



FAIR WORK
AUSTRALIA

7 May 2012

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

email: information@ahasa.asn.au

Dear Mr Lovell

Re: Financial Report for the Australian Hotels Association, South Australian Branch for year ended 31 December 2011 – FR2011/2894

I acknowledge receipt of the financial report for the Australian Hotels Association, South Australian Branch for the year ended 31 December 2011. The report was lodged with Fair Work Australia on 4 May 2011.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Operating Report

Pursuant to section 254(2) of the *Fair Work (Registered Organisations) Act 2009*, an operating report must 'contain a review of the reporting unit's principal activities during the year, the results of those activities and any significant changes in the nature of those activities during the year.' In future years please ensure that the Association's principal activities are provided in the operating report.

Provisions for officers and other employees

Items 14 (c) and (d) of the [reporting guidelines](#) require either the balance sheet or the notes to disclose any liability for employee benefits in respect of office holders separately from any such liabilities for other employees. The notes disclose these liabilities but do not distinguish between provisions for office holders and other employees. Provisions for office holders and other employees should be separately disclosed in future years.

Fair Work (Registered Organisations) Act 2009

Reference to RAO Schedule of the Workplace Relations Act 1996 appearing in the Operating Report, should properly refer to *Fair Work (Registered Organisations) Act 2009*.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7988.

Yours sincerely,

A handwritten signature in black ink that reads "Libby Kirby". The signature is written in a cursive, flowing style.

Libby Kirby
Organisations, Research and Advice
Fair Work Australia
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4 May, 2012

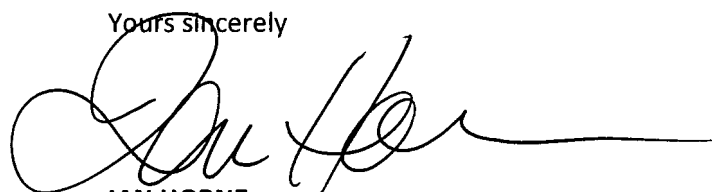
Fair Work Australia
Tribunal Services & Organisations
GPO Box 1994
MELBOURNE VIC 3001

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 2011 year which includes the Operating Report as per the Fair Work (Registered Organisations) Act 2009.

Yours sincerely



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 5 April 2012; and
- that the full report was presented to a general meeting of members of the reporting unit on 30 April 2012 in accordance with section 266 of the Fairwork (Registered Organisations) Act 2009.

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

R.S.J. LOVELL

Dated: 4 May, 2012

OPERATING REPORT REQUIREMENTS AS PER RAO SCHEDULE

Membership Report

The AHA|SA recorded 495 members in 2011.

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 2011 staffing levels were AHA|SA 11 and Gaming Care 9.

AHAISA Committee of Management

1 January – 31 December 2011

Peter Hurley	President
David Basheer	Vice President
Matthew Binns	Deputy Vice President
Richard Lovell	Secretary/Treasurer

Chris Branson	
Peter Brien	
Mark Davies	
Danielle Donaldson	
Doug Elefsen	<i>Retired in April 2011</i>
Jeff Ellis	
Jason Fahey	
Trent Fahey	<i>Appointed in May 2011</i>
Tony Franzon	
Andrew Gunn	
Tom Hannah	<i>Re-appointed in October 2011</i>
Graham Hobbs	
Alison James	
Peter Jones	
Greg Maitland	
Guy Matthews	
Scott Matthews	
Melinda McCauley	
David Papps	
Andrew Plush	
Shane Roberts	
Matt Rogers	<i>Appointed in May 2011</i>
Santo Scaglione	
Craig Williams	

During 2011 no officer or member of the AHA|SA was:

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



PETER HURLEY

President
4/4/2012

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

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2011**

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
Revenues from ordinary activities	2	3,063,564	2,838,850	3,063,564	2,838,850
Employee expenses		(1,078,723)	(1,077,771)	(1,078,723)	(1,077,771)
Depreciation expense		(90,848)	(57,357)	(70,848)	(37,357)
Other expenses from ordinary activities		(1,442,212)	(1,148,460)	(1,462,212)	(1,168,460)
Surplus/(Deficit) attributable to members of the parent entity		<u>451,781</u>	<u>555,262</u>	<u>451,781</u>	<u>555,262</u>

The accompanying notes form part of these financial statements.

A detailed income statement is provided in note 24.

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

**BALANCE SHEET
AS AT 31 DECEMBER 2011**

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	4,598,140	3,936,253	4,598,130	3,936,243
Trade and other receivables	6	1,135,113	1,245,420	1,833,271	1,963,578
Inventories	7	19,545	28,141	19,545	28,141
Other current assets	8	140,355	123,261	140,355	123,261
TOTAL CURRENT ASSETS		5,893,153	5,333,075	6,591,301	6,051,223
NON-CURRENT ASSETS					
Financial assets	10	-	-	10	10
Property, plant and equipment	12	1,688,317	1,621,595	313,540	226,818
Intangible assets	13	350	350	-	-
TOTAL NON-CURRENT ASSETS		1,688,667	1,621,945	313,550	226,828
TOTAL ASSETS		7,581,820	6,955,020	6,904,851	6,278,051
CURRENT LIABILITIES					
Trade and other payables	14	2,732,769	2,583,005	2,732,769	2,583,005
Short-term provisions	15	189,662	164,407	189,662	164,407
TOTAL CURRENT LIABILITIES		2,922,431	2,747,412	2,922,431	2,747,412
NON-CURRENT LIABILITIES					
TOTAL NON-CURRENT LIABILITIES		-	-	-	-
TOTAL LIABILITIES		2,922,431	2,747,412	2,922,431	2,747,412
NET ASSETS		4,659,389	4,207,608	3,982,420	3,530,639
EQUITY					
Capital profits reserve	16a	676,969	676,969	-	-
General reserve	16b	380,000	380,000	380,000	380,000
Retained surplus		3,602,420	3,150,639	3,602,420	3,150,639
TOTAL EQUITY		4,659,389	4,207,608	3,982,420	3,530,639

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 2011**

	Retained surplus	Capital profits reserve	General reserve	Total
Note	\$	\$	\$	\$
Economic Entity				
Balance at 31 December 2010	3,150,639	676,969	380,000	4,207,608
Surplus/(Deficit) attributable to members of the parent entity	451,781	-	-	451,781
Balance at 31 December 2011	<u>3,602,420</u>	<u>676,969</u>	<u>380,000</u>	<u>4,659,389</u>
 Parent Entity				
Balance at 31 December 2010	3,150,639	-	380,000	3,530,639
Surplus/(Deficit) attributable to members of the parent entity	451,781	-	-	451,781
Balance at 31 December 2011	<u>3,602,420</u>	<u>-</u>	<u>380,000</u>	<u>3,982,420</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 2011**

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		3,032,961	2,688,827	3,032,961	2,688,827
Payments to suppliers and employees		(2,123,241)	(2,090,508)	(2,123,241)	(2,090,508)
Payments to AHA National		(42,000)	(40,000)	(42,000)	(40,000)
Payments to AHA (NSW)		(261,356)	-	(261,356)	-
Interest received		216,696	169,976	216,696	169,976
Net cash provided by (used in) operating activities	20a	823,060	728,295	823,060	728,295
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	1,952	-	1,952
Purchase of property, plant and equipment		(161,172)	(50,287)	(161,172)	(50,287)
Net cash provided by (used in) investing activities		(161,172)	(48,335)	(161,172)	(48,335)
CASH FLOWS FROM FINANCING ACTIVITIES					
		-	-	-	-
Net increase (decrease) in cash held		661,887	679,960	661,887	679,960
Cash at beginning of financial year		3,936,253	3,256,293	3,936,243	3,256,283
Cash at end of financial year	5	4,598,140	3,936,253	4,598,130	3,936,243

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the requirements of the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial report also complies with International Financial Reporting Standards.

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.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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 11 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 2011**

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 2011**

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 2011**

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 2012 have been recognised in the debtors for year ending 2011. 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 2011**

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 2: REVENUE				
Operating activities:				
— members' subscriptions	1,695,877	1,675,514	1,695,877	1,675,514
— associate members' subscriptions	6,401	9,186	6,401	9,186
— advocacy services income	50,983	16,394	50,983	16,394
— sponsorships	548,587	557,536	548,587	557,536
— commissions received	95,433	92,639	95,433	92,639
— conferences, seminars and events	277,782	181,614	277,782	181,614
— rent received	63,960	42,180	63,960	42,180
— sale of goods	21,868	23,826	21,868	23,826
— other	85,977	69,985	85,977	69,985
	2,846,868	2,668,874	2,846,868	2,668,874
Non-operating activities:				
— bank interest	216,696	169,976	216,696	169,976
— gain on disposal of plant and equipment	-	-	-	-
	216,696	169,976	216,696	169,976
Total revenue	3,063,564	2,838,850	3,063,564	2,838,850

NOTE 3: KEY MANAGEMENT PERSONNEL

Key Management Personnel – Executive Council (Officials)

D Basheer
M Binns
C Branson
P Hurley
P Jones
R Lovell

Other Key Management Personnel

I Horne (General Manager)

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 4: AUDITORS' REMUNERATION	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	19,140	19,740	19,140	19,740

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	1,087,820	936,253	1,087,810	936,243
Short-term bank deposits	3,510,320	3,000,000	3,510,320	3,000,000
	<u>4,598,140</u>	<u>3,936,253</u>	<u>4,598,130</u>	<u>3,936,243</u>

The effective interest rates on short-term bank deposits were (2011: 5.59%; 5.15%; 5.0%; 5.30%); these deposits mature on; 11 January 2012; 13 January 2012; 30 January 2012; 26 March 2012.

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>4,598,140</u>	<u>3,936,253</u>	<u>4,598,140</u>	<u>3,936,243</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 2011**

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
NOTE 6: TRADE AND OTHER RECEIVABLES					
CURRENT					
Other receivables		1,135,113	1,245,420	1,135,113	1,245,420
Amount receivable from wholly-owned subsidiary		-	-	698,158	718,158
		<u>1,135,113</u>	<u>1,245,420</u>	<u>1,833,271</u>	<u>1,963,578</u>

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

NOTE 7: INVENTORIES

CURRENT

Held for distribution:

Coin cups, guest registers, hotel books

	19,545	28,141	19,545	28,141
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NOTE 8: OTHER CURRENT

ASSETS

Work in progress	19,875	16,163	19,875	16,163
Prepayments	52,571	53,293	52,571	53,293
Undeposited funds	43,260	8,875	43,260	8,875
Accrued income from other sources	24,649	44,930	24,649	44,930
	<u>140,355</u>	<u>123,261</u>	<u>140,355</u>	<u>123,261</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 9: 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	
	2011	2010	2011	2010	2011	2010
	%	%	%	%	\$	\$
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	
	2011	2010
	\$	\$
Total assets	773,651	894,226
Total liabilities	773,651	894,226
Net assets	-	-
Revenues	1,061,894	947,953
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 2011**

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
NOTE 10: FINANCIAL ASSETS					
Shares in non-listed controlled entity at cost	11	-	-	10	10

NOTE 11: CONTROLLED ENTITY

Controlled Entity Consolidated

	Country of incorporation	Percentage owned (%) *	
		2011	2010
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	
	2011 \$	2010 \$	2011 \$	2010 \$
NOTE 12: PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings at cost	1,774,777	1,774,777	-	-
Less accumulated depreciation	400,000	380,000	-	-
	<u>1,374,777</u>	<u>1,394,777</u>	<u>-</u>	<u>-</u>
Plant and equipment at cost	432,677	366,729	432,677	366,729
Less accumulated depreciation	205,251	193,216	205,251	193,216
	<u>227,426</u>	<u>173,513</u>	<u>227,426</u>	<u>173,513</u>
Motor vehicles at cost	150,557	95,152	150,557	95,152
Less accumulated depreciation	64,443	41,847	64,443	41,847
	<u>86,114</u>	<u>53,305</u>	<u>86,114</u>	<u>53,305</u>
Total property, plant and equipment	<u>1,688,317</u>	<u>1,621,595</u>	<u>313,540</u>	<u>226,818</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 12: 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	1,394,777	173,513	53,305	-	1,621,595
Additions	-	105,767	55,405	-	161,172
Disposals	-	(39,819)	-	-	(39,819)
Depreciation expense	(20,000)	(12,036)	(22,596)	-	(54,632)
Reclassification	-	-	-	-	-
Carrying amount at the end of the year	<u>1,374,777</u>	<u>227,425</u>	<u>86,114</u>	<u>-</u>	<u>1,688,316</u>

Parent Entity

Balance at the beginning of the year	-	173,513	53,305	-	226,818
Additions	-	105,767	55,405	-	161,172
Disposals	-	(39,819)	-	-	(39,819)
Depreciation expense	-	(12,036)	(22,596)	-	(34,632)
Reclassification	-	-	-	-	-
Carrying amount at the end of the year	<u>-</u>	<u>227,425</u>	<u>86,114</u>	<u>-</u>	<u>313,539</u>

Economic Entity		Parent Entity	
2011	2010	2011	2010
\$	\$	\$	\$

NOTE 13: 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 2011**

	Note	Economic Entity		Parent Entity	
		2011	2010	2011	2010
NOTE 14: TRADE AND OTHER PAYABLES		\$	\$	\$	\$
CURRENT					
Trade payables		139,796	115,474	139,796	115,474
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		2,573,898	2,448,456	2,573,898	2,448,456
		<u>2,732,769</u>	<u>2,583,005</u>	<u>2,732,769</u>	<u>2,583,005</u>
NOTE 15: PROVISIONS					
CURRENT					
Annual leave – employees	15a	108,348	104,540	108,348	104,540
Long service leave - employees	15a	81,314	59,867	81,314	59,867
		<u>189,662</u>	<u>164,407</u>	<u>189,662</u>	<u>164,407</u>
a. Number of employees at year end		11	11	11	11
NOTE 16: 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 2011**

Note	Economic Entity		Parent Entity	
	2011 \$	2010 \$	2011 \$	2010 \$

NOTE 17: CONTINGENT LIABILITIES

The economic entity had no contingent liabilities as at 31 December 2011 or for the forthcoming year.

NOTE 18: 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 19: 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	63,960	42,180	63,960	42,180
— electricity contribution received	4,080	3,960	4,080	3,960
— cleaning contribution received	5,100	4,944	5,100	4,944
— administration fees received	52,320	38,693	52,320	38,693
— expenses reimbursed	159,606	111,225	159,606	111,225

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 19: 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	
NOTE 20: CASH FLOW INFORMATION	2011	2010	2011	2010
	\$	\$	\$	\$
a. Reconciliation of Cash Flows from Operating Activities with Surplus/(Deficit) from Ordinary Activities				
Surplus/(Deficit) from ordinary activities	451,781	555,262	451,781	555,262
Non-cash flows in deficit from ordinary activities:				
Depreciation	90,848	57,357	70,848	37,357
Net (gain) loss on disposal of plant and equipment	3,602	6,081	3,602	6,081
Changes in assets and liabilities:				
Decrease (increase) in receivables	110,307	6,325	130,307	26,325
Decrease (increase) in other assets	(17,094)	(57,367)	(17,094)	(57,367)
Decrease (increase) in inventories	8,597	9,123	8,597	9,123
Increase (decrease) in payables	149,765	90,852	149,765	90,852
Increase (decrease) in provisions	25,254	60,662	25,254	60,662
Cash flows from operating activities	<u>823,060</u>	<u>728,295</u>	<u>823,060</u>	<u>728,295</u>

b. Non-cash Investing Activities

During the financial year, the parent entity disposed of no motor vehicles.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 21: 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		Funds Invested		Fixed interest rate maturing:			
					Within 1 year		1 to 5 years	
	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash at bank	0.5	1.05	1,087,810	936,243	-	-	-	-
Short-term bank deposits								
	5.30	6.00	1,000,000	1,000,000	-	-	-	-
	5.59	-	836,781	-	-	-	-	-
	5.00	5.65	1,153,540	1,200,000	-	-	-	-
	5.15	5.65	520,000	800,000	-	-	-	-
					-	-	-	-
Total financial assets			4,598,113	3,936,243	-	-	-	-
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 22: ORGANISATION DETAILS

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

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 2011**

NOTE 21: FINANCIAL INSTRUMENTS

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 2011**

NOTE 23: 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 2011**

NOTE 24: DETAILED INCOME STATEMENT	Economic Entity		Parent Entity	
	2011 \$	2010 \$	2011 \$	2010 \$
INCOME				
Members' subscriptions	1,695,877	1,675,514	1,695,877	1,675,514
Associate members' subscriptions	6,401	9,186	6,401	9,186
Advocacy services income	50,983	16,394	50,983	16,394
Sponsorships	548,587	557,536	548,587	557,536
Commissions received	95,433	92,639	95,433	92,639
Conferences, seminars and events	277,782	181,614	277,782	181,614
Rent received	63,960	42,180	63,960	42,180
Sale of goods	21,868	23,826	21,868	23,826
Other income	85,977	69,985	85,977	69,985
Bank interest	216,696	169,976	216,696	169,976
Gain on disposal of plant and equipment	-	-	-	-
Total income from ordinary activities	3,063,564	2,838,850	3,063,564	2,838,850
EXPENDITURE				
Advocacy expenses	245	411	245	411
Annual leave provision	3,807	16,132	3,807	16,132
Bad Debts	-	973	-	973
Conferences, seminars and events	236,309	181,801	236,309	181,801
Delegates fees and expenses	6,489	18,097	6,489	18,097
Depreciation	90,848	57,357	70,848	37,357
Donations and grants	4,543	3,178	4,543	3,178
Entertainment	58,333	56,449	58,333	56,449
National AHA Capitation Fees	42,000	40,000	42,000	40,000
Gaming expenses	-	-	-	-
General expenses	13,239	13,039	13,239	13,039
Insurance	17,234	16,042	17,234	16,042
Legal expenses	24,695	(1,665)	24,695	(1,665)
Long service leave provision	21,447	52,367	21,447	52,367
Loss on disposal of plant and equipment	3,602	5,990	3,602	5,990
Media advertising expenses	338,057	116,323	338,057	116,323
Media coverage expenses	33,829	27,899	33,829	27,899
Meeting expenses	51,309	45,258	51,309	45,258

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 2011**

NOTE 24: DETAILED INCOME STATEMENT (CONT'D)	Economic Entity		Parent Entity	
	2011 \$	2010 \$	2011 \$	2010 \$
EXPENDITURE (CONT'D)				
Motor vehicle expenses	49,615	36,241	49,615	36,241
Other administration expenses	92,010	82,122	92,010	82,122
Payroll tax	22,725	24,116	22,725	24,116
Political donations	-	70,000	-	70,000
Printing, postage and stationery	103,615	98,258	103,615	98,258
Professional, consultancy and audit expenses	74,041	96,163	74,041	96,163
Rates and taxes	19,507	18,992	19,507	18,992
Rent paid	-	-	20,000	20,000
Repairs, cleaning, light and power	94,441	81,310	94,441	81,310
Salaries and allowances – officials	17,500	17,500	17,500	17,500
Salaries and allowances – other	856,736	817,636	856,736	817,636
Sponsorship expense	129,628	104,909	129,628	104,909
Subscriptions	5,917	587	5,917	587
Superannuation – officials	1,575	1,575	1,575	1,575
Superannuation – other	122,139	114,515	122,139	114,515
Telephone	34,408	31,424	34,408	31,424
Travelling expenses	34,980	30,920	34,980	30,920
Workcover	6,960	7,669	6,960	7,669
Total expenditure on ordinary activities	2,611,783	2,283,588	2,611,783	2,283,588
Surplus/(Deficit) attributable to members of the parent entity	451,781	555,262	451,781	555,262

COMMITTEE OF MANAGEMENT'S STATEMENT

On 2nd April 2012, 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 2011

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 4th April, 2012

**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 of Australian Hotels Association (South Australian Branch), which comprises the balance sheet as at 31 December 2011, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee of management's statement of the entity and the consolidated entity comprising the entity and the entities it controlled at the year's end or from time to time during the financial year.

Committee of Management's Responsibility for the Financial Report

The committee of management of the entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, management also states, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 committee of management, as well as evaluating the overall presentation of the financial report.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Auditor's Opinion

In our opinion:

(a) the financial report presents fairly, in all material respects, the financial position of Australian Hotels Association (South Australian Branch) and its subsidiaries, as at 31 December 2011, and their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.



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 4th April 2012, Kent Town