



FAIR WORK
AUSTRALIA

25 June 2010

Mr. R.S.J. Lovell
Secretary/Treasurer
Australian Hotels Association (SA)
PO BOX 3092
Rundle Mall SA 5000
By email: information@ahasa.asn.au

CC: Ian Horne
General Manager
Australian Hotels Association (SA)
PO BOX 3092
Rundle Mall SA 5000
By email: AXenides@ahasa.asn.au

CC: Clarke and Brownrigg
Chartered Accountants
8 Angas Street
Kent Town SA 5067

Dear Mr. Lovell

RE: Financial Report of the Australian Hotels Association (South Australian Branch) for the year ended 31 December 2009 (FR2009/10292)

I acknowledge receipt of the financial report of the Australian Hotels Association (South Australian Branch) for the year ended 31 December 2009. The documents were lodged with Fair Work Australia on 17 May 2010. I also acknowledge receipt of a revised auditors opinion on 22 June 2010.

The financial report has now been filed.

I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents that have been lodged.

Statement of Loans Grants and Donations must be lodged with Fair Work Australia within 90 days of the end of the financial year

The Statement of Loans, Grants and Donations was lodged with FWA on 13 April 2010. [Subsection 237\(1\)](#) of the *Fair Work (Registered Organisations Act) 2009* (the RO Act) requires the Statement of Loans, Grants and Donations to be lodged with FWA within 90 days of the end of the financial year. In future years please ensure the statement is lodged with Fair Work Australia within the required timelines.

Auditor's report


I note that the Auditor's Report contains the following statement which, on its face, seems to be an appropriate disclaimer for a special purpose financial report (ASA 800):

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

However, the notes to the financial statements specifically identify the report as a general purpose financial report (as required under [section 253](#) of the RO Act). In future years, please ensure the auditors statement pertains to a general purpose financial report.

If you wish to discuss any matters further, I can be contacted on 03 8661 7926 or via email erin.bulluss@fwa.gov.au. I have forwarded a copy of this letter to the auditor Clarke and Brownrigg.

Yours sincerely,



Erin Bulluss
Tribunal Services and Organisations
Fair Work Australia
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14 May, 2010

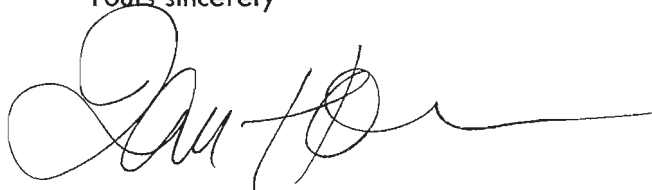
Fair Work Australia
Tribunal Services & Organisations
GPO Box 1994
MELBOURNE VIC 3001

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 2009 year which includes the Operating Report as per the Fair Work (Registered Organisations) Act 2009.

Yours sincerely

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

IAN HORNE
General Manager



CERTIFICATE OF SECRETARY/TREASURER
S268 of Fair Work (Registered Organisations) Act 2009

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 Fair Work (Registered Organisations) Act 2009; and
- that the full report, was provided to members on 9 April 2010; and
- that the full report was presented to a general meeting of members of the reporting unit on 3 May 2010 in accordance with section 266 of the Fairwork (Registered Organisations) Act 2009.

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

R.S.J. LOVELL

Dated: 14 May, 2010

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

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2009**

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	Economic Entity		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
Revenues from ordinary activities	2	2,845,309	2,712,912	2,845,309	2,712,912
Employee expenses		(1,069,861)	(1,082,377)	(1,069,861)	(1,082,377)
Depreciation expense		(58,617)	(50,377)	(38,617)	(30,377)
Finance costs	3	-	-	-	-
Other expenses from ordinary activities		(1,242,651)	(1,179,586)	(1,262,651)	(1,199,586)
Surplus/(Deficit) attributable to members of the parent entity		<u>474,180</u>	<u>400,572</u>	<u>474,180</u>	<u>400,572</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 2009**

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	3,256,293	2,938,369	3,256,283	2,938,359
Trade and other receivables	7	1,251,746	1,029,040	1,989,904	1,787,198
Inventories	8	37,265	13,562	37,265	13,562
Other current assets	9	65,892	60,445	65,892	60,445
TOTAL CURRENT ASSETS		4,611,196	4,041,416	5,349,344	4,799,564
NON-CURRENT ASSETS					
Investments accounted for using the equity method	10	-	-	-	-
Financial assets	12	-	-	10	10
Property, plant and equipment	14	1,636,698	1,635,036	221,921	200,259
Intangible assets	15	350	350	-	-
TOTAL NON-CURRENT ASSETS		1,637,048	1,635,386	221,931	200,269
TOTAL ASSETS		6,248,244	5,676,802	5,571,275	4,999,833
CURRENT LIABILITIES					
Trade and other payables	16	2,492,152	2,362,967	2,492,152	2,362,967
Short-term borrowings	17	-	-	-	-
Short-term provisions	18	103,746	135,669	103,746	135,669
TOTAL CURRENT LIABILITIES		2,595,898	2,498,636	2,595,898	2,498,636
NON-CURRENT LIABILITIES					
Long-term borrowings	17	-	-	-	-
TOTAL NON-CURRENT LIABILITIES		-	-	-	-
TOTAL LIABILITIES		2,595,898	2,498,636	2,595,898	2,498,636
NET ASSETS		3,652,346	3,178,166	2,975,377	2,501,197
EQUITY					
Capital profits reserve	19a	676,969	676,969	-	-
General reserve	19b	380,000	380,000	380,000	380,000
Retained surplus		2,595,377	2,121,197	2,595,377	2,121,197
TOTAL EQUITY		3,652,346	3,178,166	2,975,377	2,501,197

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 2009**

	Retained surplus	Capital profits reserve	General reserve	Total
Note	\$	\$	\$	\$
Economic Entity				
Balance at 31 December 2008	2,121,197	676,969	380,000	3,178,166
Surplus/(Deficit) attributable to members of the parent entity	474,180	-	-	474,180
Balance at 31 December 2009	<u>2,595,377</u>	<u>676,969</u>	<u>380,000</u>	<u>3,652,346</u>
Parent Entity				
Balance at 31 December 2008	2,121,197	-	380,000	2,501,197
Surplus/(Deficit) attributable to members of the parent entity	474,180	-	-	474,180
Balance at 31 December 2009	<u>2,595,377</u>	<u>-</u>	<u>380,000</u>	<u>2,975,377</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 2009**

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		2,571,140	2,775,199	2,571,140	2,775,199
Payments to suppliers and employees		(2,296,852)	(2,308,134)	(2,296,852)	(2,308,134)
Interest received		103,995	175,596	103,995	175,596
Finance costs		-	-	-	-
Net cash provided by (used in) operating activities	24a	378,283	642,661	378,283	642,661
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		4,300	-	4,300	-
Purchase of property, plant and equipment		(64,659)	(111,324)	(64,659)	(111,324)
Net cash provided by (used in) investing activities		(60,359)	(111,324)	(60,359)	(111,324)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		-	-	-	-
Net cash provided by (used in) financing activities		-	-	-	-
Net increase (decrease) in cash held		317,924	531,337	317,924	531,337
Cash at beginning of financial year		2,938,369	2,407,032	2,938,359	2,407,022
Cash at end of financial year	6	3,256,293	2,938,369	3,256,283	2,938,359

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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 Fair Work (Registered Organisations) Act 2009.

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 Fair Work (Registered Organisations) Act 2009.

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 2009**

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 2009**

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 2009**

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 2010 have been recognised in the debtors for year ending 2009. 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 2009**

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
NOTE 2: REVENUE				
Operating activities:				
— members' subscriptions	1,659,511	1,564,482	1,659,511	1,564,482
— associate members' subscriptions	10,854	11,642	10,854	11,642
— advocacy services income	36,202	77,597	36,202	77,597
— Sponsorships	500,572	463,126	500,572	463,126
— commissions received	137,742	121,428	137,742	121,428
— conferences, seminars and events	270,089	194,441	270,089	194,441
— rent received	40,980	40,560	40,980	40,560
— sale of goods	19,788	16,029	19,788	16,029
— Federal AHA funding	-	-	-	-
— Other	65,355	48,011	65,355	48,011
	<u>2,741,093</u>	<u>2,537,316</u>	<u>2,741,093</u>	<u>2,537,316</u>
Non-operating activities:				
— bank interest	103,995	175,596	103,995	175,596
— Gain on disposal of plant and equipment	221	-	221	-
	<u>103,995</u>	<u>175,596</u>	<u>103,995</u>	<u>175,596</u>
Total revenue	<u>2,845,309</u>	<u>2,712,912</u>	<u>2,845,309</u>	<u>2,712,912</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)

D Basheer
C Branson
P Brien
J Ellis
P Hurley
P Jones
R Lovell
C Williams

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 2009**

	Economic Entity		Parent Entity	
NOTE 5: AUDITORS' REMUNERATION	2009 \$	2008 \$	2009 \$	2008 \$
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	449,230	938,369	449,220	938,359
Short-term bank deposits	2,807,063	2,000,000	2,807,063	2,000,000
	<u>3,256,293</u>	<u>2,938,369</u>	<u>3,256,283</u>	<u>2,938,359</u>

The effective interest rates on short-term bank deposits were 4.57% (2008: 4.38%; 4.10; 4.60; 3.59%); these deposits mature on 25 January; 4 January; 18 February; 1 February 2010 (2008: 01 January 2009).

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>3,256,293</u>	<u>2,938,369</u>	<u>3,256,283</u>	<u>2,938,359</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 2009**

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
NOTE 7: TRADE AND OTHER RECEIVABLES					
CURRENT					
Other receivables		1,251,746	1,029,040	1,251,746	1,029,040
Amount receivable from wholly-owned subsidiary		-	-	738,158	758,158
		<u>1,251,746</u>	<u>1,029,040</u>	<u>1,989,904</u>	<u>1,787,198</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

	<u>37,265</u>	<u>13,562</u>	<u>37,265</u>	<u>13,562</u>
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NOTE 9: OTHER ASSETS

CURRENT

Work in progress

9,313	1,813	9,313	1,813
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Prepayments

41,473	45,576	41,473	45,576
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Accrued income from associated company

-	-	-	-
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Accrued income from other

15,106	13,056	15,106	13,056
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<u>65,892</u>	<u>60,445</u>	<u>65,892</u>	<u>60,445</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 2009**

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	
	2009	2008	2009	2008	2009	2008
	%	%	%	%	\$	\$
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	
	2009	2008
	\$	\$
Total assets	918,080	851,676
Total liabilities	918,080	851,676
Net assets	-	-
Revenues	876,624	584,047
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 2009**

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
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 (%) *	
		2009	2008
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	
	2009	2008	2009	2008
	\$	\$	\$	\$
NOTE 14: PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings at cost	1,774,777	1,774,777	-	-
Less accumulated depreciation	360,000	340,000	-	-
	1,414,777	1,434,777	-	-
Plant and equipment at cost	366,567	337,716	366,567	337,716
Less accumulated depreciation	180,660	154,713	180,660	154,713
	185,907	183,003	185,907	183,003
Motor vehicles at cost	66,539	62,307	66,539	62,307
Less accumulated depreciation	30,525	45,051	30,525	45,051
	36,014	17,256	36,014	17,256
Capitalised leased motor vehicles at cost	-	-	-	-
Less accumulated depreciation	-	-	-	-
	-	-	-	-
Total property, plant and equipment	1,636,698	1,635,036	221,921	200,259

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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	1,434,777	183,003	17,256	-	1,635,036
Additions	-	31,233	33,427	-	64,659
Disposals	-	(300)	(4,080)	-	(4,380)
Depreciation expense	(20,000)	(28,029)	(10,589)	-	(58,617)
Reclassification	-	-	-	-	-
Carrying amount at the end of the year	1,414,777	185,907	36,014	-	1,636,698
Parent Entity					
Balance at the beginning of the year	-	183,003	17,256	-	200,259
Additions	-	31,233	33,427	-	64,659
Disposals	-	(300)	(4,080)	-	(4,380)
Depreciation expense	-	(28,029)	(10,589)	-	(38,617)
Reclassification	-	-	-	-	-
Carrying amount at the end of the year	-	185,907	36,014	-	221,921

	Economic Entity		Parent Entity	
	2009 \$	2008 \$	2008 \$	2007 \$
NOTE 15: INTANGIBLE ASSETS				
Preliminary expenses at cost	350	350	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
NOTE 16: TRADE AND OTHER PAYABLES					
CURRENT					
Trade payables		49,000	31,355	49,000	31,355
Salaries and allowances – officials		18,375	17,500	18,375	17,500
Superannuation – officials		1,654	1,575	1,654	1,575
Superannuation – other		-	-	-	-
Legal expenses		-	-	-	-
Deferred income		-	-	-	-
Other payables and accrued expenses		2,423,123	2,312,537	2,423,123	2,312,537
		<u>2,492,152</u>	<u>2,362,967</u>	<u>2,492,152</u>	<u>2,362,967</u>

NOTE 17: BORROWINGS

CURRENT

Lease liability		-	-	-	-
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NON-CURRENT

Lease liability		-	-	-	-
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20

NOTE 18: PROVISIONS

CURRENT

Annual leave	18a	103,746	101,517	103,746	101,517
Long service leave	18a	-	34,152	-	34,152
		<u>103,746</u>	<u>135,669</u>	<u>103,746</u>	<u>135,669</u>

a. Number of employees at year end

	10	12	10	12
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NOTE 19: RESERVES

a. Capital Profits Reserve

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

	676,969	676,969	-	-
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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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	Economic Entity		Parent Entity	
NOTE 20: LEASING COMMITMENTS		2009 \$	2008 \$	2009 \$	2008 \$
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 2009 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	40,980	13,236	40,980	13,236
— electricity contribution received	3,840	1,260	3,840	1,260
— cleaning contribution received	4,800	1,260	4,800	1,260
— administration fees received	41,086	25,200	41,086	25,200
— expenses reimbursed	110,813	82,887	110,813	82,887

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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	
	2009	2008	2009	2008
	\$	\$	\$	\$
NOTE 24: CASH FLOW INFORMATION				
a. Reconciliation of Cash Flows from Operating Activities with Surplus/(Deficit) from Ordinary Activities				
Surplus/(Deficit) from ordinary activities	474,180	400,572	474,180	400,572
Non-cash flows in deficit from ordinary activities:				
Depreciation	58,617	50,377	38,617	30,377
Net (gain) loss on disposal of plant and equipment	80	8,303	80	8,303
Changes in assets and liabilities:				
Decrease (increase) in receivables	(222,706)	87,718	(222,706)	87,718
Decrease (increase) in other assets	(5,446)	4,206	14,554	24,206
Decrease (increase) in inventories	(23,703)	7,567	(23,703)	7,567
Increase (decrease) in payables	129,185	62,196	129,185	62,196
Increase (decrease) in provisions	(31,923)	21,722	(31,923)	21,722
Cash flows from operating activities	378,284	642,661	378,284	642,661

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 2009**

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:			
					Within 1 year		1 to 5 years	
	2009	2008	2009	2008	2009	2008	2009	2008
Financial Assets	%	%	\$	\$	\$	\$	\$	\$
Cash at bank	0.6	1.2	449,220	938,359	-	-	-	-
Short-term bank deposits	4.38	4.57	400,880	2,000,000	-	-	-	-
	4.10	-	800,000	-	-	-	-	-
	4.60	-	800,000	-	-	-	-	-
	3.59	-	806,183	-	-	-	-	-
Total financial assets			3,256,283	2,938,359	-	-	-	-
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 2009**

NOTE 27: PRESCRIBED INFORMATION NOTICE

The following section of the Fair Work (Registered Organisations) Act 2009 is brought to the attention of members:

Section 272

- (1) A member of a reporting unit, or the General Manager of FWA, 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 2009**

NOTE 28: DETAILED INCOME STATEMENT	Economic Entity		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
INCOME				
Members' subscriptions	1,659,511	1,564,482	1,659,511	1,564,482
Associate members' subscriptions	10,854	11,642	10,854	11,642
Advocacy services income	36,202	77,597	36,202	77,597
Sponsorships	500,572	463,126	500,572	463,126
Commissions received	137,742	121,428	137,742	121,428
Conferences, seminars and events	270,089	194,441	270,089	194,441
Rent received	40,980	40,560	40,980	40,560
Sale of goods	19,788	16,029	19,788	16,029
Federal AHA funding	-	-	-	-
Other income	65,355	48,011	65,355	48,011
Bank interest	103,995	175,596	103,995	175,596
Gain on disposal of plant and equipment	221	-	221	-
Total income from ordinary activities	2,845,309	2,712,912	2,845,309	2,712,912
EXPENDITURE				
Advocacy expenses	27	1,646	27	1,646
Annual leave provision	23,046	18,035	23,046	18,035
Conferences, seminars and events	225,839	199,474	225,839	199,474
Delegates fees and expenses	11,159	17,010	11,159	17,010
Depreciation	58,617	50,377	38,617	30,377
Donations and grants	110	791	110	791
Entertainment	55,482	48,973	55,482	48,973
National AHA Capitation Fees	116,231	93,056	116,231	93,056
Gaming expenses	10,763	3,369	10,763	3,369
General expenses	18,048	16,187	18,048	16,187
Insurance	23,865	27,953	23,865	27,953
Interest paid	-	-	-	-
Legal expenses	1,766	11,177	1,766	11,177
Long service leave provision	1,825	3,687	1,825	3,687
Loss on disposal of plant and equipment	300	8,303	300	8,303
Media advertising expenses	91,268	75,228	91,268	75,228
Media coverage expenses	21,463	22,250	21,463	22,250
Meeting expenses	49,530	52,089	49,530	52,089

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 2009**

NOTE 28: DETAILED INCOME STATEMENT (CONT'D)	Economic Entity		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
EXPENDITURE (CONT'D)				
Motor vehicle expenses	34,307	38,019	34,307	38,019
Other administration expenses	85,021	83,045	85,021	83,045
Payroll tax	26,103	30,173	26,103	30,173
Political donations	49,091	52,880	49,091	52,880
Printing, postage and stationery	95,458	86,969	95,458	86,969
Professional, consultancy and audit expenses	81,879	71,710	81,879	71,710
Rates and taxes	18,422	17,189	18,422	17,189
Rent paid	-	-	20,000	20,000
Repairs, cleaning, light and power	91,759	94,851	91,759	94,851
Salaries and allowances – officials	18,375	17,500	18,375	17,500
Salaries and allowances – other	792,068	808,601	792,068	808,601
Sponsorship expense	106,509	101,074	106,509	101,074
Staff recruitment	-	185	-	185
Subscriptions	6,485	10,865	6,485	10,865
Superannuation – officials	1,654	1,575	1,654	1,575
Superannuation – other	174,275	160,338	174,275	160,338
Telephone	33,815	38,626	33,815	38,626
Travelling expenses	38,262	40,573	38,262	40,573
Workcover	8,307	8,562	8,307	8,562
 Total expenditure on ordinary activities	 2,371,129	 2,312,340	 2,371,129	 2,312,340
 Surplus/(Deficit) attributable to members of the parent entity	 474,180	 400,572	 474,180	 400,572

COMMITTEE OF MANAGEMENT'S STATEMENT

On 6 April 2010, 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 2009

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 General Manager of FWA;
- (c) the financial statements and notes give a true and fair view of the financial performance and financial position 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - (iv) the 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 the General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWA; and
 - (vi) no orders have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.

For the Committee of Management:



PETER JOHN HURLEY
President



RICHARD STEFAN JOHN LOVELL
Secretary / Treasurer

Dated 9th April 2010

**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 2009, 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 Fair Work (Registered Organisations) Act 2009 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 Fair Work (Registered Organisations) Act 2009. 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.

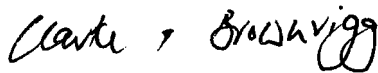
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)**

Auditor's Opinion

In our opinion:

The financial report of Australian Hotels Association (South Australian Branch) is in accordance with the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 including:

1. Giving a true and fair view of the Association's financial position as at 31 December 2009 and of its performance and its cash flows for the year ended on that date; and;
2. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009.



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 9th April 2010, Kent Town



FAIR WORK
AUSTRALIA

27 May 2010

Mr Richard Lovell
Secretary/Treasurer
Australian Hotels Association - South Australian Branch

Email: AXenides@ahasa.asn.au

Dear Mr Lovell

Re: Financial Report for the Australian Hotels Association - South Australian Branch for the year ended 31 December 2009 - FR2009/10292

I acknowledge receipt of the financial report of the Australian Hotels Association - South Australian Branch for the year ended 31 December 2009. The documents were lodged with FWA on 14 May 2010.

The financial report has not been filed.

The following matter requires 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 (South Australian Branch) is in accordance with the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 including:

- 1. Giving a true and fair view of the Association's financial position as at 31 December 2009 and of its performance and its cash flows for the year ended on that date; and;*
- 2. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009."*

The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the Act) sets out the matters upon which an auditor is required to form an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the Act. 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 Fair Work (Registered Organisations) Act 2009."

I note that this issue was also raised in relation to the financial report for the year ending 31 December 2008.

Once the Branch provides a revised auditor's opinion consideration can be given to filing the above report.

If you wish to discuss the matter referred to above I can be contacted on (03) 8661 7926 or by email at scott.shepherd@fwa.gov.au

Yours sincerely

A handwritten signature in blue ink, appearing to be 'S. Shepherd', written in a cursive style.

Scott Shepherd
Tribunal Services and Organisations

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

Auditor's Opinion

In our opinion the general purpose financial report of Australian Hotels Association (South Australian Branch) is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



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 9th April 2010, Kent Town