Maturing Within a Year*	
	2006	*2005*	*2006*	*2005*	*2006*	*2005*
Financial Assets						
Cash	0.10%	0.20%	18,972	91		

	Non-interest Bearing		*Total*	
	2006	*2005*	*2006*	*2005*
Financial Assets				
Cash	18,972	91		
Trade and other receivables	-	18,714		
Total financial assets	**18,972**	**18,805**		
Financial Liabilities				
Trade & other payables	1,716	18,294		
Others	-	-		
Lease liabilities	-	-		
Total financial liabilities	**1,716**	**18,294**		

NOTE 10 – EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item transaction or event of a material nature likely in the opinion of the committee members, to affect significantly the operations of the association, the results of those operations, or the State of affairs of the association in subsequent financial years.

THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA
ABN 52 610 697 161

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 1 to 12:

1. Presents a true and fair view of the financial position of The Motor Inn, Motel and Accommodation Association of Australia as at 30 June 2006 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

2. At the date of this statement, there are reasonable grounds to believe that The Motor Inn, Motel and Accommodation Association of Australia will be able to pay its debts as and when they fall due.

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

.....
Committee Member

.....
Committee Member

Brisbane
Dated: 3rd MAY 2007

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE MOTOR INN, MOTEL AND ACCOMMODATION ASSOCIATION OF AUSTRALIA

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Accumulated Funds, Cash Flow Statements, accompanying notes to the financial statements, and the statement by members of the committee of The Motor Inn, Motel and Accommodation Association of Australia for the year ended 30 June, 2006.

The Committee is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations and Incorporation Act (ACT). 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. Our audit was conducted in accordance with Australian Auditing 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 judgment, 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 Associations and Incorporation Act (NSW) including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Association'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:

examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

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.

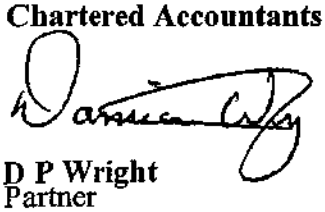
Independence

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

Unqualified Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable accounting standards and other mandatory professional reporting requirements in Australia, the financial position of The Motor Inn, Motel and Accommodation Association of Australia as at 30 June 2006 and the results of its operations and its cash flows for the year then ended.

BDO Kendalls
Chartered Accountants



D P Wright
Partner

Brisbane:
Dated 4/5/07