



FAIR WORK
COMMISSION

6 September 2013

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

Dear Mr Lovell,

Re: Lodgement of Financial Statements and Accounts - Australian Hotels Association, South Australian Branch - for year ended 31 December 2012 (FR2012/581)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia on 13 May 2013.

I have filed the documents. I note that the disclosures required under section 254 of the *Fair Work (Registered Organisation) Act 2009* and Regulation 159 of the Fair Work (Registered Organisations) Regulations are set out in the Annual Report and Operating Report provided to members. I draw your attention however, for future reference, to the correct form of disclosure for one of the items required by regulation 159(b), in the table overleaf.

I also take this opportunity to remind you that new Reporting Guidelines were issued on 26 June 2013. The new Guidelines contain additional requirements. The relevant parts of the Act, the Regulations and the Reporting Guidelines should be read closely and applied accordingly.

If you have any queries regarding the financial reporting requirements at any time, please do not hesitate to contact me on (02) 6723 7237.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

ABN 77 237 576 146

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8 May, 2013

Fair Work Commission
11 Exhibition Street
MELBOURNE VIC 3000

Attention: Ms. Melissa Garcia

Dear Ms. Garcia

Please find attached our Certificate of Secretary/Treasurer and the full Annual Report for the Australian Hotels Association (SA) Branch for the 2012 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 10 April 2013; and
- that the full report was presented to a general meeting of members of the reporting unit on 6 May 2013 in accordance with section 266 of the Fairwork (Registered Organisations) Act 2009.

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

R.S.J. LOVELL

Dated: 8 May, 2013

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

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2012**

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

**INCOME STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	Economic Entity		Parent Entity	
		2012 \$	2011 \$	2012 \$	2011 \$
Revenues from ordinary activities	2	3,142,006	3,063,564	3,142,006	3,063,564
Employee expenses		(1,200,693)	(1,078,723)	(1,200,693)	(1,078,723)
Depreciation expense		(92,828)	(90,848)	(72,828)	(70,848)
Other expenses from ordinary activities		(1,380,837)	(1,442,212)	(1,400,837)	(1,462,212)
Surplus/(Deficit) attributable to members of the parent entity		<u>467,648</u>	<u>451,781</u>	<u>467,648</u>	<u>451,781</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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	Note	Economic Entity		Parent Entity	
		2012 \$	2011 \$	2012 \$	2011 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	4,829,174	4,598,140	4,829,164	4,598,130
Trade and other receivables	6	1,248,553	1,135,113	1,926,711	1,833,271
Inventories	7	12,058	19,545	12,058	19,545
Other current assets	8	139,277	140,355	139,277	140,355
TOTAL CURRENT ASSETS		6,229,062	5,893,153	6,907,210	6,591,301
NON-CURRENT ASSETS					
Financial assets	10	-	-	10	10
Property, plant and equipment	12	1,695,577	1,688,317	340,800	313,540
Intangible assets	13	350	350	-	-
TOTAL NON-CURRENT ASSETS		1,695,927	1,688,667	340,810	313,550
TOTAL ASSETS		7,924,989	7,581,820	7,248,020	6,904,851
CURRENT LIABILITIES					
Trade and other payables	14	2,556,742	2,732,769	2,556,742	2,732,769
Short-term provisions	15	241,211	189,662	241,211	189,662
TOTAL CURRENT LIABILITIES		2,797,953	2,922,431	2,797,953	2,922,431
NON-CURRENT LIABILITIES					
TOTAL NON-CURRENT LIABILITIES		-	-	-	-
TOTAL LIABILITIES		2,797,953	2,922,431	2,797,953	2,922,431
NET ASSETS		5,127,036	4,659,389	4,450,067	3,982,420
EQUITY					
Capital profits reserve	16a	676,969	676,969	-	-
General reserve	16b	380,000	380,000	380,000	380,000
Retained surplus		4,070,067	3,602,420	4,070,067	3,602,420
TOTAL EQUITY		5,127,036	4,659,389	4,450,067	3,982,420

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 2012**

	Note	Retained surplus \$	Capital profits reserve \$	General reserve \$	Total \$
Economic Entity					
Balance at 31 December 2011		3,602,420	676,969	380,000	4,659,389
Surplus/(Deficit) attributable to members of the parent entity		467,648	-	-	467,648
Balance at 31 December 2012		<u>4,070,068</u>	<u>676,969</u>	<u>380,000</u>	<u>5,127,037</u>
 Parent Entity					
Balance at 31 December 2011		3,602,420	-	380,000	3,982,420
Surplus/(Deficit) attributable to members of the parent entity		467,648	-	-	467,648
Balance at 31 December 2012		<u>4,070,068</u>	<u>-</u>	<u>380,000</u>	<u>4,450,068</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 2012**

	Note	Economic Entity		Parent Entity	
		2012 \$	2011 \$	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		2,722,021	3,032,961	2,722,021	3,032,961
Payments to suppliers and employees		(2,404,089)	(2,123,241)	(2,404,089)	(2,123,241)
Payments to AHA National		(82,968)	(42,000)	(82,968)	(42,000)
Payments to AHA (NSW)		(108,560)	(261,356)	(108,560)	(261,356)
Interest received		207,850	216,696	207,850	216,696
Net cash provided by (used in) operating activities	20a	334,254	823,060	334,254	823,060
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		17,271	-	17,271	-
Purchase of property, plant and equipment		(120,491)	(161,172)	(120,491)	(161,172)
Net cash provided by (used in) investing activities		(103,220)	(161,172)	(103,220)	(161,172)
CASH FLOWS FROM FINANCING ACTIVITIES					
		-	-	-	-
Net increase (decrease) in cash held		231,034	661,887	231,034	661,887
Cash at beginning of financial year		4,598,140	3,936,253	4,598,130	3,936,243
Cash at end of financial year	5	4,829,174	4,598,140	4,829,164	4,598,130

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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.

The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 2012**

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 2012**

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 & Officials 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.

Officials do not earn any benefits from services rendered, except current year's fees, hence no provision is made for a liability for annual or long service leave for officials.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 2013 have been recognised in the debtors for year ending 2012. This has no impact on surplus/(deficit) for the year for the entity.

q. New Accounting Standards for Application in future Periods

The AASB has issued a number of new and amended Accounting Standards and interpretations that have mandatory application dates for future reporting periods, some of which may be relevant to the association. The association has decided not to early adopt any of the new and amended pronouncements. The association's assessment of the impact is that it will not have any material impact on the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012**

	Economic Entity		Parent Entity	
	2012 \$	2011 \$	2012 \$	2011 \$
NOTE 2: REVENUE				
Operating activities:				
— members' subscriptions	1,745,882	1,695,877	1,745,882	1,695,877
— associate members' subscriptions	6,593	6,401	6,593	6,401
— advocacy services income	106,166	50,983	106,166	50,983
— sponsorships	597,214	548,587	597,214	548,587
— commissions received	99,138	95,433	99,138	95,433
— conferences, seminars and events	201,085	277,782	201,085	277,782
— rent received	66,240	63,960	66,240	63,960
— sale of goods	20,930	21,868	20,930	21,868
— other	88,314	85,977	88,314	85,977
	<u>2,931,562</u>	<u>2,846,868</u>	<u>2,931,562</u>	<u>2,846,868</u>
Non-operating activities:				
— bank interest	207,850	216,696	207,850	216,696
— gain on disposal of plant and equipment	2,594	-	2,594	-
	<u>210,444</u>	<u>216,696</u>	<u>210,444</u>	<u>216,696</u>
Total revenue	<u>3,142,006</u>	<u>3,063,564</u>	<u>3,142,006</u>	<u>3,063,564</u>

NOTE 3: KEY MANAGEMENT PERSONNEL

Key Management Personnel – Executive Council (Officials)

D Basheer
 M Binns
 C Branson
 A Gunn
 P Hurley
 R Lovell

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 2012**

	Economic Entity		Parent Entity	
	2012	2011	2012	2011
NOTE 4: AUDITORS' REMUNERATION	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	20,640	19,140	20,640	19,140

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	718,362	1,087,820	718,352	1,087,810
Short-term bank deposits	4,110,812	3,510,320	4,110,812	3,510,320
	<u>4,829,174</u>	<u>4,589,140</u>	<u>4,829,164</u>	<u>4,598,130</u>

The effective interest rates on short-term bank deposits were (2012: 4.30%; 4.05%; 4.55%; 4.55%); these deposits mature on; 11 January 2013; 15 February 2013; 18 April 2013; 19 April 2013.

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>4,829,174</u>	<u>4,598,140</u>	<u>4,829,164</u>	<u>4,598,130</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 2012**

	Note	Economic Entity		Parent Entity	
		2012	2011	2012	2011
NOTE 6: TRADE AND OTHER RECEIVABLES		\$	\$	\$	\$
CURRENT					
Other receivables		1,248,553	1,135,113	1,248,553	1,135,113
Amount receivable from wholly-owned subsidiary		-	-	678,158	698,158
		<u>1,248,553</u>	<u>1,135,113</u>	<u>1,926,711</u>	<u>1,833,271</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

	12,058	19,545	12,058	19,545
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NOTE 8: OTHER CURRENT

ASSETS

Work in progress	2,925	19,875	2,925	19,875
Prepayments	43,998	52,571	43,998	52,571
Undeposited funds	60,508	43,260	60,508	43,260
Accrued income from other sources	31,846	24,649	31,846	24,649
	<u>139,277</u>	<u>140,355</u>	<u>139,277</u>	<u>140,355</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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	
	2012	2011	2012	2011	2012	2011
	%	%	%	%	\$	\$
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	
	2012	2011
	\$	\$
Total assets	525,833	773,651
Total liabilities	525,833	773,651
Net assets	-	-
Revenues	1,223,679	1,061,894
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 2012**

	Note	Economic Entity		Parent Entity	
		2012 \$	2011 \$	2012 \$	2011 \$
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 (%) *	
		2012	2011
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	
	2012 \$	2011 \$	2012 \$	2011 \$
NOTE 12: PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings at cost	1,774,777	1,774,777	-	-
Less accumulated depreciation	420,000	400,000		
	1,354,777	1,374,777		-
Plant and equipment at cost	467,970	432,677	467,970	432,677
Less accumulated depreciation	235,645	205,251	235,645	205,251
	232,325	227,426	232,325	227,426
Motor vehicles at cost	148,760	150,557	148,760	150,557
Less accumulated depreciation	40,285	64,443	40,285	64,443
	108,475	86,114	108,475	86,114
Total property, plant and equipment	1,695,577	1,688,317	340,800	313,540

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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	1,374,777	227,425	86,114	-	1,688,316
Additions	-	55,748	64,743	-	120,491
Disposals	-	(20,455)	(66,539)	-	(86,994)
Depreciation expense	(20,000)	(30,393)	24,157	-	(26,236)
Reclassification	-	-	-	-	-
Carrying amount at the end of the year	<u>1,354,777</u>	<u>232,325</u>	<u>108,475</u>	<u>-</u>	<u>1,695,577</u>
Parent Entity					
Balance at the beginning of the year	-	227,425	86,114	-	313,539
Additions	-	55,748	64,743	-	120,491
Disposals	-	(20,455)	(66,539)	-	(86,994)
Depreciation expense	-	(30,393)	24,157	-	(6,236)
Reclassification	-	-	-	-	-
Carrying amount at the end of the year	<u>-</u>	<u>232,325</u>	<u>108,475</u>	<u>-</u>	<u>340,800</u>

Economic Entity		Parent Entity	
2012	2011	2012	2011
\$	\$	\$	\$

NOTE 13: INTANGIBLE ASSETS

Preliminary expenses at cost	<u>350</u>	<u>350</u>	<u>-</u>	<u>-</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 2012**

	Note	Economic Entity		Parent Entity	
		2012	2011	2012	2011
NOTE 14: TRADE AND OTHER PAYABLES		\$	\$	\$	\$
CURRENT					
Trade payables		137,875	139,796	137,875	139,796
Salaries and allowances – officials		18,375	17,500	18,375	17,500
Superannuation – officials		1,653	1,575	1,653	1,575
Superannuation – other		-	-	-	-
Legal expenses		-	-	-	-
Deferred income		-	-	-	-
Other payables and accrued expenses		2,398,839	2,573,898	2,398,839	2,573,898
		<u>2,556,742</u>	<u>2,732,769</u>	<u>2,556,742</u>	<u>2,732,769</u>
NOTE 15: PROVISIONS					
CURRENT					
Annual leave – employees	15a	141,492	108,348	141,492	108,348
Annual leave – officials		-	-	-	-
Long service leave - employees	15a	99,719	81,314	99,719	81,314
Long service leave – officials		-	-	-	-
		<u>241,211</u>	<u>189,662</u>	<u>241,211</u>	<u>189,662</u>
a. Number of employees at year end		14	11	14	11

NOTE 16: 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 2012**

Note	Economic Entity		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$

NOTE 17: CONTINGENT LIABILITIES

The economic entity had no contingent liabilities as at 31 December 2012 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	66,240	63,960	66,240	63,960
— electricity contribution received	4,260	4,080	4,260	4,080
— cleaning contribution received	5,340	5,100	5,340	5,100
— administration fees received	54,240	52,320	54,240	52,320
— expenses reimbursed	159,618	159,606	159,618	159,606

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012**

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	
	2012	2011	2012	2011
	\$	\$	\$	\$
NOTE 20: CASH FLOW INFORMATION				
a. Reconciliation of Cash Flows from Operating Activities with Surplus/(Deficit) from Ordinary Activities				
Surplus/(Deficit) from ordinary activities	467,648	451,781	467,648	451,781
Non-cash flows in deficit from ordinary activities:				
Depreciation	92,828	90,848	72,828	70,848
Net (gain) loss on disposal of plant and equipment	3,131	3,602	3,131	3,602
Changes in assets and liabilities:				
Decrease (increase) in receivables	(113,440)	110,307	(93,440)	130,307
Decrease (increase) in other assets	1,078	(17,094)	1,078	(17,094)
Decrease (increase) in inventories	7,487	8,597	7,487	8,597
Increase (decrease) in payables	(176,027)	149,765	(176,027)	149,765
Increase (decrease) in provisions	51,549	25,254	51,549	25,254
Cash flows from operating activities	<u>334,254</u>	<u>823,060</u>	<u>334,254</u>	<u>823,060</u>

b. Non-cash Investing Activities

During the financial year, the parent entity disposed of two motor vehicles and acquired two motor vehicles.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012**

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	
	2012	2011	2012	2011	2012	2011	2012	2011
Financial Assets	%	%	\$	\$	\$	\$	\$	\$
Cash at bank	.01	.05	718,352	1,087,810	-	-	-	-
Short-term bank deposits	4.55	5.30	1,566,413	1,000,000	-	-	-	-
	4.55	5.59	1,043,533	836,780	-	-	-	-
	4.05	5.00	954,187	1,153,540	-	-	-	-
	4.30	5.15	546,679	520,000	-	-	-	-
					-	-	-	-
Total financial assets			4,829,164	4,598,130	-	-	-	-
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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 22: 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 2012**

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 2012**

NOTE 24: DETAILED INCOME STATEMENT	Economic Entity		Parent Entity	
	2012 \$	2011 \$	2012 \$	2011 \$
INCOME				
Members' subscriptions	1,745,882	1,695,877	1,745,882	1,695,877
Associate members' subscriptions	6,593	6,401	6,593	6,401
Advocacy services income	106,166	50,983	106,166	50,983
Sponsorships	597,214	548,587	597,214	548,587
Commissions received	99,138	95,433	99,138	95,433
Conferences, seminars and events	201,085	277,782	201,085	277,782
Rent received	66,240	63,960	66,240	63,960
Sale of goods	20,930	21,868	20,930	21,868
Other income	88,314	85,977	88,314	85,977
Bank interest	207,850	216,696	207,850	216,696
Gain on disposal of plant and equipment	2,594	-	2,594	-
Total income from ordinary activities	3,142,006	3,063,564	3,142,006	3,063,564
EXPENDITURE				
Advocacy expenses	319	245	319	245
Annual leave provision	33,144	3,807	33,144	3,807
Bad Debts	-	-	-	-
Conferences, seminars and events	190,979	236,309	190,979	236,309
Delegates fees and expenses	15,796	6,489	15,796	6,489
Depreciation	92,828	90,848	72,828	70,848
Donations and grants	1,050	4,543	1,050	4,543
Entertainment	51,352	58,333	51,352	58,333
National AHA Capitation Fees	77,000	42,000	77,000	42,000
Gaming expenses	1,925	-	1,925	-
General expenses	12,969	13,239	12,969	13,239
Insurance	18,371	17,234	18,371	17,234
Legal expenses	28,818	24,695	28,818	24,695
Long service leave provision	18,405	21,447	18,405	21,447
Loss on disposal of plant and equipment	5,725	3,602	5,725	3,602
Media advertising expenses	202,738	338,057	202,738	338,057
Media coverage expenses	55,661	33,829	55,661	33,829
Meeting expenses	46,586	51,309	46,586	51,309

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 2012**

NOTE 24: DETAILED INCOME STATEMENT (CONT'D)	Economic Entity		Parent Entity	
	2012 \$	2011 \$	2012 \$	2011 \$
EXPENDITURE (CONT'D)				
Motor vehicle expenses	48,824	49,615	48,824	49,615
Other administration expenses	112,344	92,010	112,344	92,010
Payroll tax	27,831	22,725	27,831	22,725
Political donations	32,500	-	32,500	-
Printing, postage and stationery	103,307	103,615	103,307	103,615
Professional, consultancy and audit expenses	79,713	74,041	79,713	74,041
Rates and taxes	20,520	19,507	20,520	19,507
Rent paid	-	-	20,000	20,000
Repairs, cleaning, light and power	99,104	94,441	99,104	94,441
Salaries and allowances – officials	18,375	17,500	18,375	17,500
Salaries and allowances – other	922,650	856,736	922,650	856,736
Sponsorship expense	129,863	129,628	129,863	129,628
Subscriptions	4,652	5,917	4,652	5,917
Superannuation – officials	1,653	1,575	1,653	1,575
Superannuation – other	135,702	122,139	135,702	122,139
Telephone	36,927	34,408	36,927	34,408
Travelling expenses	37,393	34,980	37,393	34,980
Workcover	9,334	6,960	9,334	6,960
Total expenditure on ordinary activities	2,674,358	2,611,783	2,674,358	2,611,783
Surplus/(Deficit) attributable to members of the parent entity	467,648	451,781	467,648	451,781

COMMITTEE OF MANAGEMENT'S STATEMENT

On 9th April 2013, 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 2012

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 10th April, 2013

**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 statement of financial position as at 31 December 2012, 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.

Auditor's Opinion

In our opinion, the financial report of Australian Hotels Association (South Australian Branch) and its subsidiaries is in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, including:

- i giving a true and fair view of the association's financial position as at 31 December 2012 and its performance for the year ended on that date; and

- ii complying with Australian Accounting Standards.



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 10th April 2013, Kent Town

OPERATING REPORT REQUIREMENTS AS PER RAO SCHEDULE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

Membership Report

The AHA|SA recorded 501 members in 2012.

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 2012 staffing levels were AHA|SA 14 and Gaming Care 9.

AHA|SA Committee of Management

1 January – 31 December 2012

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

Chris Branson
Peter Brien
Mark Davies
Danielle Donaldson
Jeff Ellis
Jason Fahey
Trent Fahey
Tony Franzon
Tim Gregg
Andrew Gunn
Tom Hannah
Graham Hobbs
Alison James
Guy Matthews
Scott Matthews
Melinda McCauley
David Papps
Andrew Plush
Shane Roberts
Matt Rogers
Santo Scaglione
Craig Williams

Appointed in February 2012

During 2012 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

10/4/2013

OPERATING REPORT REQUIREMENTS AS PER RAO SCHEDULE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

Membership Report

The AHA|SA recorded 501 members in 2012.

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 2012 staffing levels were AHA|SA 14 and Gaming Care 9.

AHAISA Committee of Management

1 January – 31 December 2012

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

Chris Branson
Peter Brien
Mark Davies
Danielle Donaldson
Jeff Ellis
Jason Fahey
Trent Fahey
Tony Franzon
Tim Gregg
Andrew Gunn
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Graham Hobbs
Alison James
Guy Matthews
Scott Matthews
Melinda McCauley
David Papps
Andrew Plush
Shane Roberts
Matt Rogers
Santo Scaglione
Craig Williams

Appointed in February 2012

During 2012 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

10/4/2013