



Australian Government

Australian Industrial Registry

Level 36, 80 Collins Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672
Email: melbourne@air.gov.au

Mr Richard Lovell
Secretary/Treasurer
South Australian Branch
Australian Hotels Association
PO Box 3092
RUNDLE MALL SA 5000

Attention: Mr Ian Horne, General Manager

Dear Mr Lovell,

**Australian Hotels Association – South Australian Branch
Financial Report for the Year Ended 31 December 2005 - FR2005/623
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial report of the South Australian Branch of the Australian Hotels Association for the year ended 31 December 2005. The documents were lodged in the Industrial Registry on 5 May 2006.

At this point in time I am unable to file and close your financial report.

It has not been possible to process the financial report as it did not contain an Operating Report.

The Branch was reminded in a courtesy letter dated 30 January 2006 that it had failed to prepare an Operating Report in the financial documents which were lodged for the year ended 31 December 2004 (which was subsequently prepared and lodged on 7 October 2005). It was also brought to your attention that, in preparing documents for the year ended 31 December 2005, the Registry would not accept financial reports that do not include an Operating Report as required by the RAO Schedule.

You are therefore requested to lodge an Operating Report as soon as possible, which must be distributed to the membership (mail or website) and lodged in the Industrial Registry as soon as practicable.

Operating Report

A copy of our letter dated 16 September 2005 setting out the requirements of an Operating Report was attached to our courtesy letter sent in January of this year. As mentioned above, I note that the Branch did subsequently prepare an Operating Report for the year ended 31 December 2004 which was filed by the Registry on 7 October 2005.

In case that information has been mislaid, the following is provided to assist you in preparing an Operating Report.

The Report may be prepared by the Committee or by a 'designated officer' (see s.254(3)). The term 'designated officer' is defined in s.243 of the RAO Schedule as being an elected officer of the Branch who, under the Branch's rules, is responsible (whether alone or with others) for preparing the Report. In order to be a 'designated officer' under s.243, a person will first need to be an 'officer' holding an 'office' as those terms are defined in sections 6 and 9 respectively of the RAO Schedule.

The Operating Report must contain all of the information that is required by s.254(2) of the RAO Schedule and by regulation 159 of the RAO Regulations, namely:

s.254(2) of the RAO Schedule

The operating report must:

- (a) contain a review of the reporting unit's principal activities during the year, the results of those activities and any significant changes in the nature of those activities during the year; and
- (b) give details of any significant changes in the reporting unit's financial affairs during the year; and
- (c) give details of the right of members to resign from the reporting unit under section 174; and
- (d) give details (including details of the position held) of any officer or member of the reporting unit who is:
 - (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
 - (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation; and

- (e) contain any other information that the reporting unit considers is relevant; and
- (f) contain any prescribed information.

Regulation 159 of the RAO Regulations

For paragraph 254 (2) (f) of the RAO Schedule, the following information is prescribed:

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for section 230 of the RAO Schedule and who are taken to be members of the reporting unit under section 244 of the RAO Schedule;
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;
- (c) the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position.

Statement of Loans, Grants and Donations

A preliminary examination of the documents that were lodged on 5 May 2006 also raises a question about disclosure of donations.

A statement setting out donations made by the Branch during the year ended 31 December 2005 was lodged in the Registry on 10 February 2006. The statement has been placed on a file that is not available to the general public in accordance with section 237(4) of the RAO Schedule.

There appears to be an inconsistency, however, between the accounts which have been lodged and the statement of donations. While the statement shows that six separate donations (each of which was over \$1,000) were made to political parties totalling \$58,695, the accounts show on page 24 of the Notes an item for 'Political donations' totalling \$47,727. It therefore appears that the accounts may not disclose all of the donations which were made during the financial year.

You are therefore also requested to examine this issue and to advise the Registry in writing regarding how this discrepancy may have arisen.

I look forward to receiving your Operating Report and information regarding donations by no later than Tuesday 8 August 2006.

Once this information has been lodged, all of the Branch's financial documents will be examined in detail and our comments provided in due course.

Please do not hesitate to contact me by email at robert.pfeiffer@air.gov.au or on (03) 8661 7817 if you wish to discuss this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Pfeiffer', written in a cursive style.

Robert Pfeiffer
Statutory Services Branch

18 July 2006

AHA
SA

AUSTRALIAN
HOTELS
ASSOCIATION
(SA)
ABN 77 237 576 146

FR2005/623.

3 May 2006

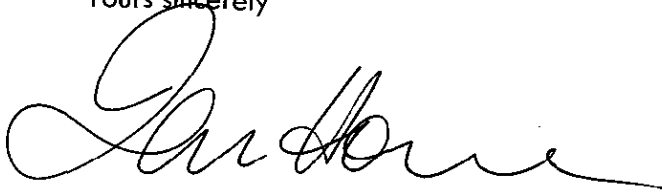
Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Attention: Robert Pfeiffer

Dear Mr. Pfeiffer

Please find enclosed our Certificate of Secretary/Treasurer and the full Annual Report for the Australian Hotels Association (SA Branch) for the 2005 year.

Yours sincerely



IAN HORNE
General Manager



CERTIFICATE OF SECRETARY/TREASURER
S268 of Schedule 1B Workplace Relations Act 1996

I, **Richard Stefan John Lovell** 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 S268 of the RAO Schedule; and
- that the full report, was provided to members on 10 April 2006;
- that the full report was presented to a general meeting of members of the reporting unit on 1 May 2006 in accordance with section 266 of the RAO Schedule.

A handwritten signature in black ink, appearing to read 'R.S.J. Lovell', with a stylized flourish at the end.

R.S.J. LOVELL

Dated: 2 May 2006

**AUSTRALIAN HOTELS ASSOCIATION
(SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146
AND CONTROLLED ENTITY**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2005**

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
 ABN 77 237 576 146 AND CONTROLLED ENTITY

**INCOME STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenues from ordinary activities	3	2,559,205	2,265,043	2,559,205	2,265,043
Employee expenses		(1,152,734)	(865,009)	(1,152,734)	(865,009)
Depreciation expense		(70,728)	(72,463)	(50,728)	(52,463)
Finance costs	4	(2,801)	(4,744)	(2,801)	(4,744)
Other expenses from ordinary activities		(1,430,170)	(1,402,092)	(1,450,170)	(1,422,092)
Deficit attributable to members of the parent entity		(97,228)	(79,265)	(97,228)	(79,265)

The accompanying notes form part of these financial statements.

A detailed income statement is provided in note 29.

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	1,096,024	829,579	1,096,014	829,569
Trade and other receivables	8	142,299	183,610	960,457	1,021,768
Inventories	9	3,321	10,638	3,321	10,638
Other current assets	10	189,323	41,470	189,323	41,470
TOTAL CURRENT ASSETS		1,430,967	1,065,297	2,249,115	1,903,445
NON-CURRENT ASSETS					
Investments accounted for using the equity method	11	-	-	-	-
Financial assets	13	-	-	10	10
Property, plant and equipment	15	1,702,132	1,736,526	207,355	221,749
Intangible assets	16	350	350	-	-
TOTAL NON-CURRENT ASSETS		1,702,482	1,736,876	207,365	221,759
TOTAL ASSETS		3,133,449	2,802,173	2,456,480	2,125,204
CURRENT LIABILITIES					
Trade and other payables	17	936,190	471,045	936,190	471,045
Short-term borrowings	18	25,859	24,048	25,859	24,048
Short-term provisions	19	83,252	95,845	83,252	95,845
TOTAL CURRENT LIABILITIES		1,045,301	590,938	1,045,301	590,938
NON-CURRENT LIABILITIES					
Long-term borrowings	18	-	25,859	-	25,859
TOTAL NON-CURRENT LIABILITIES		-	25,859	-	25,859
TOTAL LIABILITIES		1,045,301	616,797	1,045,301	616,797
NET ASSETS		2,088,148	2,185,376	1,411,179	1,508,407
EQUITY					
Capital profits reserve	20a	676,969	676,969	-	-
General reserve	20b	380,000	380,000	380,000	380,000
Retained surplus		1,031,179	1,128,407	1,031,179	1,128,407
TOTAL EQUITY		2,088,148	2,185,376	1,411,179	1,508,407

The accompanying notes form part of these financial statements.

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Retained surplus \$	Capital profits reserve \$	General reserve \$	Total \$
Economic Entity					
Balance at 1 January 2004	2	1,207,672	676,969	380,000	2,264,641
Deficit attributable to members of the parent entity		(79,265)	-	-	(79,265)
Balance at 31 December 2004	2	1,128,407	676,969	380,000	2,185,376
Deficit attributable to members of the parent entity		(97,228)	-	-	(97,228)
Balance at 31 December 2005		1,031,179	676,969	380,000	2,088,148
Parent Entity					
Balance at 1 January 2004	2	1,207,672	-	380,000	1,587,672
Deficit attributable to members of the parent entity		(79,265)	-	-	(79,265)
Balance at 31 December 2004	2	1,128,407	-	380,000	1,508,407
Deficit attributable to members of the parent entity		(97,228)	-	-	(97,228)
Balance at 31 December 2005		1,031,179	-	380,000	1,411,179

The accompanying notes form part of these financial statements.

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		3,080,987	2,162,020	3,080,987	2,162,020
Payments to suppliers and employees		(2,809,897)	(2,271,753)	(2,809,897)	(2,271,753)
Interest received		61,845	64,568	61,845	64,568
Finance costs		(2,801)	(4,744)	(2,801)	(4,744)
Net cash provided by (used in) operating activities	25a	330,134	(49,909)	330,134	(49,909)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		536	-	536	-
Purchase of property, plant and equipment		(40,177)	(61,685)	(40,177)	(61,685)
Net cash provided by (used in) investing activities		(39,641)	(61,685)	(39,641)	(61,685)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(24,048)	(16,688)	(24,048)	(16,688)
Net cash provided by (used in) financing activities		(24,048)	(16,688)	(24,048)	(16,688)
Net increase (decrease) in cash held		266,445	(128,282)	266,445	(128,282)
Cash at beginning of financial year		829,579	957,861	829,569	957,851
Cash at end of financial year	7	1,096,024	829,579	1,096,014	829,569

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

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 (AASB) and the requirements of the Workplace Relations Act 1996.

The financial report covers the Australian Hotels Association (South Australian Branch) (AHA) as an individual parent entity and the AHA and its controlled entity as an economic entity. The AHA is an organisation registered in Australia under the Workplace Relations Act 1996.

The financial report of the AHA and its controlled entity and the AHA as a individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) with the exception of certain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

The following is a summary of the material accounting policies adopted by the economic entity 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 AHA and its controlled entity and the AHA as an individual parent entity have prepared financial statements in accordance with the Australian equivalents to IFRS from 1 January 2005 with the exception of certain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and economic entity financial statements resulting from the introduction of IFRS have been applied retrospectively to 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated financial statements are the first financial statements of the AHA to be prepared in accordance with the Australian equivalents to IFRS with the exception of certain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

The accounting policies set out below have been consistently applied to all years presented. The parent and economic entities have however chosen not to adopt the early application of AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

Reconciliations of the transition from previous Australian GAAP to IFRS have been included in note 2 to this report.

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

a. Principles of Consolidation

A controlled entity is any entity that the AHA has the power to control the financial and operating policies of so as to obtain benefits from its activities. The AHA has one controlled entity and the details are contained in note 14 to the financial statements. The controlled entity has a December year end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised surplus or deficit, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Principles of Consolidation (cont'd)

Where controlled entities have entered or left the economic entity during the year, their operating results have been included or excluded from the date control was obtained or until the date control ceased.

b. Income Tax

No provision for income tax is necessary for the parent entity because it is exempt from income tax under section 23(f) of the Income Tax Assessment Act.

The charge for current income tax expense for the controlled entity is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

c. Inventories

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

d. Property, Plant and Equipment

Each class of property, plant and equipment including freehold land and buildings is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by the Executive Council 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 been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on either a straight line or diminishing balance basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	1%
Plant and equipment	7-40%
Motor vehicles – owned and leased	22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments are depreciated on a diminishing balance basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

f. Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by the Executive Council to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the underlying net assets for non-listed entities. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

g. Impairment of Assets

At each reporting date, the Executive Council reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

h. Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the economic entity's share of post-acquisition reserves of its associates.

i. Employee Benefits

Provision is made for the organisation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j. Provisions

Provisions are recognised when the economic entity 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.

k. Cash and Cash Equivalents

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

l. Revenue

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

m. Borrowing Costs

Borrowing costs are recognised in the income statement in the period in which they are incurred.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of 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.

o. Comparative Figures

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

p. Critical Accounting Estimates and Judgements

The Executive Council evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the economic entity.

Key Estimates and Judgements

The Executive Council has not been required to make any key estimates or judgements in the process of applying the economic entity's accounting policies.

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 2: FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Economic Entity and Parent Entity

Reconciliation of Equity at 1 January 2004

	Note	Economic Entity			Parent Entity		
		Previous GAAP at 1 Jan 2004	Adjustments on introduction of Australian equivalents to IFRS	Australian equivalents to IFRS at 1 Jan 2004	Previous GAAP at 1 Jan 2004	Adjustments on introduction of Australian equivalents to IFRS	Australian equivalents to IFRS at 1 Jan 2004
		\$	\$	\$	\$	\$	\$
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents		957,861	-	957,861	957,851	-	957,851
Trade and other receivables	2a	191,028	-	191,028	191,028	858,158	1,049,186
Inventories		-	-	-	-	-	-
Other current assets	2a	64,404	-	64,404	922,562	(858,158)	64,404
TOTAL CURRENT ASSETS		1,213,293	-	1,213,293	2,071,441	-	2,071,441
NON-CURRENT ASSETS							
Investments accounted for using the equity method		-	-	-	-	-	-
Financial assets		-	-	-	10	-	10
Property, plant and equipment		1,746,448	-	1,746,448	211,671	-	211,671
Intangible assets		350	-	350	-	-	-
TOTAL NON-CURRENT ASSETS		1,746,798	-	1,746,798	211,681	-	211,681
TOTAL ASSETS		2,960,091	-	2,960,091	2,283,122	-	2,283,122
CURRENT LIABILITIES							
Trade and other payables		560,982	-	560,982	560,982	-	560,982
Short-term borrowings		16,688	-	16,688	16,688	-	16,688
Short-term provisions		67,873	-	67,873	67,873	-	67,873
TOTAL CURRENT LIABILITIES		645,543	-	645,543	645,543	-	645,543
NON-CURRENT LIABILITIES							
Long-term borrowings		49,907	-	49,907	49,907	-	49,907
TOTAL NON-CURRENT LIABILITIES		49,907	-	49,907	49,907	-	49,907
TOTAL LIABILITIES		695,450	-	695,450	695,450	-	695,450
NET ASSETS		2,264,641	-	2,264,641	1,587,672	-	1,587,672
EQUITY							
Capital profits reserve		676,969	-	676,969	-	-	-
General reserve		380,000	-	380,000	380,000	-	380,000
Retained surplus		1,207,672	-	1,207,672	1,207,672	-	1,207,672
TOTAL EQUITY		2,264,641	-	2,264,641	1,587,672	-	1,587,672

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 2: FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

Economic Entity and Parent Entity

Reconciliation of Equity at 31 December 2004

	Note	Economic Entity			Parent Entity		
		Previous GAAP at 31 Dec 2004	Adjustments on introduction of Australian equivalents to IFRS	Australian equivalents to IFRS at 31 Dec 2004	Previous GAAP at 31 Dec 2004	Adjustments on introduction of Australian equivalents to IFRS	Australian equivalents to IFRS at 31 Dec 2004
		\$	\$	\$	\$	\$	\$
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents		829,579	-	829,579	829,569	-	829,569
Trade and other receivables	2a	183,610	-	183,610	183,610	838,158	1,021,768
Inventories		10,638	-	10,638	10,638	-	10,638
Other current assets	2a	41,470	-	41,470	879,628	(838,158)	41,470
TOTAL CURRENT ASSETS		1,065,297	-	1,065,297	1,903,445	-	1,903,445
NON-CURRENT ASSETS							
Investments accounted for using the equity method		-	-	-	-	-	-
Financial assets		-	-	-	10	-	10
Property, plant and equipment		1,736,526	-	1,736,526	221,749	-	221,749
Intangible assets		350	-	350	-	-	-
TOTAL NON-CURRENT ASSETS		1,736,876	-	1,736,876	221,759	-	221,759
TOTAL ASSETS		2,802,173	-	2,802,173	2,125,204	-	2,125,204
CURRENT LIABILITIES							
Trade and other payables		471,045	-	471,045	471,045	-	471,045
Short-term borrowings		24,048	-	24,048	24,048	-	24,048
Short-term provisions		95,845	-	95,845	95,845	-	95,845
TOTAL CURRENT LIABILITIES		590,938	-	590,938	590,938	-	590,938
NON-CURRENT LIABILITIES							
Long-term borrowings		25,859	-	25,859	25,859	-	25,859
TOTAL NON-CURRENT LIABILITIES		25,859	-	25,859	25,859	-	25,859
TOTAL LIABILITIES		616,797	-	616,797	616,797	-	616,797
NET ASSETS		2,185,376	-	2,185,376	1,508,407	-	1,508,407
EQUITY							
Capital profits reserve		676,969	-	676,969	-	-	-
General reserve		380,000	-	380,000	380,000	-	380,000
Retained surplus		1,128,407	-	1,128,407	1,128,407	-	1,128,407
TOTAL EQUITY		2,185,376	-	2,185,376	1,508,407	-	1,508,407

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 2: FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

Economic Entity and Parent Entity

Reconciliation of Deficit for 2004

	Note	Economic Entity			Parent Entity		
		Previous GAAP	Effect of transition to Australian equivalents to IFRS	Australian equivalents to IFRS	Previous GAAP	Effect of transition to Australian equivalents to IFRS	Australian equivalents to IFRS
Revenues from ordinary activities	2b	2,295,187	(30,144)	2,265,043	2,295,187	(30,144)	2,265,043
Employee expenses		(865,009)	-	(865,009)	(865,009)	-	(865,009)
Depreciation expense		(72,463)	-	(72,463)	(52,463)	-	(52,463)
Finance costs		(4,744)	-	(4,744)	(4,744)	-	(4,744)
Other expenses from ordinary activities	2b	(1,432,236)	30,144	(1,402,092)	(1,452,236)	30,144	(1,422,092)
Deficit attributable to members of the parent entity		(79,265)	-	(79,265)	(79,265)	-	(79,265)

- a. Reclassifications have been made to the balance sheet as at 1 January 2004 and 31 December 2004 because erroneously under previous GAAP, the amount receivable from a wholly-owned subsidiary was disclosed within other current assets whereas it is considered more appropriate to disclose the amount within trade and other receivables.

This reclassification has no effect on net assets as at 1 January 2004 or 31 December 2004.

- b. Reclassifications have been made to the income statement for the year ended 31 December 2004 because under Australian equivalents to IFRS, the sale of non-current assets must be reflected as a gain or loss on sale and not separately split between proceeds and costs of disposal.

This reclassification has no effect on net deficit for the 2004 financial year.

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
NOTE 3: REVENUE				
Operating activities:				
— members' subscriptions	1,443,400	1,288,409	1,443,400	1,288,409
— associate members' subscriptions	16,764	16,673	16,764	16,673
— advocacy services income	42,234	45,421	42,234	45,421
— sponsorships	374,112	286,069	374,112	286,069
— commissions received	219,321	258,093	219,321	258,093
— conferences, seminars and events	268,468	204,772	268,468	204,772
— rent received	43,870	50,508	43,870	50,508
— sale of goods	24,639	39,469	24,639	39,469
— federal AHA funding	50,000	-	50,000	-
— other	14,552	10,205	14,552	10,205
	<u>2,497,360</u>	<u>2,199,619</u>	<u>2,497,360</u>	<u>2,199,619</u>
Non-operating activities:				
— bank interest	61,845	64,568	61,845	64,568
— Gain on disposal of plant and equipment	-	856	-	856
	<u>61,845</u>	<u>65,424</u>	<u>61,845</u>	<u>65,424</u>
Total revenue	<u>2,559,205</u>	<u>2,265,043</u>	<u>2,559,205</u>	<u>2,265,043</u>

NOTE 4: DEFICIT FROM ORDINARY ACTIVITIES

a. Expenses

Finance costs - external	2,801	4,744	2,801	4,744
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NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

Executive Council (Officials)

C Branson (appointed 5 May 2005)

P Brien (resigned 5 May 2005)

J Ellis

P Hurley

R Lovell

B Matthews (resigned 11 August 2005)

M Palmer (resigned 11 August 2005)

I Ravenscroft (resigned 5 May 2005)

S Roberts (resigned 5 May 2005)

L Saturno (resigned 11 August 2005)

W Woehlert (appointed 5 May 2005)

M Wong (appointed 5 May 2005)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

Key Management Personnel (cont'd)

Other Key Management Personnel

J Lewis (General Manager - resigned 22 July 2005)

I Horne (General Manager – appointed 19 September 2005)

	Salary & fees	Short-term benefits			Termination benefits	Total
		Super-annuation contributions	Annual & sick leave paid out	Non-cash benefits		
2005						
Total compensation	152,237	13,701	13,650	11,056	174,961	365,605
2004						
Total compensation	151,612	13,645	-	11,054	-	176,311

NOTE 6: AUDITORS' REMUNERATION	Economic Entity		Parent Entity	
	2005	2004	2005	2004
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	10,720	10,360	10,720	10,360
— preparation of the financial report	6,000	5,960	6,000	5,960

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	483,615	100,509	483,605	100,499
Short-term bank deposits	612,409	729,070	612,409	729,070
	<u>1,096,024</u>	<u>829,579</u>	<u>1,096,014</u>	<u>829,569</u>

The effective interest rate on short-term bank deposits was 5.4% (2004: 5.0%); these deposits mature on 4 January 2006 (2004: 4 January 2005).

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>1,096,024</u>	<u>829,579</u>	<u>1,096,014</u>	<u>829,569</u>
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AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
NOTE 8: TRADE AND OTHER RECEIVABLES		\$	\$	\$	\$
CURRENT					
Other receivables		142,299	183,610	142,299	183,610
Amount receivable from wholly-owned subsidiary		-	-	818,158	838,158
		<u>142,299</u>	<u>183,610</u>	<u>960,457</u>	<u>1,021,768</u>

The loan to the wholly-owned subsidiary is unsecured and interest-free. No repayment terms have been set.

NOTE 9: INVENTORIES

CURRENT

Held for distribution:

Coin cups, table diaries and guest registers

	3,321	10,638	3,321	10,638
	<u>3,321</u>	<u>10,638</u>	<u>3,321</u>	<u>10,638</u>

NOTE 10: OTHER ASSETS

CURRENT

Work in progress

Prepayments

Accrued income from associated company

Accrued income from other

	6,270	6,887	6,270	6,887
	40,659	30,962	40,659	30,962
	136,442	-	136,442	-
	5,952	3,621	5,952	3,621
	<u>189,323</u>	<u>41,470</u>	<u>189,323</u>	<u>41,470</u>

Accrued income from the associated company is unsecured and interest-free. Repayment was made 14 February 2006.

NOTE 11: INVESTMENTS
ACCOUNTED FOR USING THE
EQUITY METHOD

Associated company

12a	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 12: ASSOCIATED COMPANY

An interest is held in the following non-listed associated company:

Hotels Responsible Gambling Early Intervention Agency Ltd (trading as "Gaming Care").

The principal activity of Gaming Care is the provision of support to problem gamblers. The company is incorporated in Australia. Gaming Care commenced registration as a company on 16 November 2005 and is a public company limited by guarantee.

The interest is held as follows:

	Ownership interest		Voting power		Carrying amount of investment	
	2005	2004	2005	2004	2005	2004
	%	%	%	%	\$	\$
Gaming Care	100	-	40	-	-	-

a. Movements During the Year in Equity Accounted Investments in Associated Company

The AHA holds 40% of the voting power of Gaming Care hence the AHA has significant influence over Gaming Care. Gaming Care is therefore considered to be an associated company of the AHA.

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

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

b. Significant Restrictions on the Ability of the Associated Company to Transfer Funds to the AHA

The constitution of Gaming Care 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 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;
- of interest; or
- rent.

c. Summarised Financial Information of Associated Company

	Gaming Care	
	2005	2004
	\$	\$
Total assets	139,106	-
Total liabilities	139,106	-
Net assets	-	-
Revenues	108,136	-
Surplus	-	-

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
NOTE 13: FINANCIAL ASSETS					
Shares in non-listed controlled entity at cost	14	-	-	10	10

NOTE 14: CONTROLLED ENTITY
Controlled Entity Consolidated

	Country of incorporation	Percentage owned (%) *	
		2005	2004
Parent Entity:			
Australian Hotels Association (South Australian Branch) (AHA)	Australia	-	-
Subsidiary of the AHA:			
AHA Properties Pty Ltd	Australia	100	100

* Percentage of voting power in proportion to ownership.

	Economic Entity		Parent Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
NOTE 15: PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings at cost	1,774,777	1,774,777	-	-
Less accumulated depreciation	280,000	260,000	-	-
	<u>1,494,777</u>	<u>1,514,777</u>	<u>-</u>	<u>-</u>
Plant and equipment at cost	242,963	239,608	242,963	239,608
Less accumulated depreciation	144,436	134,544	144,436	134,544
	<u>98,527</u>	<u>105,064</u>	<u>98,527</u>	<u>105,064</u>
Motor vehicles at cost	152,369	102,310	152,369	102,310
Less accumulated depreciation	64,905	37,384	64,905	37,384
	<u>87,464</u>	<u>64,926</u>	<u>87,464</u>	<u>64,926</u>
Capitalised leased motor vehicles at cost	45,895	99,966	45,895	99,966
Less accumulated depreciation	24,531	48,207	24,531	48,207
	<u>21,364</u>	<u>51,759</u>	<u>21,364</u>	<u>51,759</u>
Total property, plant and equipment	<u>1,702,132</u>	<u>1,736,526</u>	<u>207,355</u>	<u>221,749</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Movement in carrying amounts

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

	Freehold land and buildings	Plant and equipment	Motor vehicles	Leased motor vehicles	Total
	\$	\$	\$	\$	\$
Economic Entity					
Balance at the beginning of the year	1,514,777	105,064	64,926	51,759	1,736,526
Additions	-	16,474	33,112	-	49,586
Disposals	-	(3,459)	(9,793)	-	(13,252)
Depreciation expense	(20,000)	(19,552)	(19,530)	(11,646)	(70,728)
Reclassification	-	-	18,749	(18,749)	-
Carrying amount at the end of the year	1,494,777	98,527	87,464	21,364	1,702,132

Parent Entity

Balance at the beginning of the year	-	105,064	64,926	51,759	221,749
Additions	-	16,474	33,112	-	49,586
Disposals	-	(3,459)	(9,793)	-	(13,252)
Depreciation expense	-	(19,552)	(19,530)	(11,646)	(50,728)
Reclassification	-	-	18,749	(18,749)	-
Carrying amount at the end of the year	-	98,527	87,464	21,364	207,355

Economic Entity		Parent Entity	
2005	2004	2005	2004
\$	\$	\$	\$

NOTE 16: INTANGIBLE ASSETS

Preliminary expenses at cost	350	350	-	-
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**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
NOTE 17: TRADE AND OTHER PAYABLES		\$	\$	\$	\$
CURRENT					
Trade payables		75,978	159,531	75,978	159,531
Salaries and allowances – officials		15,000	15,000	15,000	15,000
Superannuation – officials		1,350	1,350	1,350	1,350
Superannuation – other		13,715	8,049	13,715	8,049
Legal expenses		4,465	8,750	4,465	8,750
Deferred income		714,714	217,574	714,714	217,574
Other payables and accrued expenses		110,968	60,791	110,968	60,791
		<u>936,190</u>	<u>471,045</u>	<u>936,190</u>	<u>471,045</u>

NOTE 18: BORROWINGS

CURRENT

Lease liability		25,859	24,048	25,859	24,048
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NON-CURRENT

Lease liability		-	25,859	-	25,859
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21		<u>25,859</u>	<u>49,907</u>	<u>25,859</u>	<u>49,907</u>
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NOTE 19: PROVISIONS

CURRENT

Annual leave	19a	52,415	51,295	52,415	51,295
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Long service leave	19a	30,837	44,550	30,837	44,550
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		<u>83,252</u>	<u>95,845</u>	<u>83,252</u>	<u>95,845</u>
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a. Number of employees at year end

		<u>15</u>	<u>12</u>	<u>15</u>	<u>12</u>
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NOTE 20: RESERVES

a. Capital Profits Reserve

The capital profits reserve records profits on disposal of non-current assets.

b. General Reserve

The general reserve is used to record amounts set aside to fund the future expansion of the organisation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
NOTE 21: LEASING COMMITMENTS		\$	\$	\$	\$
Finance Lease Commitments					
Payable:					
— not later than 1 year		27,532	26,848	27,532	26,848
— later than 1 year but not later than 5 years		-	27,532	-	27,532
Minimum lease payments		27,532	54,380	27,532	54,380
Less future finance charges		1,673	4,473	1,673	4,473
Present value of minimum lease payments	18	25,859	49,907	25,859	49,907

NOTE 22: CONTINGENT LIABILITIES

The economic entity had no contingent liabilities as at 31 December 2005 or for the forthcoming year.

NOTE 23: SEGMENT REPORTING

The economic entity 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 24: RELATED PARTY
TRANSACTIONS**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with Related Parties

AHA Properties Pty Ltd:

— rent paid	-	-	20,000	20,000
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Rent paid by the AHA to AHA Properties Pty Ltd is less than a normal commercial rate and there are no conditions attached.

Hotels Responsible Gambling Early
Intervention Agency Ltd:

— rent received	4,000	-	4,000	-
— electricity contribution received	400	-	400	-
— administration fees received	6,800	-	6,800	-
— expenses reimbursed	125,031	-	125,031	-

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 24: RELATED PARTY TRANSACTIONS (CONT'D)

Transactions with Related Parties (cont'd)

Officials of the parent entity:

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

	Economic Entity		Parent Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
NOTE 25: CASH FLOW INFORMATION				
a. Reconciliation of Cash Flows from Operating Activities with Deficit from Ordinary Activities				
Deficit from ordinary activities	(97,228)	(79,265)	(97,228)	(79,265)
Non-cash flows in deficit from ordinary activities:				
Depreciation	70,728	72,463	50,728	52,463
Net (gain) loss on disposal of plant and equipment	3,307	(856)	3,307	(856)
Changes in assets and liabilities:				
Decrease (increase) in receivables	41,311	7,418	41,311	7,418
Decrease (increase) in other assets	(147,853)	22,934	(127,853)	42,934
Decrease (increase) in inventories	7,317	(10,638)	7,317	(10,638)
Increase (decrease) in payables	465,145	(89,937)	465,145	(89,937)
Increase (decrease) in provisions	(12,593)	27,972	(12,593)	27,972
Cash flows from operating activities	<u>330,134</u>	<u>(49,909)</u>	<u>330,134</u>	<u>(49,909)</u>

b. Non-cash Investing Activities

During the financial year, the parent entity disposed of a motor vehicle and received a trade in value of \$9,409 for the motor vehicle. This trade in value received was used to partially offset the cost of a new motor vehicle. The cash flow statement does not reflect sale proceeds or purchases in respect of the trade in value of \$9,409.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 26: FINANCIAL INSTRUMENTS

a. Interest Rate Risk

The economic entity'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 those financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate		Floating interest rate		Fixed interest rate maturing:			
					Within 1 year		1 to 5 years	
	2005	2004	2005	2004	2005	2004	2005	2004
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash at bank	3.0	1.8	483,334	100,428	-	-	-	-
Short-term bank deposits	5.4	5.0	612,409	729,070	-	-	-	-
Total financial assets			1,095,743	829,498	-	-	-	-
Financial Liabilities								
Lease liabilities	7.5	8.0	-	-	25,859	24,048	-	25,859
Total financial liabilities			-	-	25,859	24,048	-	25,859

b. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for impairment, as disclosed in the balance sheet and notes to the financial statements.

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

c. Net Fair Values

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

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

NOTE 27: ORGANISATION DETAILS

The registered office and principal place of business of the organisation is:

Australian Hotels Association (South Australian Branch)
 4th Floor, AHA House
 60 Hindmarsh Square
 Adelaide SA 5000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 28: PRESCRIBED INFORMATION NOTICE

The following section of the Workplace Relations Act 1996 RAO Schedule is brought to the attention of members:

Section 272

- (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; and
- (3) A reporting unit must comply with an application made under subsection (1).

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 29: DETAILED INCOME STATEMENT	Economic Entity		Parent Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
INCOME				
Members' subscriptions	1,443,400	1,288,409	1,443,400	1,288,409
Associate members' subscriptions	16,764	16,673	16,764	16,673
Advocacy services income	42,234	45,421	42,234	45,421
Sponsorships	374,112	286,069	374,112	286,069
Commissions received	219,321	258,093	219,321	258,093
Conferences, seminars and events	268,468	204,772	268,468	204,772
Rent received	43,870	50,508	43,870	50,508
Sale of goods	24,639	39,469	24,639	39,469
Federal AHA funding	50,000	-	50,000	-
Other income	14,552	10,205	14,552	10,205
Bank interest	61,845	64,568	61,845	64,568
Gain on disposal of plant and equipment	-	856	-	856
Total income from ordinary activities	2,559,205	2,265,043	2,559,205	2,265,043
EXPENDITURE				
Advocacy expenses	16,570	9,692	16,570	9,692
Annual leave provision	23,236	14,461	23,236	14,461
Conferences, seminars and events	221,188	159,662	221,188	159,662
Delegates fees and expenses	18,499	21,215	18,499	21,215
Depreciation	70,728	72,463	50,728	52,463
Donations and grants	1,410	1,477	1,410	1,477
Entertainment	49,224	38,808	49,224	38,808
Federal AHA levies	75,860	75,860	75,860	75,860
Gaming expenses	5,710	29,076	5,710	29,076
General expenses	24,528	10,093	24,528	10,093
Insurance	36,370	39,291	36,370	39,291
Interest paid	2,801	4,744	2,801	4,744
Legal expenses	68,000	124,201	68,000	124,201
Long service leave provision	7,681	16,647	7,681	16,647
Loss on disposal of plant and equipment	3,307	-	3,307	-
Media advertising expenses	165,321	204,789	165,321	204,789
Media coverage expenses	25,679	38,644	25,679	38,644
Meeting expenses	38,545	43,672	38,545	43,672

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 29: DETAILED INCOME STATEMENT (CONT'D)	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
EXPENDITURE (CONT'D)				
Motor vehicle expenses	48,388	37,278	48,388	37,278
Other administration expenses	101,440	96,699	101,440	96,699
Payroll tax	41,766	21,784	41,766	21,784
Political donations	47,727	50,000	47,727	50,000
Printing, postage and stationery	100,516	97,214	100,516	97,214
Professional, consultancy and audit expenses	153,525	123,277	153,525	123,277
Rates and taxes	15,366	14,903	15,366	14,903
Rent paid	-	-	20,000	20,000
Repairs, cleaning, light and power	67,656	75,830	67,656	75,830
Salaries and allowances – officials	15,000	15,000	15,000	15,000
Salaries and allowances – other	930,146	692,221	930,146	692,221
Sponsorship expense	80,267	46,967	80,267	46,967
Staff recruitment	26,153	10,032	26,153	10,032
Subscriptions	6,737	8,414	6,737	8,414
Superannuation – officials	1,350	1,350	1,350	1,350
Superannuation – other	89,497	70,778	89,497	70,778
Telephone	39,849	43,556	39,849	43,556
Travelling expenses	28,620	27,983	28,620	27,983
Workcover	7,773	6,227	7,773	6,227
Total expenditure on ordinary activities	2,656,433	2,344,308	2,656,433	2,344,308
Deficit attributable to members of the parent entity	(97,228)	(79,265)	(97,228)	(79,265)

COMMITTEE OF MANAGEMENT'S STATEMENT

On 10 April 2006, 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) of the reporting unit for the financial year ended 31 December 2005:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes present fairly the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) at the date of this statement, 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; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - (iv) the reporting unit is not aware as to whether their financial records have been kept, as far as practicable, in a consistent manner to each of the other reporting units;
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule.

For the Committee of Management:



PETER JOHN HURLEY

President



RICHARD STEFAN JOHN LOVELL

Secretary / Treasurer

Dated 10 April 2006

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE
AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)**

Scope

We have audited the financial report of the Australian Hotels Association (South Australian Branch) for the year ended 31 December 2005 as set out on pages 1 to 25.

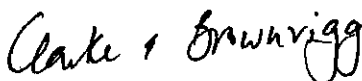
The financial report includes the consolidated financial statements of the consolidated entity comprising the organisation and the entities it controlled at the year end or from time to time during the financial year. The Committee of Management is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the organisation.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards, the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the organisation's and consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of the Australian Hotels Association (South Australian Branch) presents fairly in accordance with applicable Australian Accounting Standards, the Workplace Relations Act 1996 including the requirements of the RAO Schedule and other mandatory professional reporting requirements in Australia the financial position of the organisation and consolidated entity as at 31 December 2005 and the results of their operations and cash flows for the year then ended.



CLARKE AND BROWNRIGG
Chartered Accountants



CR CLARKE

Partner;

Approved auditor;

Member of the Institute of Chartered Accountants in Australia (membership number 18429) and holder of current Public Practice Certificate; and

Registered Company Auditor number 5024.

Dated 10 April 2006, Kent Town