



Australian Government
Australian Industrial Registry

10 June 2009

Mr Rick Lovell
Secretary/Treasurer
Australian Hotels Association, South Australian Branch
c/o email: ihorne@ahasa.asn.au

Dear Mr Lovell

Re: Financial Report for the Australian Hotels Association, South Australian Branch for year ended 31 December 2008 – FR2008/616

I acknowledge receipt of correspondence dated 5 June 2009 in response to correspondence of the Registry dated 4 June 2009. The correspondence was lodged with the Registry on 5 June 2009.

The financial report has now been filed.

Committee of Management statement

Declarations by the Committee of Management

Item 24 of the guidelines indicates that the Committee of Management must cause to be prepared a Committee of Management statement containing declarations by the Committee in relation to the general purpose financial statement. The list of declarations are contained in item 25.

In the Committee of Management statement dated 14 April 2009 the Branch has resolved at item (c) that *“the financial statements and notes present fairly”*, contrary to section 253(3) of Schedule 1 which states that *“the financial statements and notes for a financial year must give a true and fair view of the financial position and performance of the reporting unit.”*

Also, at item 25(e)(iv) the Branch has indicated that *“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”* which is contrary to section 252(2) of Schedule 1 which states *“where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner.”* In future the Branch should make the necessary enquiries to ascertain whether or not the financial records have been kept as far as practicable financial records in a consistent manner so that it is in a position to make the declaration required by the previously mentioned guideline.

Schedule 1

Reference to Schedule 1B of the Act, should properly refer to Schedule 1.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Statutory Services Branch

Principal Registry

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60 Hindmarsh Square
Adelaide SA 5000

PO Box 3092
Rundle Mall SA 5000

5 June, 2009

Mr. Kevin Donnellan
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Dear Kevin

**Re: Financial Report for the Australian Hotels Association, South Australian
Branch for year ended 31 December 2008 – FR2008/616**

Loans, Grants and Donations

In your letter of 4 June, 2009 you sought an indication that the differential between the amounts included in the SLGD has been included in the GPFR category of conferences, seminars and events.

I can confirm that all expenditure is captured by the GPFR as per relevant accounting standards and legislation and that the variance between our 'donation' account and the SLGD is captured in account categories:

- Conferences, seminars and events
- Entertainment
- Public Relations

depending on the nature, value and purpose of the expenditure.

Importantly, all accounts are approved monthly by our Management Committee as per our Rules.

Please do not hesitate to contact me if I can be of any further assistance.

Yours sincerely



IAN HORNE
General Manager

cc: Rick Lovell



Australian Government
Australian Industrial Registry

4 June 2009

Mr Rick Lovell
Secretary/Treasurer
Australian Hotels Association, South Australian Branch
c/o email: ihome@ahasa.asn.au

Dear Mr Lovell

Re: Financial Report for the Australian Hotels Association, South Australian Branch for year ended 31 December 2008 – FR2008/616

I acknowledge receipt of the revised documentation in response to correspondence of the Registry dated 20 May 2009. The documents were lodged with the Registry on 29 May 2009.

Loans, grants and donations

The correspondence of 29 May 2009 contained further explanation regarding the variance between the figures contained in the filed statement of loans, grants and donations and the figures contained in the financial report. Any donation made by the Branch is required to be included in the general purpose financial report (GPFR) regardless of the amount and any donation exceeding \$1000 is to be included in the statement of loans, grants and donations (SLGD) for the Branch. If the attendance to the function did not exceed a total of \$1000 then, it should be expressed in the GPFR. If the total does exceed a total of \$1000 then it should be expressed in the GPFR and included in the SLGD.

Could the Branch indicate if the differential between the amount included in the SLGD has been included in the GPFR category of Conferences, seminars and events contained on page 20 of the GPFR for the year ended 31 December 2008.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan
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PO Box 3092
Rundle Mall SA 5000

29 May, 2009

Mr. Kevin Donnellan
Statutory Services Branch
Australian Industrial Registry
11 Exhibition Street
MELBOURNE VIC 3000

Dear Kevin

**RE: FINANCIAL REPORT FOR THE AUSTRALIAN HOTELS ASSOCIATION, SOUTH
AUSTRALIAN BRANCH FOR YEAR ENDED 31 DECEMBER 2008 – FR2008/616**

As a result of your correspondence to the AHA|SA dated 20 May, 2009 and a telephone conversation with you, we provide the following information:

1. AUDIT REPORT

Audit Opinion

Attached is the re-submitted Independent Auditor's Report from Clarke & Brownrigg that reflects the wording that would satisfy the requirements of subsection 257(5) of Schedule 1 of Part 3 of Chapter 8 of the Workplace Relations Act 1996 (Schedule 1).

and;

includes confirmation of the Auditor's status as an "Approved Auditor" – Member of the Institute of Chartered Accountants (Membership No. 18429).

2. DISTRIBUTION OF THE FULL REPORT TO MEMBERS

A replacement certificate of the Secretary/Treasurer confirming that the full reports were provided to members on or before 9 April 2009.

3. LOANS, GRANTS, DONATIONS

We note that there is a variance between our AIR/RAO 0237 disclosure of \$79,140 and our Note 28 which records figures of \$791 and \$52,880. The \$79,140 included amounts exceeding \$1,000 which were for payments to political parties for attendance at various functions.

We included those contributions in line with what we declare to the Australian Electoral Commission. We now understand that for the purposes of AIRC reporting, only specific donations/grants/loans need be reported.

Importantly, all accounts are approved monthly by our Management Committee as per our Rules.

4. FEDERAL AHA LEVIES

Federal levies is terminology we use to describe the total fees for support of and participation in the National AHA functions.

The "Federal Levies" should be considered as National AHA capitation fees. We will amend our terminology to reflect this in the future.

I hope this adequately addresses the issues raised in your letter and discussed with me. Please do not hesitate to contact me if I can add further clarification.

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 9 April 2009;
- that the full report was presented to a general meeting of members of the reporting unit on 4 May 2009 in accordance with section 266 of the RAO Schedule.

A handwritten signature in black ink, appearing to read 'R.S.J. Lovell', written over a horizontal line.

R.S.J. LOVELL

Dated: 21 May, 2009

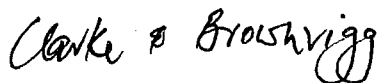
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)**

Independence

In conducting our audit, we have complied with the independence requirements of the Workplace Relations Act 1996. We confirm that the independence declaration required by the Workplace Relations Act 1996, provided to the directors of Australian Hotels Association (South Australian Branch) on 3 April 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.



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 14th April 2009, Kent Town





Australian Government
Australian Industrial Registry

20 May 2009

Mr Rick Lovell
Secretary/Treasurer
Australian Hotels Association, South Australian Branch
c/o email: ihome@ahasa.asn.au

Dear Mr Lovell

Re: Financial Report for the Australian Hotels Association, South Australian Branch for year ended 31 December 2008 – FR2008/616

I acknowledge receipt of the financial report of the Australian Hotels Association, South Australian Branch for the year ended 31 December 2008. The documents were lodged with the Registry on 11 May 2009.

The financial report has not been filed.

The following matters require your attention before any action can be taken to file the above report.

Audit Report

Audit Opinion

The Audit Report contained the following opinion:

“In our opinion, the financial report of Australian Hotels Association (SA Branch) is in accordance with the Workplace Relations Act, including:

- a. Giving a true and fair view of the organisation's financial position as at 31 December 2008 and of its performance for the year then ended in accordance with the accounting policies described in Note 1; and*
- b. Complying with Australian Accounting Standards to the extent described in Note 1”*

The term “true and fair view” was used in the superseded legislation. Subsection 257(5) of Schedule 1 of Part 3 of Chapter 8 of the Workplace Relations Act 1996 (Schedule 1) sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the Schedule 1. The following wording in the auditor's opinion would satisfy the requirements:

“In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.”

Auditor's Qualification

Also, it is not clear from the Report whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definitions of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

I note that the opinion and the Auditor's qualification in the Auditor's Report for the last financial year were in accordance with the current legislative requirements.

Distribution of full report to members

The Certificate of Secretary/Treasurer states that the full report, was provided to members on 14 April 2009 and that the report was presented to a general meeting of members of the reporting unit on 4 May 2009. Section 265(5)(a) of Schedule 1 indicates that if the report is to be presented to a general meeting of the reporting unit, the copies of the report must be provided to members 21 days before that meeting. In this instance the report was provided to members 20 days before the meeting.

If the date of distribution of 14 April 2009 is correct the Branch would, in the normal course of events, be required to represent the report to a general meeting of members. I would be pleased to receive your advice as to why the Branch should not re-present the documents to a General Meeting after giving the appropriate notice of that meeting.

Notes to the financial statements – note 28

Loans, Grants and Donations

The Branch filed a "*Statement of Loans Grants and Donations*" dated 8 April 2009 for the year ended 31 December 2008 (copy attached) which notes donations totaling \$79,140. In note 28, the "Detailed Income Statement for the Year Ended 31 December 2008" under the categories of "Donations and grants" and "Political donations" records the figures of "\$791" and "\$52,880" respectively. As these documents cover the same reporting period it is reasonable to expect the information would be consistent. Could you please explain the disparity?

Federal AHA levies

Item 11 of the Industrial Registrar's Reporting guidelines (the guidelines) lists items of expense which, must be disclosed by the reporting unit such as capitation fees (b) and levies (e). The Branch has disclosed the category "Federal AHA levies" listed under expenditure in note 28. As the rules of the organisation clearly make provision for capitation fees should this amount more properly be categorised as "Capitation Fees" rather than levies.

Once the Branch provides the revised documentation consideration can be give to filing the above report.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Statutory Services Branch

Principal Registry

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Rundle Mall SA 5000

6 May, 2009

Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Attention: Mr Kevin Donnellan

Dear Mr. Donnellan

Please find enclosed our Certificate of Secretary/Treasurer and the full Annual Report for the Australian Hotels Association (SA Branch) for the 2008 year which includes the Operating Report as per the RAO schedule.

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 14 April 2009;
- that the full report was presented to a general meeting of members of the reporting unit on 4 May 2009 in accordance with section 266 of the RAO Schedule.

A handwritten signature in black ink, appearing to read 'R.S.J. Lovell', with a horizontal line underneath.

R.S.J. LOVELL

Dated: 6 May, 2009

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

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2008**

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Revenues from ordinary activities	2	2,712,912	2,871,697	2,712,912	2,871,697
Employee expenses		(1,082,377)	(1,032,825)	(1,082,377)	(1,032,825)
Depreciation expense		(50,377)	(49,874)	(30,377)	(29,874)
Finance costs	3	-	-	-	-
Other expenses from ordinary activities		(1,179,586)	(1,351,440)	(1,199,586)	(1,371,440)
Surplus/(Deficit) attributable to members of the parent entity		<u>400,572</u>	<u>437,558</u>	<u>400,572</u>	<u>437,558</u>

The accompanying notes form part of these financial statements.

A detailed income statement is provided in note 28.

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

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	2,938,369	2,407,032	2,938,359	2,407,022
Trade and other receivables	7	1,029,040	1,116,758	1,787,198	1,894,916
Inventories	8	13,562	21,129	13,562	21,129
Other current assets	9	60,445	64,651	60,445	64,651
TOTAL CURRENT ASSETS		4,041,416	3,609,570	4,799,564	4,387,718
NON-CURRENT ASSETS					
Investments accounted for using the equity method	10	-	-	-	-
Financial assets	12	-	-	10	10
Property, plant and equipment	14	1,635,036	1,582,392	200,259	127,615
Intangible assets	15	350	350	-	-
TOTAL NON-CURRENT ASSETS		1,635,386	1,582,742	200,269	127,625
TOTAL ASSETS		5,676,802	5,192,312	4,999,833	4,515,343
CURRENT LIABILITIES					
Trade and other payables	16	2,362,967	2,300,771	2,362,967	2,300,771
Short-term borrowings	17	-	-	-	-
Short-term provisions	18	135,669	113,947	135,669	113,947
TOTAL CURRENT LIABILITIES		2,498,636	2,414,718	2,498,636	2,414,718
NON-CURRENT LIABILITIES					
Long-term borrowings	17	-	-	-	-
TOTAL NON-CURRENT LIABILITIES		-	-	-	-
TOTAL LIABILITIES		2,498,636	2,414,718	2,498,636	2,414,718
NET ASSETS		3,178,166	2,777,594	2,501,197	2,100,625
EQUITY					
Capital profits reserve	19a	676,969	676,969	-	-
General reserve	19b	380,000	380,000	380,000	380,000
Retained surplus		2,121,197	1,720,625	2,121,197	1,720,625
TOTAL EQUITY		3,178,166	2,777,594	2,501,197	2,100,625

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 2008**

Note	Retained surplus \$	Capital profits reserve \$	General reserve \$	Total \$
Economic Entity				
Balance at 31 December 2007	1,720,625	676,969	380,000	2,777,594
Surplus/(Deficit) attributable to members of the parent entity	400,572	-	-	400,572
Balance at 31 December 2008	<u>2,121,197</u>	<u>676,969</u>	<u>380,000</u>	<u>3,178,166</u>
 Parent Entity				
Balance at 31 December 2007	1,720,625	-	380,000	2,100,625
Surplus/(Deficit) attributable to members of the parent entity	400,572	-	-	400,572
Balance at 31 December 2008	<u>2,121,197</u>	<u>-</u>	<u>380,000</u>	<u>2,501,197</u>

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 2008**

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		2,775,199	2,820,295	2,775,199	2,820,295
Payments to suppliers and employees		(2,308,134)	(2,270,201)	(2,308,134)	(2,270,201)
Interest received		175,596	123,099	175,596	123,099
Finance costs		-	-	-	-
Net cash provided by (used in) operating activities	24a	642,661	673,193	642,661	673,193
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	12,500	-	12,500
Purchase of property, plant and equipment		(111,324)	(44,812)	(111,324)	(44,812)
Net cash provided by (used in) investing activities		(111,324)	(32,312)	(111,324)	(32,312)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		-	735	-	735
Net cash provided by (used in) financing activities		-	735	-	735
Net increase (decrease) in cash held		531,337	641,616	531,337	641,616
Cash at beginning of financial year		2,407,032	1,765,416	2,407,022	1,765,406
Cash at end of financial year	6	2,938,369	2,407,032	2,938,359	2,407,022

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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) (AHASA) as an individual parent entity and the AHASA and its controlled entity as an economic entity. The AHASA is an organisation registered in Australia under the Workplace Relations Act 1996.

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

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 AHASA has the power to control the financial and operating policies of so as to obtain benefits from its activities. The AHASA has one controlled entity and the details are contained in note 13 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 2008**

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 2008**

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

e. 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.

f. 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.

g. 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.

h. 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 2008**

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

i. 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.

j. 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.

k. 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).

l. Borrowing Costs

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

m. 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.

n. Comparative Figures

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

o. 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.

p. Debtors and Fees Recognition

The FIA - Membership for 2009 have been recognised in the debtors for year ending 2008. This has no impact on surplus/(deficit) for the year for the entity.

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 2008**

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
NOTE 2: REVENUE				
Operating activities:				
— members' subscriptions	1,564,482	1,495,016	1,564,482	1,495,016
— associate members' subscriptions	11,642	12,898	11,642	12,898
— advocacy services income	77,597	123,869	77,597	123,869
— Sponsorships	463,126	424,079	463,126	424,079
— commissions received	121,428	157,874	121,428	157,874
— conferences, seminars and events	194,441	293,478	194,441	293,478
— rent received	40,560	42,358	40,560	42,358
— sale of goods	16,029	22,652	16,029	22,652
— Federal AHA funding	-	-	-	-
— Other	48,011	176,374	48,011	176,374
	<u>2,537,316</u>	<u>2,748,598</u>	<u>2,537,316</u>	<u>2,748,598</u>
Non-operating activities:				
— bank interest	175,596	123,099	175,596	123,099
— Gain on disposal of plant and equipment	-	-	-	-
	<u>175,596</u>	<u>123,099</u>	<u>175,596</u>	<u>123,099</u>
Total revenue	<u>2,712,912</u>	<u>2,871,697</u>	<u>2,712,912</u>	<u>2,871,697</u>

**NOTE 3: SURPLUS/(DEFICIT)
 FROM ORDINARY ACTIVITIES**

a. Expenses

Finance costs – external	-	-	-	-
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NOTE 4: KEY MANAGEMENT PERSONNEL

Key Management Personnel – Executive Council (Officials)

C Branson

P Brien

J Ellis

P Hurley

P Jones

R Lovell

C Williams

W Woehlert

M Wong (resigned October 2008)

Other Key Management Personnel

I Horne (General Manager)

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 2008**

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
NOTE 5: AUDITORS' REMUNERATION	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	12,350	12,350	12,350	12,350
— preparation of the financial report	6,650	6,650	6,650	6,650

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	938,369	688,360	938,359	688,350
Short-term bank deposits	2,000,000	1,718,672	2,000,000	1,718,672
	<u>2,938,369</u>	<u>2,407,032</u>	<u>2,938,359</u>	<u>2,407,022</u>

The effective interest rate on short-term bank deposits was 4.57% (2007: 6.98%); these deposits mature on 01 January 2009 (2007: 10 January 2008).

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>2,938,369</u>	<u>2,407,032</u>	<u>2,938,359</u>	<u>2,407,022</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 2008**

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
NOTE 7: TRADE AND OTHER RECEIVABLES		\$	\$	\$	\$
CURRENT					
Other receivables		1,029,040	1,116,758	1,029,040	1,116,758
Amount receivable from wholly-owned subsidiary		-	-	758,158	778,158
		<u>1,029,040</u>	<u>1,116,758</u>	<u>1,787,198</u>	<u>1,894,916</u>

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

NOTE 8: INVENTORIES

CURRENT

Held for distribution:

Coin cups, guest registers, hotel books

	13,562	21,129	13,562	21,129
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NOTE 9: OTHER ASSETS

CURRENT

Work in progress

1,813	6,790	1,813	6,790
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Prepayments

45,576	47,526	45,576	47,526
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Accrued income from associated company

-	-	-	-
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Accrued income from other

13,056	10,335	13,056	10,335
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<u>60,445</u>	<u>64,651</u>	<u>60,445</u>	<u>64,651</u>
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NOTE 10: INVESTMENTS
ACCOUNTED FOR USING THE
EQUITY METHOD

Associated company

11a	-	-	-	-
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 11: 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	
	2008	2007	2008	2007	2008	2007
	%	%	%	%	\$	\$
Gaming Care	100	100	40	40	-	-

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

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

The cost of the AHASA's investment in Gaming Care is nil because Gaming Care is limited by guarantee and does not have any share capital. The AHASA'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 AHASA'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 AHASA

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	
	2008	2007
	\$	\$
Total assets	851,676	197,438
Total liabilities	851,676	197,438
Net assets	-	-
Revenues	584,047	464,992
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 2008**

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
NOTE 12: FINANCIAL ASSETS					
Shares in non-listed controlled entity at cost	13	-	-	10	10

NOTE 13: CONTROLLED ENTITY

Controlled Entity Consolidated

	Country of incorporation	Percentage owned (%) *	
		2008	2007
Parent Entity:			
Australian Hotels Association (South Australian Branch) (AHASA)	Australia	-	-
Subsidiary of the AHASA:			
AHA Properties Pty Ltd	Australia	100	100

* Percentage of voting power in proportion to ownership.

	Economic Entity		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 14: PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings at cost	1,774,777	1,774,777	-	-
Less accumulated depreciation	340,000	320,000	-	-
	1,434,777	1,454,777	-	-
Plant and equipment at cost	337,716	266,331	337,716	266,331
Less accumulated depreciation	154,713	160,981	154,713	160,981
	183,003	105,350	183,003	105,350
Motor vehicles at cost	62,307	62,307	62,307	62,307
Less accumulated depreciation	45,051	40,042	45,051	40,042
	17,256	22,265	17,256	22,265
Capitalised leased motor vehicles at cost	-	-	-	-
Less accumulated depreciation	-	-	-	-
	-	-	-	-
Total property, plant and equipment	1,635,036	1,582,392	200,259	127,615

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 14: 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	1,454,777	105,350	22,265	-	1,582,392
Additions	-	111,324	-	-	111,324
Disposals	-	(8,303)	-	-	(8,303)
Depreciation expense	(20,000)	(25,368)	(5,009)	-	(50,377)
Reclassification	-	-	-	-	-
Carrying amount at the end of the year	1,434,777	183,003	17,256	-	1,635,036

Parent Entity

Balance at the beginning of the year	-	105,350	22,265	-	127,615
Additions	-	111,324	-	-	111,324
Disposals	-	(8,303)	-	-	(8,303)
Depreciation expense	-	(25,368)	(5,009)	-	(30,377)
Reclassification	-	-	-	-	-
Carrying amount at the end of the year	-	183,003	17,256	-	200,259

Economic Entity		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

NOTE 15: INTANGIBLE ASSETS

Preliminary expenses at cost	350	350	-	-
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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 2008**

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
NOTE 16: TRADE AND OTHER PAYABLES					
CURRENT					
Trade payables		31,355	52,941	31,355	52,941
Salaries and allowances – officials		17,500	17,500	17,500	17,500
Superannuation – officials		1,575	1,575	1,575	1,575
Superannuation – other		-	-	-	-
Legal expenses		-	-	-	-
Deferred income		-	-	-	-
Other payables and accrued expenses		2,312,537	2,228,755	2,312,537	2,228,755
		<u>2,362,967</u>	<u>2,300,771</u>	<u>2,362,967</u>	<u>2,300,771</u>
NOTE 17: BORROWINGS					
CURRENT					
Lease liability		-	-	-	-
NON-CURRENT					
Lease liability		-	-	-	-
	20	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NOTE 18: PROVISIONS					
CURRENT					
Annual leave	18a	101,517	83,482	101,517	83,482
Long service leave	18a	34,152	30,465	34,152	30,465
		<u>135,669</u>	<u>113,947</u>	<u>135,669</u>	<u>113,947</u>
a. Number of employees at year end		12	12	12	12
NOTE 19: RESERVES					
a. Capital Profits Reserve					
The capital profits reserve records profits on disposal of non-current assets.		676,969	676,969	-	-
b. General Reserve					
The general reserve is used to record amounts set aside to fund the future expansion of the organisation.		380,000	380,000	380,000	380,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
NOTE 20: LEASING COMMITMENTS					
Finance Lease Commitments					
Payable:					
— not later than 1 year		-	-	-	-
— later than 1 year but not later than 5 years		-	-	-	-
Minimum lease payments		-	-	-	-
Less future finance charges		-	-	-	-
Present value of minimum lease payments	17	-	-	-	-

NOTE 21: CONTINGENT LIABILITIES

The economic entity had no contingent liabilities as at 31 December 2008 or for the forthcoming year.

NOTE 22: 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 23: 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 AHASA 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	13,236	12,600	13,236	12,600
— electricity contribution received	1,260	1,200	1,260	1,200
— cleaning contribution received	1,260	1,400	1,260	1,400
— administration fees received	25,200	24,000	25,200	24,000
— expenses reimbursed	82,887	57,893	82,887	57,893

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 23: 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 AHASA. Membership fees and other charges such as training and advocacy are paid by these hotels to the AHASA on normal terms and conditions no more favourable than those available to other members.

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
NOTE 24: CASH FLOW INFORMATION				
a. Reconciliation of Cash Flows from Operating Activities with Surplus/(Deficit) from Ordinary Activities				
Surplus/(Deficit) from ordinary activities	400,572	437,558	400,572	437,558
Non-cash flows in deficit from ordinary activities:				
Depreciation	50,377	49,874	30,377	29,874
Net (gain) loss on disposal of plant and equipment	8,303	7,836	8,303	7,836
Changes in assets and liabilities:				
Decrease (increase) in receivables	87,718	16,607	87,718	16,607
Decrease (increase) in other assets	4,206	100,404	24,206	120,404
Decrease (increase) in inventories	7,567	708	7,567	708
Increase (decrease) in payables	62,196	27,458	62,196	27,458
Increase (decrease) in provisions	21,722	32,748	21,722	32,748
Cash flows from operating activities	<u>642,661</u>	<u>673,193</u>	<u>642,661</u>	<u>673,193</u>

b. Non-cash Investing Activities

During the financial year, the parent entity disposed of one motor vehicle.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 25: 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:			
	2008	2007	2008	2007	Within 1 year		1 to 5 years	
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash at bank	1.2	4.0	938,359	688,350	-	-	-	-
Short-term bank deposits	4.57	7.41	2,000,000	1,718,672	-	-	-	-
Total financial assets			2,938,359	2,407,022	-	-	-	-
Financial Liabilities								
Lease liabilities	-	-	-	-	-	-	-	-
Total financial liabilities			-	-	-	-	-	-

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 26: 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 2008**

NOTE 27: 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 2008**

NOTE 28: DETAILED INCOME STATEMENT	Economic Entity		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
INCOME				
Members' subscriptions	1,564,482	1,495,016	1,564,482	1,495,016
Associate members' subscriptions	11,642	12,898	11,642	12,898
Advocacy services income	77,597	123,869	77,597	123,869
Sponsorships	463,126	424,079	463,126	424,079
Commissions received	121,428	157,874	121,428	157,874
Conferences, seminars and events	194,441	293,478	194,441	293,478
Rent received	40,560	42,358	40,560	42,358
Sale of goods	16,029	22,652	16,029	22,652
Federal AHA funding	-	-	-	-
Other income	48,011	176,374	48,011	176,374
Bank interest	175,596	123,099	175,596	123,099
Gain on disposal of plant and equipment	-	-	-	-
 Total income from ordinary activities	<hr/> 2,712,912	<hr/> 2,871,697	<hr/> 2,712,912	<hr/> 2,871,697
EXPENDITURE				
Advocacy expenses	1,646	20,113	1,646	20,113
Annual leave provision	18,035	21,515	18,035	21,515
Conferences, seminars and events	199,474	223,626	199,474	223,626
Delegates fees and expenses	17,010	8,100	17,010	8,100
Depreciation	50,377	49,874	30,377	29,874
Donations and grants	791	-	791	-
Entertainment	48,973	47,085	48,973	47,085
Federal AHA levies	93,056	75,860	93,056	75,860
Gaming expenses	3,369	1,453	3,369	1,453
General expenses	16,187	124,393	16,187	124,393
Insurance	27,953	27,934	27,953	27,934
Interest paid	-	-	-	-
Legal expenses	11,177	13,322	11,177	13,322
Long service leave provision	3,687	18,827	3,687	18,827
Loss on disposal of plant and equipment	8,303	7,836	8,303	7,836
Media advertising expenses	75,228	81,308	75,228	81,308
Media coverage expenses	22,250	26,413	22,250	26,413
Meeting expenses	52,089	48,174	52,089	48,174

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 2008**

NOTE 28: DETAILED INCOME STATEMENT (CONT'D)	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
EXPENDITURE (CONT'D)				
Motor vehicle expenses	38,019	38,819	38,019	38,819
Other administration expenses	83,045	78,536	83,045	78,536
Payroll tax	30,173	29,488	30,173	29,488
Political donations	52,880	79,545	52,880	79,545
Printing, postage and stationery	86,969	78,038	86,969	78,038
Professional, consultancy and audit expenses	71,710	95,288	71,710	95,288
Rates and taxes	17,189	16,386	17,189	16,386
Rent paid	-	-	20,000	20,000
Repairs, cleaning, light and power	94,851	125,882	94,851	125,882
Salaries and allowances – officials	17,500	17,500	17,500	17,500
Salaries and allowances – other	808,601	778,333	808,601	778,333
Sponsorship expense	101,074	72,903	101,074	72,903
Staff recruitment	185	-	185	-
Subscriptions	10,865	11,412	10,865	11,412
Superannuation – officials	1,575	1,575	1,575	1,575
Superannuation – other	160,338	129,686	160,338	129,686
Telephone	38,626	46,523	38,626	46,523
Travelling expenses	40,573	30,287	40,573	30,287
Workcover	8,562	8,104	8,562	8,104
Total expenditure on ordinary activities	2,312,340	2,434,138	2,312,340	2,434,138
Surplus/(Deficit) attributable to members of the parent entity	400,572	437,558	400,572	437,558

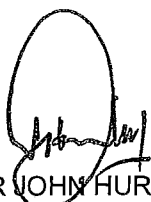
COMMITTEE OF MANAGEMENT'S STATEMENT


On 03 April 2009, 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 2008:

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 14 April 2009

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

Report on the financial report

We have audited the accompanying financial report, being a general purpose financial report, of Australian Hotels Association (South Australian Branch), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Australian Accounting Standards, the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under Workplace Relations Act 1996. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Workplace Relations Act 1996. We confirm that the independence declaration required by the Workplace Relations Act 1996, provided to the directors of Australian Hotels Association (South Australian Branch) on 3 April 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report of Australian Hotels Association (SA Branch) is in accordance with the Workplace Relations Act, including:

- a. Giving a true and fair view of the organisation's financial position as at 31 December 2008 and of its performance for the year then ended in accordance with the accounting policies described in Note 1; and
- b. Complying with Australian Accounting Standards to the extent described in Note 1



CLARKE & BROWNRIGG

Chartered Accountants



CHRISTOPHER R CLARKE

Partner

Dated 14th April 2009, Kent Town

This commentary should not be misconstrued as not applying the necessary seriousness to the issue of alcohol, its responsible use and misuse and the social and economic consequences of that.

I suggest that much of the alcohol hysteria detracts from rational analysis and evidence based solutions to what are complex cultural issues that have accumulated as part of the Aussie mindset for several generations.

Simply put, why do increasing numbers of Australians of all ages drink to get drunk?

That said, we are after all a 24 hour society and we should seek to accommodate legitimate customer expectations, practices and lifestyles because the overwhelming majority of patrons do the right thing.

CONTAINER DEPOSIT LEGISLATION

There is no doubt the AHA puts itself at some risk being critical of the latest increase from 5 cents to 10 cents in the Container Deposit Legislation arrangement. Everyone wants a clean environment, everyone wants our waterways free of litter but now that it is very clear that the WA government is not proceeding with any CDL arrangements and all eastern seaboard states have purposely ignored the concept since its inception, we are left with a cost imposition with very little additional gain in terms of beer containers.

We were told that the beer side of the CDL arrangements saw world benchmark standard recoveries at 5 cents, the theory is I guess double the refund double the recovery? If only it were true.

National Retailers applying national price structures, that is, a slab of beer in Sydney can be the same promotional price as Adelaide, thus spreading the additional cost incurred in SA's 6.7% market share across the country giving them a significant promotional price advantage in a highly competitive market.

SA based retailers have no such capacity. And the temptation to source product across the border and avoid the CDL deposit and the incentive to return for reward non SA sold product remains great.

LAND TAX

Land tax bills have hit many in the Industry like a ton of bricks. We are told Government receipts are

up 36%. How can that be? We are told as a very rough guide, capital values have been increased by approximately 17% and site values by 26% in the 2008/2009 financial year. How can that be? The values of our properties must be down if one considers the impact of the smoking bans and the flattening of the commercial properties market. As described to me by a passionate opponent of the current application of the tax – 'the rating base is permanently flawed...'. We agree and the State Government must apply its mind because it remains another impediment to doing business in SA.

NEW GAMBLING CODES OF PRACTICE

The Independent Gambling Authority (IGA) handed down its report into the review of Codes of Practice for gambling and gaming products on 17 May, 2007. The AHA|SA subsequently reviewed the recommendations in total, and in particular, the recognition that venues can mitigate the more draconian measures by embracing harm minimisation strategies through our own Gaming Care and Club Safe arrangements. We welcome the Authority's recognition of the value of the Gaming Care/Club Safe strategies. Those Stage Two Codes took effect on the 1 December, 2008.

We also accept the challenge of working with all stakeholders – our track record is world class.

As the IGA also acknowledged in their September 2007 report into the success or otherwise of their proposed machine reduction strategy of July 2005:

"If it were not for the emergence of Gaming Care and Club Safe, the Authority (IGA) would be now recommending further serious machine number reductions, directed at achieving a 30% reduction in the number of premises with gaming to complement the other measures presently in place".

While we are not convinced that this is an evidenced based position, we are supportive of the proposals being considered by the Government to stimulate the gaming machine entitlement trading system by removing the artificial cap of \$50,000.

It is clear to us that such a trading arrangement, where the market determines the price, provides a unique opportunity to allow venues to exit or reduce their commitment to gaming with a level of capital

return and provide an opportunity for those with both the capacity and desire to expand their interests.

That said, with the National Inquiry into gambling being undertaken by the Productivity Commission, it is not unreasonable to recommend Government take a breath and hasten slowly in light of the importance and likely impact of the Productivity Commission process.

Finally on gaming, despite those that see abolition as a desirable outcome, regardless of the lessons of history, the Hotel Industry remains committed as always to continuing to work with and encourage all of those in the welfare and community sector who are focused on getting better outcomes for those with problems and who are genuinely willing to engage with us and our members. Fortunately there are many.

ACKNOWLEDGEMENTS

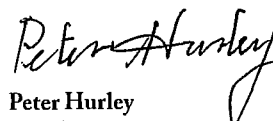
AHA|SA of course relies heavily on the expertise, talent and enthusiasm of its relatively small staff. The many issues commented on in this annual report reflect much of their hard work and dedication for which we are grateful.

Similarly to the often unappreciated role of AHA|SA Councillor, your contribution is part of why this Association remains so strong.

Finally, we are indeed grateful to so many Ministers and Shadows, Members of Parliament, in Government, Opposition and Independents who have shown great support, genuine courtesy and sympathetic consideration to our industry.

The challenge for this industry, a challenge to date widely embraced, is to continue to invest, raise standards and take risks, conduct business within the spirit of the many codes of conduct, employ and train South Australians, encourage entrepreneurial skills, generate increased legitimate business activity and irrespective of the fear of criticism, not be afraid to actively engage in the community.

This is a great industry for our customers, our staff and our families and in these tough economic times that we find ourselves in, let us not be distracted by those who intentionally or otherwise would see South Australia become an economic and social backwater.



Peter Hurley
President
14/04/09

Operating Report Requirements As Per RAO Schedule

The AHA|SA recorded 501 member hotels in 2008.

Membership Resignation

Any member of AHA|SA may resign from membership by written notice delivered to the Secretary/Treasurer and delivered to the office of the Association as per AHA|SA Branch Rule 26 – Resignations.

Finance & Administration

There were no significant changes in the Association's financial affairs during the year (see Financial Report for details).

As at 31 December 2008 staffing levels were AHA|SA 12 and Gaming Care 6.

AHA|SA Committee of Management

1 January – 31 December 2008

Peter Hurley - President
Wally Woehrlert - Vice President
Peter Brien - Deputy Vice President
Rick Lovell - Secretary/Treasurer
David Basheer
Matthew Binns
Chris Branson
Mark Davies
Doug Elefsen
Jeff Ellis
Jason Fahey
Tony Franzon
Andrew Gunn
Tom Hannah
Alison James
Peter Jones
Steve Markham
Guy Matthews
Scott Matthews
Melinda McCauley
David Papps
Andrew Plush
Shane Roberts
Santo Scaglione
Craig Williams
Michael Wong - Resigned October 2008

During 2008 no officer or member of the AHA|SA was:

- A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- A director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme on behalf of the AHA|SA.