



5 May 2022

David Basheer
President
Australian Hotels Association - South Australian Branch
Sent via email: information@ahasa.asn.au
CC: chris@clarbrow.com.au

Dear David Basheer,

**Australian Hotels Association - South Australian Branch
Financial Report for the year ended 31 December 2021 – (FR2021/271)**

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Australian Hotels Association - South Australian Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 4 May 2022.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 6 December 2021, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Christopher Clarke was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Christopher Clarke is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via [this link](#)

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 6240 9999 or by email at Madeleine.Hurrell@roc.gov.au.

Yours sincerely

Madeleine Hurrell

Madeleine Hurrell
Registered Organisations Commission



CERTIFICATE OF SECRETARY/TREASURER
Section 268 of Fair Work (Registered Organisations) Act 2009

I, **Sam McInnes** being the Secretary/Treasurer of the Australian Hotels Association (South Australian branch) certify:

- that the documents lodged herewith are copies of the full report referred to in Section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was provided to members on Thursday 7 April 2022; and
- that the full report was presented to a general meeting of members of the reporting unit on 2 May 2022 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line extending to the right.

SAM MCINNES
Secretary/Treasurer

Dated: 4 May 2022

ABN 77 237 576 146

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60 Hindmarsh Square
Adelaide SA 5000

PO Box 3092
Rundle Mall SA 5000

4 May 2022

Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

Please find attached:

- **Certificate of Secretary/Treasurer**
- **AHA|SA Financial Report for the year ended 31 December 2021**
- **Operating Report as per the Fair Work (Registered Organisations) Act 2009**

Yours faithfully



Ian Horne
CEO AHA|SA

Australian Hotels Association
(South Australian Branch)

ABN 77 237 576 146

and Controlled Entity

Financial Report
2021

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Financial Report 2021

Contents

Independent auditor's report	1
Report required under subsection 255(2A)	3
Operating report *	-
Committee of management statement	4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Index of notes to the financial statements	9
Officer declaration statement	38

* The operating report is not included in this financial report and is lodged separately with the Registered Organisations Commission

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Australian Hotels Association (South Australian Branch) (the "Parent Entity") and the Australian Hotels Association (South Australian Branch) and Controlled Entity (the "Consolidated Group"), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of both the Parent Entity and the Consolidated Group as at 31 December 2021, and their financial performance and cash flows for the year then ended in accordance with:

- a) Australian Accounting Standards; and
- b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

Also, in our opinion, management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report (included in the 2021 annual report) accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The committee of management of the Parent Entity is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the Consolidated Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the Consolidated Group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Group audit. We remain solely responsible for our audit opinion.

We communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that Christopher R Clarke is a registered company auditor (number 5024) and an auditor registered under the RO Act (number AA2017/184).



CLARKE & BROWNRIGG
Chartered Accountants



CHRISTOPHER R CLARKE
Partner
Registered company auditor number 5024
Registered RO Act auditor number AA2017/184

7 April 2022
8 Angas Street, Kent Town SA 5067

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Report required under subsection 255(2A)

for the year ended 31 December 2021

The committee of management presents the expenditure report as required under subsection 255(2A) for the year ended 31 December 2021.

Categories of expenditures	Consolidated group		Parent entity	
	2021 \$	2020 \$	2020 \$	2020 \$
Remuneration and other employment-related costs and expenses – employees	1,758,847	1,684,872	1,758,847	1,684,872
Advertising	10,868	5,407	10,868	5,407
Media advertising other	136,449	80,549	136,449	80,549
Operating costs	1,676,240	935,734	1,676,240	935,734
Donations to political parties	61,500	-	61,500	-
Legal costs	3,416	39,107	3,416	39,107

Signature of designated officer:


Name and title of designated officer:



David Basheer, President

Signature of designated officer:

Name and title of designated officer:



Samuel Charles McInnes, Secretary / Treasurer

Dated: 6 April 2022

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Committee of management statement

for the year ended 31 December 2021

On 6 April 2022, the committee of management of the Australian Hotels Association (South Australian Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2021:

The committee of management declares that in its opinion:

- the financial statements and notes comply with the Australian Accounting Standards;
- the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Hotels Association (South Australian Branch) and Controlled Entity for the financial year to which they relate;
- there are reasonable grounds to believe that Australian Hotels Association (South Australian Branch) and Controlled Entity will be able to pay their debts as and when they become due and payable; and
- during the financial year to which the GPFR relates and since the end of that year:
 - meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - the financial affairs of the Australian Hotels Association (South Australian Branch) have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
 - the financial records of the Australian Hotels Association (South Australian Branch) have been kept and maintained in accordance with the RO Act;
 - where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation;
 - where information has been sought in any request by a member of the organisation or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer:

Name and title of designated officer:



David Basheer, President

Signature of designated officer:

Name and title of designated officer:



Samuel Charles McInnes, Secretary / Treasurer

Dated: 6 April 2022

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2021

	Notes	Consolidated group		Parent entity	
		2021	2020	2021	2020
		\$	\$	\$	\$
Revenue from contracts with customers	3				
Membership subscriptions		2,119,524	2,075,811	2,119,524	2,075,811
Associate membership subscriptions		2,850	2,827	2,850	2,827
Sponsorships		638,523	608,144	638,523	608,144
Advocacy services including training		173,124	136,652	173,124	136,652
Commissions received		81,343	77,824	81,343	77,824
Conferences, seminars and events		588,458	2,590	588,458	2,590
Covid-19 mental health funding		47,302	-	47,302	-
Sale of goods		13,108	14,325	13,108	14,325
Total revenue from contracts with customers		3,664,232	2,918,173	3,664,232	2,918,173
Other income					
Interest income		21,602	64,612	21,602	64,612
Rental income from properties		82,800	81,600	82,800	81,600
Covid-19 government assistance		-	341,500	-	341,500
Other		110,506	95,197	110,506	95,197
Total other income		214,908	582,909	214,908	582,909
Total income		3,879,140	3,501,082	3,879,140	3,501,082
Expenses					
Employee expenses	4A	1,758,847	1,684,872	1,758,847	1,684,872
Capitation fees and other expenses to another reporting unit	4B	70,518	70,803	70,518	70,803
Administration expenses	4C	1,693,398	891,122	1,713,398	911,122
Donations	4D	62,263	-	62,263	-
Depreciation	6A	57,884	59,361	37,884	39,361
Legal costs	4E	3,416	39,107	3,416	39,107
Losses from sale of assets		994	404	994	404
Total expenses		3,647,320	2,745,669	3,647,320	2,745,669
Surplus (deficit) for the year		231,820	755,413	231,820	755,413
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		231,820	755,413	231,820	755,413

The above statement should be read in conjunction with the notes.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Statement of financial position

as at 31 December 2021

	Notes	Consolidated group		Parent entity	
		2021	2020	2021	2020
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5A	6,379,514	6,112,364	6,379,504	6,112,354
Trade and other receivables	5B	273,169	274,182	771,327	792,340
Inventory	5D	16,393	17,323	16,393	17,323
Other current assets	5E	52,828	123,860	52,828	123,860
TOTAL CURRENT ASSETS		6,721,904	6,527,729	7,220,052	7,045,877
NON-CURRENT ASSETS					
Property, plant and equipment	6A	1,377,847	1,392,121	203,070	197,344
Intangibles	6B	350	350	-	-
Investment in subsidiary	6C	-	-	10	10
Investment in associate	6D	-	-	-	-
TOTAL NON-CURRENT ASSETS		1,378,197	1,392,471	203,080	197,354
TOTAL ASSETS		8,100,101	7,920,200	7,423,132	7,243,231
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	7A	48,659	36,358	48,659	36,358
Other payables	7B	237,046	242,222	237,046	242,222
Employee provisions	8A	655,528	567,833	655,528	567,833
Other provisions	8B	216,377	216,377	216,377	216,377
Contract liabilities	5C	1,295,760	1,436,449	1,295,760	1,436,449
TOTAL CURRENT LIABILITIES		2,453,370	2,499,239	2,453,370	2,499,239
NON-CURRENT LIABILITIES					
Employee provisions	8A	-	6,050	-	6,050
TOTAL NON-CURRENT LIABILITIES		-	6,050	-	6,050
TOTAL LIABILITIES		2,453,370	2,505,289	2,453,370	2,505,289
NET ASSETS		5,646,731	5,414,911	4,969,762	4,737,942
EQUITY					
Capital profits reserve	9A	676,969	676,969	-	-
General reserve	9A	380,000	380,000	380,000	380,000
Retained earnings		4,589,762	4,357,942	4,589,762	4,357,942
TOTAL EQUITY		5,646,731	5,414,911	4,969,762	4,737,942

The above statement should be read in conjunction with the notes.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Statement of changes in equity

for the year ended 31 December 2021

	Notes	Capital profits reserve \$	General reserve \$	Retained earnings \$	Total equity \$
Consolidated group					
Balance as at 1 January 2020		676,969	380,000	3,602,529	4,659,498
Surplus (deficit) for the year		-	-	755,413	755,413
Other comprehensive income for the year		-	-	-	-
Balance as at 31 December 2020		676,969	380,000	4,357,942	5,414,911
Surplus (deficit) for the year		-	-	231,820	231,820
Other comprehensive income for the year		-	-	-	-
Balance as at 31 December 2021		676,969	380,000	4,589,762	5,646,731
Parent entity					
Balance as at 1 January 2020		-	380,000	3,602,529	3,982,529
Surplus (deficit) for the year		-	-	755,413	755,413
Other comprehensive income for the year		-	-	-	-
Balance as at 31 December 2020		-	380,000	4,357,942	4,737,942
Surplus (deficit) for the year		-	-	231,820	231,820
Other comprehensive income for the year		-	-	-	-
Balance as at 31 December 2021		-	380,000	4,589,762	4,969,762

The above statement should be read in conjunction with the notes.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Statement of cash flows

for the year ended 31 December 2021

	Notes	Consolidated group		Parent entity	
		2021	2020	2021	2020
		\$	\$	\$	\$
OPERATING ACTIVITIES					
Cash received					
Receipts from customers		4,103,601	4,193,354	4,103,601	4,193,354
Interest		56,721	77,015	56,721	77,015
Cash used					
Suppliers and employees		(3,778,050)	(2,902,442)	(3,778,050)	(2,902,442)
Payment to other reporting units	10B	(70,518)	(70,803)	(70,518)	(70,803)
Net cash from (used by) operating activities	10A	311,754	1,297,124	311,754	1,297,124
INVESTING ACTIVITIES					
Cash used					
Purchase of plant and equipment		(44,604)	(30,083)	(44,604)	(30,083)
Net cash from (used by) investing activities		(44,604)	(30,083)	(44,604)	(30,083)
Net increase (decrease) in cash held		267,150	1,267,041	267,150	1,267,041
Cash and cash equivalents at the beginning of the reporting period		6,112,364	4,845,323	6,112,354	4,845,313
Cash and cash equivalents at the end of the reporting period	5A	6,379,514	6,112,364	6,379,504	6,112,354

The above statement should be read in conjunction with the notes.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Index of notes to the financial statements

for the year ended 31 December 2021

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Revenue and other income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Equity
Note 10	Cash flow
Note 11	Contingent liabilities, assets and commitments
Note 12	Related party disclosures
Note 13	Remuneration of auditors
Note 14	Financial instruments
Note 15	<i>Section 272 Fair Work (Registered Organisations) Act 2009</i>
Note 16	Segment reporting
Note 17	Organisation details
Note 18	Detailed income and expenditure statement

Australian Hotels Association (South Australian Branch) and Controlled Entity

Notes to the financial statements

for the year ended 31 December 2021

Note 1: Summary of significant accounting policies

This consolidated financial report represents that of the Australian Hotels Association (South Australian Branch) and Controlled Entity (the “consolidated group” or “group”). The Australian Hotels Association (South Australian Branch) (AHA|SA) is an organisation operating pursuant to the *Fair Work (Registered Organisations) Act 2009* (RO Act), incorporated and domiciled in South Australia.

The separate financial report of the parent entity, AHA|SA, has also been presented within this financial report.

The financial report was authorised for issue on 6 April 2022 by the members of the committee of management of the AHA|SA.

1.1 Basis of preparation of the financial report

The financial report is a general purpose financial report and has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the RO Act. For the purpose of preparing the general purpose financial report, the AHA|SA is a not-for-profit entity.

The financial report, except for the cash flow information, has been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The amounts presented in the financial report have been rounded to the nearest Australian dollar.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

In applying the group’s accounting policies, the committee of management continually evaluates judgements and estimates based on experience and other factors including expectations of future events that may have an impact on the group. All judgments and estimates made are believed to be reasonable based on the most current set of circumstances available to the committee of management. Actual results may differ under different conditions from when the judgements and estimates were made. Significant judgements and estimates made by the committee of management in the preparation of this financial report are described in the various notes:

- Revenue and other income Note 1.7
- Employee and office holder benefits Note 1.9
- Financial instruments Notes 1.12 to 1.14

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

1.3 Significant accounting judgements and estimates (cont'd)

- Depreciation Note 1.17
- Impairment of non-financial assets Note 1.19
- Provisions Note 1.22

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard and amendments

The accounting policies adopted are consistent with those of the previous financial year. No new standards or amendments have been adopted for the first time this financial year.

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods include:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. The group does not expect the adoption of this amendment to have a material impact on its financial statements.

1.5 Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity (AHA|SA) and its controlled entity (subsidiary). The AHA|SA achieves control when it is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Information regarding the AHA|SA's subsidiary is provided in Note 6C.

The assets, liabilities and results of subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the AHA|SA. Consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions and balances are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Australian Hotels Association (South Australian Branch) and Controlled Entity

Notes to the financial statements

for the year ended 31 December 2021

1.6 Investment in associates

An associate is an entity over which the AHA|SA has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Information regarding the AHA|SA's associate is provided in Note 6D.

The assets, liabilities and results of associates are incorporated into the financial statements of the group using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate.

The AHA|SA does not have any joint ventures or joint operations.

1.7 Revenue and other income

The AHA|SA enters into various arrangements where it receives consideration from another party. The timing of recognition of these amounts as either revenue or other income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Revenues are recognised when the following steps have been satisfied:

1. Identify contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to each performance obligation
5. Recognise revenue when (or as) performance obligations are satisfied

Membership subscriptions

The AHA|SA's membership subscription year is 1 January to 31 December with subscriptions payable annually in advance. Only those membership subscription receipts that are attributable to the current financial year are recognised as revenue. Membership subscription receipts for periods beyond the current financial year are included, excluding goods and services tax, in the statement of financial position under the headings of current liabilities and contract liabilities.

For membership subscriptions paid annually in advance, the AHA|SA has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the member pays and the goods or services will transfer to the member will be one year or less.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

1.7 Revenue and other income (cont'd)

Sponsorship benefits revenue

The AHA|SA receives revenue from sponsor generated activity through its Corporate Partnership program. This revenue is recognised over the respective period of service.

Other revenue-generating activities

The AHA|SA undertakes certain other revenue-generating activities which are accounted for when the performance obligation is satisfied including:

- Advocacy services
- Training
- Conferences, seminars and events

Revenue is recognised for these activities depending on when the performance obligation is satisfied:

- **Over a period of time** – if the performance obligation is satisfied over a period of time, revenue will be recognised by being spread over this period.
- **At a point in time** – if the performance obligation is satisfied at a point in time, for example, when an event is delivered, revenue is recognised at this point.

Covid-19 mental health funding

Revenue from Covid-19 mental health funding is recognised when the performance obligations in the funding agreement are met.

Sale of goods

Revenue from the sale of goods is recognised when physical control of the goods passes to the buyer pursuant to an enforceable sales contract as it is at this point the performance obligation has been satisfied.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Rental income from properties

Leases in which the AHA|SA as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term.

Covid-19 government assistance

Income from Covid-19 government assistance is recognised in the respective period to which it relates.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

1.8 Current versus non-current classification

The group presents assets and liabilities in the statement of financial position based on current / non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

1.9 Employee and office holder benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) which are expected to be settled within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the AHA|SA in respect of services provided by employees up to reporting date.

Long service leave is provided for in respect of employees with more than 5 years of service.

Office holders do not earn any benefits from services rendered, except current financial year's allowances, hence no provision is made for a liability for annual or long service leave for them.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

1.10 Leases

All leases of low value assets are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased asset.

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

1.13 Financial assets

Contract assets and receivables

A contract asset is recognised when the group has satisfied a performance obligation but cannot recognise a receivable until other obligations are satisfied.

While a contract asset represents a right to payment that is conditional on further performance, a receivable represents an unconditional right to payment.

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

1.13 Financial assets (cont'd)

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e. the date that the group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost include trade receivables and loans to related parties.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

1.13 Financial assets (cont'd)

- the group has transferred substantially all the risks and rewards of the asset; or
- the group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Impairment

Expected credit losses

Receivables for goods and services are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date.

Trade receivables

For trade receivables that do not have a significant financing component, the group applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

1.14 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition and subsequently measured at amortised cost or fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The group's financial liabilities include trade payables, other payables and contract liabilities.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

1.14 Financial liabilities (cont'd)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.15 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the AHA|SA transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the AHA|SA performs under the contract i.e. transfers control of the related goods or services to the customer.

1.16 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.17 Land, buildings, plant and equipment

Land, buildings, plant and equipment are measured on the cost basis in the statement of financial position and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of land, buildings, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present. Information regarding details of impairment is provided in Note 1.19.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

1.17 Land, buildings, plant and equipment (cont'd)

Depreciation

Depreciable buildings, plant and equipment assets, including building improvements, are written-off to their estimated residual values over their estimated useful life using the diminishing value method of depreciation except for buildings which are depreciated using the straight line method. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the useful lives and are as follows:

	2021	2020
Buildings	1%	1%
Plant and equipment	7 to 40%	7 to 40%
Motor vehicles	22.5%	22.5%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of land, buildings, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.18 Intangibles

Intangible assets consist of formation expenses and are deemed to have an indefinite useful life. They are carried at cost less accumulated impairment losses. Impairment testing is performed annually.

Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

Australian Hotels Association (South Australian Branch) and Controlled Entity

Notes to the financial statements

for the year ended 31 December 2021

1.19 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the group were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.20 Taxation

The AHA|SA is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified within operating cash flows.

1.21 Inventory

Inventories are measured at the lower of cost and replacement cost. Costs are assigned on a specific identification basis.

1.22 Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Note 2: Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group in subsequent financial periods.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

Note 3: Revenue

Disaggregation of revenue from contracts with customers

A disaggregation of revenue by type of arrangements is provided in the statement of profit or loss and other comprehensive income. The table below also sets out a disaggregation of revenue by timing.

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Timing of revenue recognition				
Over time				
Membership subscriptions	2,119,524	2,075,811	2,119,524	2,075,811
Associate membership subscriptions	2,850	2,827	2,850	2,827
Sponsorships	638,523	608,144	638,523	608,144
Total over time	2,760,897	2,686,782	2,760,897	2,686,782
Point in time				
Advocacy services including training	173,124	136,652	173,124	136,652
Commissions received	81,343	77,824	81,343	77,824
Conferences, seminars and events	588,458	2,590	588,458	2,590
Covid-19 mental health funding	47,302	-	47,302	-
Sale of goods	13,108	14,325	13,108	14,325
Total point in time	903,335	231,391	903,335	231,391
Total revenue from contracts with customers	3,664,232	2,918,173	3,664,232	2,918,173

Note 4: Expenses

Note 4A: Employee expenses

Holders of office

Allowances	18,375	17,665	18,375	17,665
Superannuation	1,838	1,678	1,838	1,678
Subtotal employee expenses holders of office	20,213	19,343	20,213	19,343

Employees other than office holders

Wages and salaries	1,406,088	1,346,127	1,406,088	1,346,127
Superannuation	179,481	174,384	179,481	174,384
Leave and other entitlements	83,590	87,341	83,590	87,341
Other employee expenses	69,475	57,677	69,475	57,677
Subtotal employee expenses employees other than office holders	1,738,634	1,665,529	1,738,634	1,665,529
Total employee expenses	1,758,847	1,684,872	1,758,847	1,684,872

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 4B: Capitation fees and other expenses to another reporting unit				
Capitation fees				
AHA National	69,303	69,303	69,303	69,303
Subtotal capitation fees	69,303	69,303	69,303	69,303
Other expenses to another reporting unit				
AHA National – affiliation fees	300	300	300	300
AHA National – expense reimbursement	915	1,200	915	1,200
Subtotal other expenses to another reporting unit	1,215	1,500	1,215	1,500
Total capitation fees and other expenses to another reporting unit	70,518	70,803	70,518	70,803

Note 4C: Administration expenses

Fees / allowances – meetings and conferences	682	845	682	845
Conference and meeting expenses – as required under the rules	75,257	22,451	75,257	22,451
Conference and meeting expenses – other	633,726	22,331	633,726	22,331
Contractors / consultants	139,460	78,882	139,460	78,882
Property expenses	79,083	78,483	99,083	98,483
Office expenses	52,816	58,620	52,816	58,620
Information communications technology	79,091	105,862	79,091	105,862
Entertainment	54,122	46,300	54,122	46,300
Media advertising and coverage	213,810	149,678	213,810	149,678
Motor vehicles and travelling	70,897	56,747	70,897	56,747
Printing, postage and stationery	68,243	71,891	68,243	71,891
Sponsorship expenses	117,979	81,547	117,979	81,547
Subscriptions	41,208	41,348	41,208	41,348
Other	67,024	76,137	67,024	76,137
Total administration expenses	1,693,398	891,122	1,713,398	911,122

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 4D: Donations				
Political donations				
Total expensed that were \$1,000 or less	1,500	-	1,500	-
Total expensed that exceeded \$1,000	60,000	-	60,000	-
Other donations				
Total expensed that were \$1,000 or less	763	-	763	-
Total expensed that exceeded \$1,000	-	-	-	-
Total donations	62,263	-	62,263	-

Note 4E: Legal costs

Non litigation legal costs	3,416	39,107	3,416	39,107
Total legal costs	3,416	39,107	3,416	39,107

Note 5: Current assets

Note 5A: Cash and cash equivalents

Cash on hand	833	1,010	823	1,000
Cash at bank	1,060,073	1,828,583	1,060,073	1,828,583
Bank term deposits	5,318,608	4,282,771	5,318,608	4,282,771
Total cash and cash equivalents	6,379,514	6,112,364	6,379,504	6,112,354

The effective interest rates on bank term deposits were 0.20%, 0.25% and 0.34% (2020: 1.64%, 0.66% and 0.73%); these deposits all mature on 2 April 2022.

Note 5B: Trade and other receivables

Trade receivables	273,169	274,182	273,169	274,182
Less allowance for expected credit losses	-	-	-	-
Total trade receivables (net)	273,169	274,182	273,169	274,182
Other receivables				
AHA Properties Pty Ltd	-	-	498,158	518,158
Total other receivables	-	-	498,158	518,158
Total trade and other receivables (net)	273,169	274,182	771,327	792,340

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 5C: Contract assets and contract liabilities				
The following assets and liabilities are related to contracts with customers:				
Included in trade receivables (current)	243,098	234,413	243,098	234,413
Contract liabilities (current)				
Membership subscriptions received in advance	1,002,093	949,153	1,002,093	949,153
Sponsorships received in advance	202,966	181,694	202,966	181,694
Conferences, seminars and events income received in advance	-	165,866	-	165,866
Training income received in advance	18,003	19,736	18,003	19,736
Covid-19 mental health funding received in advance	72,698	120,000	72,698	120,000
Total contract liabilities (current)	1,295,760	1,436,449	1,295,760	1,436,449

The significant changes between opening and closing balances of contract liabilities are detailed in the table above.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$1,363,480.

There was no revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

Information regarding the performance obligations in contracts with customers is provided in Note 1.7.

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 5D: Inventory				
Goods held for resale	16,393	17,323	16,393	17,323
Total inventory	16,393	17,323	16,393	17,323

Note 5E: Other current assets

Work in progress	-	2,200	-	2,200
Prepayments	44,889	69,048	44,889	69,048
Accrued income	7,939	52,612	7,939	52,612
Total other current assets	52,828	123,860	52,828	123,860

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements
for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 6: Non-current assets				
Note 6A: Property, plant and equipment				
Freehold land and buildings at cost	1,774,777	1,774,777	-	-
Less accumulated depreciation	600,000	580,000	-	-
	1,174,777	1,194,777	-	-
Plant and equipment at cost	436,566	452,876	436,566	452,876
Less accumulated depreciation	311,235	315,504	311,235	315,504
	125,331	137,372	125,331	137,372
Motor vehicles	138,160	105,036	138,160	105,036
Less accumulated depreciation	60,421	45,064	60,421	45,064
	77,739	59,972	77,739	59,972
Total property, plant and equipment	1,377,847	1,392,121	203,070	197,344

Reconciliation of opening and closing balances of property, plant and equipment

	Freehold land and buildings \$	Plant and equipment \$	Motor vehicles \$	Total \$
Consolidated group				
Net book value as at 1 January 2021	1,194,777	137,372	59,972	1,392,121
Additions	-	11,480	33,124	44,604
Depreciation expense	(20,000)	(22,527)	(15,357)	(57,884)
Written down value of disposals	-	(994)	-	(994)
Net book value as at 31 December 2021	1,174,777	125,331	77,739	1,377,847
Parent entity				
Net book value as at 1 January 2021	-	137,372	59,972	197,344
Additions	-	11,480	33,124	44,604
Depreciation expense	-	(22,527)	(15,357)	(37,884)
Written down value of disposals	-	(994)	-	(994)
Net book value as at 31 December 2021	-	125,331	77,739	203,070

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 6B: Intangibles				
Preliminary expenses at cost	350	350	-	-
Total intangibles	350	350	-	-

Note 6C: Investment in subsidiary

The parent entity of the consolidated group is the Australian Hotels Association (South Australian Branch) (AHA|SA). The principal activity of the AHA|SA during the reporting period was being a registered employer industrial relations organisation with objectives to promote and protect the interests of its members. The AHA|SA is incorporated in Australia. The AHA|SA has an interest in AHA Properties Pty Ltd, a non-listed subsidiary. The interest is held as follows:

	Ownership		Voting power		Carrying amount of investment	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	\$	\$
AHA Properties Pty Ltd	100	100	100	100	10	10

The principal activity of AHA Properties Pty Ltd during the reporting period was being the registered owner of premises occupied by the AHA|SA and Gaming Care Ltd. AHA Properties Pty Ltd is incorporated in Australia.

	2021	2020
	\$	\$
Summary financial information of subsidiary		
Statement of financial position		
Assets	1,175,137	1,195,137
Liabilities	498,158	518,158
Net assets	676,979	676,979
Statement of comprehensive income		
Income	20,000	20,000
Expenses	20,000	20,000
Surplus (deficit)	-	-
Share of surplus (deficit)		
Share of surplus (deficit) before tax	-	-
Income tax expense	-	-
Share of surplus (deficit) after tax	-	-

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

Note 6D: Investment in associate

The AHA|SA has an interest in Gaming Care Ltd, a non-listed associate. The interest is held as follows:

	Ownership		Voting power		Carrying amount of investment	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	\$	\$
Gaming Care Ltd	100	100	40	40	-	-

The principal activities of Gaming Care Ltd during the reporting period were to provide venue-based assistance to licensees, managers, gaming managers and staff in the early identification of and support for problem gamblers and regulatory compliance requirements including the Responsible Gambling and Advertising Codes of practice. The company is incorporated in Australia. Gaming Care Ltd commenced registration as a company on 16 November 2005 and is a public company limited by guarantee.

Equity accounted investment in associate

The AHA|SA holds 40% of the voting power of Gaming Care Ltd hence exerts significant influence over it. Gaming Care Ltd is therefore considered to be an associate of the AHA|SA.

The cost of the AHA|SA's investment in Gaming Care Ltd is \$nil because Gaming Care Ltd is limited by guarantee and does not have any share capital. The AHA|SA's share of the post-acquisition surplus or deficit of Gaming Care Ltd is also \$nil due to a clause in the constitution of Gaming Care Ltd as detailed below.

In light of the above, the AHA|SA's investment in Gaming Care Ltd, when equity accounted for, is \$nil.

Significant restrictions on the ability of Gaming Care Ltd to transfer funds to the AHA|SA

The constitution of Gaming Care Ltd states that no portion of the income, property, profits and financial surplus of the company may be paid, distributed to or transferred directly, indirectly, by way of dividend, property, bonus or otherwise by way of profit, to the members or directors of the company, or their related parties except as provided for by the constitution. Nothing in the constitution prevents the payment in return for services rendered or for goods supplied in the ordinary and usual course of business, the payment of interest or the payment of rent.

	2021	2020
	\$	\$
Summary financial information of associate		
Statement of financial position		
Assets	828,869	757,615
Liabilities	318,301	291,406
Net assets	510,568	466,209
Statement of comprehensive income		
Income	1,530,970	1,628,487
Expenses	1,486,611	1,428,258
Surplus (deficit)	44,359	200,229

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements
for the year ended 31 December 2021

Note 6D: Investment in associate (cont'd)

	2021	2020
	\$	\$
Summary financial information of associate		
Share of surplus (deficit)		
Share of surplus (deficit) before tax	-	-
Income tax expense	-	-
Share of surplus (deficit) after tax	-	-

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$

Note 7: Current liabilities

Note 7A: Trade payables

Trade creditors	48,659	36,358	48,659	36,358
Total trade payables	48,659	36,358	48,659	36,358

Trade payables are usually settled within 30 days.

Note 7B: Other payables

Wages and salaries – employees	26,036	21,049	26,036	21,049
Superannuation – employees	3,660	2,455	3,660	2,455
GST, PAYG and FBT payable	134,653	154,474	134,653	154,474
Other	72,697	64,244	72,697	64,244
Total other payables	237,046	242,222	237,046	242,222

Other payables are expected to be settled within 12 months.

Note 8: Provisions

Note 8A: Employee provisions

Employees other than office holders

Annual leave	370,856	319,737	370,856	319,737
Long service leave	284,672	254,146	284,672	254,146
Subtotal employee provisions – employees other than office holders	655,528	573,883	655,528	573,883
Total employee provisions	655,528	573,883	655,528	573,883

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 8A: Employee provisions (cont'd)				
Current	655,528	567,833	655,528	567,833
Non-current	-	6,050	-	6,050
Total employee provisions	655,528	573,883	655,528	573,883

Note 8B: Other provisions

Maintenance provision	216,377	216,377	216,377	216,377
Total other provisions	216,377	216,377	216,377	216,377

Current	216,377	216,377	216,377	216,377
Non-current	-	-	-	-
Total other provisions	216,377	216,377	216,377	216,377

Note 9: Equity

Note 9A: Reserves

Capital profits reserve

Balance as at start and end of year	676,969	676,969	-	-
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The capital profits reserve records profits on disposal of non-current assets. There was no movement on the reserve during the reporting period.

General reserve

Balance as at start and end of year	380,000	380,000	380,000	380,000
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The general reserve records amounts set aside to fund the future expansion of the organisation. There was no movement on the reserve during the reporting period.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$

Note 10: Cash flow

Note 10A: Cash flow reconciliations

Reconciliation of cash and cash equivalents as per the statement of financial position to the statement of cash flows

Cash and cash equivalents as per:

Statement of cash flows	6,379,514	6,112,364	6,379,504	6,112,354
Statement of financial position	6,379,514	6,112,364	6,379,504	6,112,354
Difference	-	-	-	-

Reconciliation of surplus (deficit) for the year to net cash from (used by) operating activities

Surplus (deficit) for the year	231,820	755,413	231,820	755,413
Adjustment for non-cash items				
Depreciation	57,884	59,361	37,884	39,361
Losses from sale of assets	994	404	994	404
Changes in assets and liabilities				
(Increase) decrease in net receivables	1,013	(191,830)	21,013	(171,830)
(Increase) decrease in inventory	930	1,761	930	1,761
(Increase) decrease in other current assets	71,032	11,903	71,032	11,903
Increase (decrease) in trade and other payables	7,125	31,738	7,125	31,738
Increase (decrease) in provisions	81,645	37,686	81,645	37,686
Increase (decrease) in contract liabilities	(140,689)	590,688	(140,689)	590,688
Net cash from (used by) operating activities	311,754	1,297,124	311,754	1,297,124

Note 10B: Cash flow information

Cash outflows to other reporting units

AHA National	70,518	70,803	70,518	70,803
Total cash outflows to other reporting units	70,518	70,803	70,518	70,803

Note 11: Contingent liabilities, assets and commitments

The Australian Hotels Association (South Australian Branch) and its controlled entity had no contingent liabilities, contingent assets or commitments as at 31 December 2021 or for the forthcoming year.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$

Note 12: Related party disclosures

Note 12A: Related party transactions for the reporting period

The following details the transactions that have been entered into with related parties for the reporting period:

AHA Properties Pty Ltd

Rent paid	-	-	20,000	20,000
Rent paid by the AHA SA to AHA Properties Pty Ltd is less than a normal commercial rate and there are no conditions attached.				
Amount owed by AHA Properties Pty Ltd	-	-	498,158	518,158

Gaming Care Ltd

Rent received	82,800	81,600	82,800	81,600
Electricity contribution received	7,680	7,560	7,680	7,560
Cleaning contribution received	6,840	6,720	6,840	6,720
Administration fee received	76,400	67,200	76,400	67,200
Expenses reimbursed	194,868	201,105	194,868	201,105
Amount owed by Gaming Care Ltd (included in trade receivables)	30,071	39,769	30,071	39,769

Office holders of the parent entity

Some office holders of the parent entity are licensees of hotels that are members of the AHA|SA. Membership fees and other charges such as training and advocacy are paid by these hotels to the AHA|SA on normal terms and conditions no more favourable than those available to other members.

Terms and conditions of transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2021, the AHA|SA has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 12B: Key management personnel remuneration for the reporting period				
Short-term employee benefits	452,346	442,586	452,346	442,586
Long-term employee benefits	12,045	9,623	12,045	9,623
Total key management personnel remuneration for the reporting period	464,391	452,209	464,391	452,209

Note 13: Remuneration of auditors

Value of the services provided

Auditing the financial report of the parent entity	26,690	31,825	26,690	31,825
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Other services:

Auditing the financial report of AHA Properties Pty Ltd	1,000	1,000	1,000	1,000
ASIC – verifying the annual statement	195	175	195	175
ASIC – change of directors lodgements	880	-	880	-
Financial report advice with respect to Covid-19 and new Australian Accounting Standards	-	3,500	-	3,500
Conversion of existing financial report to model financial report issued by the Registered Organisations Committee	6,500	-	6,500	-
Total other services	8,575	4,675	8,575	4,675
Total remuneration of auditors	35,265	36,500	35,265	36,500

Note 14: Financial instruments

In common with all other businesses, the organisation is exposed to risks that arise from its use of financial instruments. This note describes the organisation's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial report.

There have been no substantive changes in the organisation's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous reporting periods unless otherwise stated in this note.

It is the organisation's policy to monitor interest rate risks through the Treasurer. The organisation has fixed and floating interest deposits with a number of financial institutions and for varying terms and aims to obtain the best available interest rate at the time of investment. Risk management policies for the above mentioned financial instruments as well as all other financial instruments are detailed further below.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 14A: Categories of financial instruments				
Financial assets				
At amortised cost:				
Cash and cash equivalents	6,379,514	6,112,364	6,379,504	6,112,354
Trade and other receivables	273,169	274,182	771,327	792,340
Total	6,652,683	6,386,546	7,150,831	6,904,694
Carrying amount of financial assets	6,652,683	6,386,546	7,150,831	6,904,694
Financial liabilities				
Other financial liabilities:				
Trade payables	48,659	36,358	48,659	36,358
Other payables	237,046	242,222	237,046	242,222
Contract liabilities	1,295,760	1,436,449	1,295,760	1,436,449
Total	1,581,465	1,715,029	1,581,465	1,715,029
Carrying amount of financial liabilities	1,581,465	1,715,029	1,581,465	1,715,029

Note 14B: Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the organisation incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the organisation. There is no concentration of credit risk with respect to current trade receivables as the organisation has a large number of customers. The organisation's policy is that sales are only made to customers that are credit worthy. The maximum exposure to credit risk at the end of the reporting period is as follows:

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	6,379,514	6,112,364	6,379,504	6,112,354
Trade and other receivables	273,169	274,182	771,327	792,340
Total	6,652,683	6,386,546	7,150,831	6,904,694

Australian Hotels Association (South Australian Branch) and Controlled Entity

Notes to the financial statements
for the year ended 31 December 2021

Note 14C: Liquidity risk

Liquidity risk is the risk that the organisation may encounter difficulties raising funds to meet commitments associated with financial instruments e.g. borrowing repayments. It is the policy of the organisation that forecast cash flows are monitored to ensure that the organisation's operations are adequate to meet liabilities due. The organisation does not currently have any financial instruments such as borrowings or other long term financial instruments.

Note 14D: Market risk

Market risk arises from the use of interest bearing and tradable financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

Interest rate risk

The organisation's exposure to interest rate risk 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 those financial assets and financial liabilities. It is the organisation's policy to monitor interest rate risks through regular board meetings where monthly management accounts are presented and analysed. The organisation's financial instruments consist of fixed and floating interest deposits.

The following sensitivity analysis of interest rate risk has assumed that the issuers' credit risk rating remains unchanged.

At 31 December 2021, investments in cash and cash equivalents amounted to \$6,379,514. A +/- 1% change in interest rates during the year ended 31 December 2021 would have resulted in a +/- change in net interest income of \$216.

At 31 December 2020, investments in cash and cash equivalents amounted to \$6,112,364. A +/- 1% change in interest rates during the year ended 31 December 2020 would have resulted in a +/- change in net interest income of \$646.

Currency risk

The organisation has no exposure to foreign currency risk. All transactions are made with local currency.

14E: Fair value measurements

The fair value of financial assets and financial liabilities approximates their carrying value. No financial assets or financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds fair value have not been written down as the group intends to hold these assets to maturity.

The fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements
for the year ended 31 December 2021

Note 15: Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- A member of the AHA|SA, or the Commissioner, may apply to the AHA|SA for specified prescribed information in relation to the AHA|SA to be made available to the person making the application.
- 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 AHA|SA.
- The AHA|SA must comply with an application made under subsection (1).

Note 16: Segment reporting

The AHA|SA operates predominantly in one business and geographical segment being the hospitality and tourism sector providing a variety of services to members of the organisation throughout South Australia.

Note 17: Organisation details

The registered office and principal place of business of the organisation is:
Australian Hotels Association (South Australian Branch)
Level 4, 60 Hindmarsh Square
Adelaide SA 5000

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 18: Detailed income and expenditure statement				
Income				
Membership subscriptions	2,119,524	2,075,811	2,119,524	2,075,811
Associate membership subscriptions	2,850	2,827	2,850	2,827
Sponsorships	638,523	608,144	638,523	608,144
Advocacy services including training	173,124	136,652	173,124	136,652
Commissions received	81,343	77,824	81,343	77,824
Conferences, seminars and events	588,458	2,590	588,458	2,590
Covid-19 mental health funding	47,302	-	47,302	-
Sale of goods	13,108	14,325	13,108	14,325
Interest income	21,602	64,612	21,602	64,612
Rental income from properties	82,800	81,600	82,800	81,600
Covid-19 government assistance	-	341,500	-	341,500
Other	110,506	95,197	110,506	95,197
Total income	3,879,140	3,501,082	3,879,140	3,501,082
Expenditure				
Allowances – office holders	18,375	17,665	18,375	17,665
Annual leave provision	53,064	50,223	53,064	50,223
Conferences, seminars and events	633,726	22,331	633,726	22,331
Delegates fees and expenses	3,108	2,693	3,108	2,693
Depreciation	57,884	59,361	37,884	39,361
Donations and grants	763	-	763	-
Entertainment	54,122	46,300	54,122	46,300
General	29,117	28,267	29,117	28,267
Insurance	24,973	23,389	24,973	23,389
Legal	3,416	39,107	3,416	39,107
Long service leave provision	30,526	37,118	30,526	37,118
Losses from sale of assets	994	404	994	404
Media advertising	147,317	85,956	147,317	85,956
Media coverage	66,492	63,722	66,492	63,722
Meetings	72,830	20,603	72,830	20,603
Motor vehicles	41,819	37,844	41,819	37,844
National AHA capitation fees	69,303	69,303	69,303	69,303
Other administration	112,368	148,798	112,368	148,798
Payroll tax	33,186	9,156	33,186	9,156

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2021

	Consolidated group		Parent entity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Note 18: Detailed income and expenditure statement (cont'd)				
Political donations	61,500	-	61,500	-
Printing, postage and stationery	68,243	71,891	68,243	71,891
Professional, consultancy and audit	139,460	78,882	139,460	78,882
Rates and taxes	20,358	19,706	20,358	19,706
Rent	-	-	20,000	20,000
Repairs, cleaning, light and power	94,676	101,539	94,676	101,539
ReturnToWorkSA	11,089	8,921	11,089	8,921
Sponsorship expenses	117,979	81,547	117,979	81,547
Staff recruitment	-	7,665	-	7,665
Subscriptions	41,208	41,348	41,208	41,348
Superannuation – employees	179,481	174,384	179,481	174,384
Superannuation – office holders	1,838	1,678	1,838	1,678
Telephone	22,940	30,838	22,940	30,838
Travelling	29,077	18,903	29,077	18,903
Wages and salaries – employees	1,406,088	1,346,127	1,406,088	1,346,127
Total expenditure	3,647,320	2,745,669	3,647,320	2,745,669
Surplus (deficit) for the year	231,820	755,413	231,820	755,413

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Officer declaration statement

for the year ended 31 December 2021

I, Samuel Charles McInnes, being the Secretary / Treasurer of the Australian Hotels Association (South Australian Branch) declare that the following activities did not occur during the year ended 31 December 2021:

The Australian Hotels Association (South Australian Branch) did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters


**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Officer declaration statement

for the year ended 31 December 2021

- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- receive cash flows from another reporting unit and / or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: 6 April 2022