FairWork Commission

15 May 2015

Mr Richard Lovell
Secretary - Treasurer
South Australian Branch
Australian Hotels Association
By email: AXenides@ahasa.asn.au

CC: Clarke and Brownrigg by email: admin@clarbrow.com.au

Dear Mr Lovell,

Australian Hotels Association - South Australian Branch
Financial Report for the year ended 31 December 2014 - [FR2014/459]

I acknowledge receipt of further information concerning the financial report of the Australian Hotels Association - South Australian Branch. The further documents were lodged with the Fair Work Commission on 11 and 12 May 2015. Thank you for the auditor's going concern declaration and the further information concerning loans, grants and donations.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2015 may be subject to an advanced compliance review.

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. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Revenue recognition

The Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue. The accounting policy for sponsorships has not been disclosed and it appears to be a material revenue stream.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely

CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION
Tel: 03 8661 7974
catherine.bebbington@fwc.gov.au

www.fwc.gov.au

Clarke & Brownrigg
CHARTERED ACCOUNTANTS

8 ANGAS STREET
KENT TOWN SA 5067
TELEPHONE: (08) 8332 9999
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EMAIL: admin@clarbrow.com.au

RECEIVED
13 MAY 2015
FAIR WORK COMMISSION
VICTORIA

11 May 2015

Catherine Bebbington
Fair Work Commission
Regulatory Compliance Branch
GPO Box 1994
MELBOURNE VIC 3001

Dear Mrs Bebbington,

RE: AUSTRALIAN HOTELS ASSOCIATION SOUTH AUSTRALIAN BRANCH FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014 [FR2014/459]

In accordance with paragraph 45 of the reporting guidelines we declare that as part of the audit of the financial statement we have concluded that management's use of the going concern basis of accounting in the preparation of the Association's financial statement is appropriate.

Please, find attached to this letter an amended version of the audit report.

Yours Sincerely

CHRISTOPHER R CLARKE
Partner

Dated 12th May 2015, Kent Town

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)
ABN 77 237 576 146 AND CONTROLLED ENTITY
AMENDED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)

We have audited the accompanying financial report of Australian Hotels Association (South Australian Branch), which comprises the statements of financial position as at 31 December 2014, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee of management's assertion 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.

Management's Responsibility for the Financial Report

Management is 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 management determines is necessary to enable the preparation and fair presentation 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 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.

Opinion

In our opinion:

(a) the financial report gives a true and fair view of the financial position of Australian Hotels Association (South Australian Branch) and its subsidiaries, as at 31 December 2013, and of 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 consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1 and;

(c) management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.

Clarke & Brownrigg

CLARKE & BROWNRIGG

Chartered Accountants

CHRISTOPHER R CLARKE

Partner

Dated 12th May 2015, Kent Town

8 May 2015

Mr Richard Lovell
Secretary-Treasurer
South Australian Branch

By email: AXenides@ahasa.asn.au

CC: Clarke and Brownrigg by email: admin@clarbrow.com.au

Dear Mr Lovell,

Australian Hotels Association-South Australian Branch
Financial Report for the year ended 31 December 2014 - [FR2014/459]

I acknowledge receipt of the financial report of the Australian Hotels Association South Australian Branch. The documents were lodged with the Fair Work Commission on 6 May 2015.

The financial report has not been filed. Further information is required before the report can be filed.

Auditor's report: declaration regarding going concern

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

This was raised with the Branch last year. Please have the auditor supply a letter containing the required declaration.

Donations

The Branch supplied a Loans, Grants and Donations statement in accordance with the legislation. I note that the figures in the statement are less than the figures in the financial return. Please explain the difference in the two figures.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely

CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION
Tel: 03 8661 7974
Fax: 03 9655 0410
catherine.bebbington@fwc.gov.au

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 2015; and
- that the full report was presented to a general meeting of members of the reporting unit on 4 May 2015 in accordance with section 266 of the Fairwork (Registered Organisations) Act 2009.

R.S.J. LOVELL

Dated: 5 May 2015

aHa|sa
Australian Hotels Association (SA)

Operating Report Requirements as per RAO Schedule
Fair Work (Registered Organisations) Act 2009

This operating report covers the results of those activities that were provided for the financial year ended 31 December 2014.

Review of the Principal activities of the Branch

The Branch operates as the South Australian Branch of the Australian Hotels Association, an organization of employers registered under the Fair Work (Registered Organisations) Act 2009.

The principal activities of the Branch, as conducted through the Council and the Executive Committee of the Branch during the past year fell into the following categories:

- Provision of industrial support to members including advice on legal and legislative matters, contractual obligations and representation of individual members.
- Administration of Federal and State Awards and the variation of awards following major test cases.
- Media and Communications to members and to the broader community via media releases in support of campaigns and targeted publications including national and state magazines.
- Provision of information to members providing up to date material relevant to hotels.

Finance & Administration

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

Right of Members to Resign

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

Officers & Employees who are superannuation fund trustee/s or director of a company that is a superannuation fund trustee

During 2014 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.

Number of Members

The AHA|SA recorded 500 members in 2014.

Number of Employees

As at 31 December 2014 staffing levels were AHA|SA 12.6 and Gaming Care 9.

AHA|SA Committee of Management
1 January – 31 December 2014

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

Chris Branson
Peter Brien (*resigned in April 2014)*
Matthew Brien *(appointed in June 2014)*
Mark Davies
Jeff Ellis
Jason Fahey
Trent Fahey
Tony Franzon
Tim Gregg
Andrew Gunn
Tom Hannah
Graham Hobbs *(resigned in July 2014)*
Alison James
Michael Lunniss *(appointed in August 2014)*
Guy Matthews
Scott Matthews
Melinda McCauley
David Papps
Andrew Plush
Shane Roberts
Matt Rogers
Santo Scaglione
Craig Williams

Officers & Employees who are directors of a company or a member of a board

Independent Gaming Corporation Ltd
Principal Activity: Gaming machine monitoring service

Board Member
Peter Hurley
David Basheer

Hospitality Group Training SA Inc.
Principal Activity: Group training company

Board Member
Peter Hurley
Ian Horne

Hotels Responsible Gambling Early Intervention Agency Ltd
Principal Activity: Harm minimisation agency

Board Member
Matthew Binns
Ian Horne

Peter Hurley

PETER HURLEY
President
5/05/2015

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

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2014

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31 DECEMBER 2014

	Note	Economic Entity		Parent Entity	
		2014	2013	2014	2013
		$	$	$	$
Revenue					
Membership subscriptions	2	1,815,859	1,781,469	1,815,859	1,781,469
Other revenue	2	1,457,766	1,501,356	1,457,766	1,501,356
Total revenue		3,273,625	3,282,825	3,273,625	3,282,825
Employee expenses	3A	(1,370,610)	(1,351,649)	(1,370,610)	(1,351,649)
Depreciation expense	5	(74,985)	(89,180)	(54,985)	(69,180)
Other expenses from ordinary activities	3B	(1,399,997)	(1,563,406)	(1,419,997)	(1,583,406)
Surplus/(Deficit) attributable to members of the parent entity		428,032	278,590	428,032	278,590
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	-

The accompanying notes form part of these financial statements.

A detailed income statement is provided in note 21.

STATEMENT OF FINANCIAL POSITION
AS AT
31 DECEMBER 2014

	Note	Economic Entity		Parent Entity	
		2014	2013	2014	2013
		$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4A	5,536,186	5,270,036	5,536,176	5,270,026
Trade and other receivables	4B	411,898	128,049	1,050,056	786,207
Inventories	4C	34,413	4,796	34,413	4,796
Other current assets	4C	143,935	99,938	143,935	99,938
TOTAL CURRENT ASSETS		6,126,432	5,502,819	6,764,580	6,160,967
NON-CURRENT ASSETS					
Shares in non-listed entity	13	-	-	10	10
Property, plant and equipment	5A	1,553,253	1,619,189	238,476	284,412
Intangible assets	5B	350	350	-	-
TOTAL NON-CURRENT ASSETS		1,553,603	1,619,539	238,486	284,422
TOTAL ASSETS		7,680,035	7,122,358	7,003,066	6,445,389
CURRENT LIABILITIES					
Trade and other payables	6	1,364,345	1,315,290	1,364,345	1,315,290
Short-term provisions	7	463,314	378,942	463,314	378,942
TOTAL CURRENT LIABILITIES		1,827,659	1,694,233	1,827,659	1,694,233
NON-CURRENT LIABILITIES					
Employee provisions	7	18,718	22,499	18,718	22,499
TOTAL NON-CURRENT LIABILITIES		18,718	22,499	18,718	22,499
TOTAL LIABILITIES		1,846,377	1,716,732	1,846,377	1,716,732
NET ASSETS		5,833,658	5,405,626	5,156,689	4,728,657
EQUITY					
Capital profits reserve	8	676,969	676,969	-	-
General reserve	8	380,000	380,000	380,000	380,000
Retained surplus		4,776,689	4,348,657	4,776,689	4,348,657
TOTAL EQUITY		5,833,658	5,405,626	5,156,689	4,728,657

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
31 DECEMBER 2014**

	Note	Retained surplus	Capital profits reserve	General reserve	Total
		$	$	$	$
Economic Entity					
Balance at 31 December 2013		4,348,657	676,969	380,000	5,405,626
Surplus/(Deficit) attributable to members of the parent entity		428,032	-	-	428,032
Other Comprehensive income		-	-	-	-
Balance at 31 December 2014		4,776,689	676,969	380,000	5,833,658
Parent Entity					
Balance at 31 December 2013		4,348,657	-	380,000	4,728,657
Surplus/(Deficit) attributable to members of the parent entity		428,032	-	-	428,032
Other Comprehensive income		-	-	-	-
Balance at 31 December 2014		4,776,689	-	380,000	5,156,689

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED
31 DECEMBER 2014

	Note	Economic Entity		Parent Entity	
		2014	2013	2014	2013
		$	$	$	$
CASH FLOWS FROM					
OPERATING ACTIVITIES					
Receipts from customers		3,051,030	3,660,975	3,051,030	3,660,975
Payments to suppliers and employees		(2,904,795)	(3,326,903)	(2,904,795)	(3,326,903)
Payments to AHA National		(57,993)	(57,402)	(57,993)	(57,402)
Payments to AHA (NSW)		-	(8,282)	-	(8,282)
Interest received		186,957	185,452	186,957	185,452
Net cash provided by (used in) operating activities	9A	275,199	453,840	275,199	453,840
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	-	-	-
Purchase of property, plant and equipment		(9,049)	(12,978)	(9,049)	(12,978)
Net cash provided by (used in) investing activities		(9,049)	(12,978)	(9,049)	(12,978)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase (decrease) in cash held		266,150	440,862	266,150	440,862
Cash at beginning of financial year		5,270,036	4,829,174	5,270,026	4,829,164
Cash at end of financial year	9A	5,536,186	5,270,036	5,536,176	5,270,026

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the requirements of the Fair Work *(Registered Organisations) Act 2009*. For the purpose of preparing the general purpose statements, the association is a not-for-profit entity.

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

The financial statements cover 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 statement are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and in accordance with historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing in prices on the results or the financial position. The financial statements are presented in Australian dollars.

Accounting Policies

a. **Principles of Consolidation**

A controlled entity is any entity that the AHASA has the power to govern 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 in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

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. **Taxation**

Australian Hotels Association (South Australian Branch) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

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 reporting 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**

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes and estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

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 at each reporting date 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.

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

Depreciation

Depreciable property, plant and equipment assets, including building improvements are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing value method of depreciation except for freehold land which is depreciated using the straight line method. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the useful lives. Depreciation rates are as follows:

Class of Fixed Asset	Depreciation Rate
Buildings	1%
Plant and equipment	7–40%
Motor vehicles – owned and leased	22.50%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

e. **Intangibles**

Intangible assets consist of formation expenses and are deemed to have an indefinate useful life. Impairment testing is performed annually.

e. **Impairment of Non-Financial 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 intangible assets with indefinate 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.

f. **Investments in Associates**

An associate is an entity over which Australian Hotel Association (South Australia Branch) has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

g. **Employee & Officials Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and athey are capbale of being measured reliably.

Employee benefits that are expected to be settled, within twelve months of the end of reporting period, 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 up to reporting date.

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.

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

h. 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.

i. Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

j. Financial instruments

Financial assets and financial liabilities are recognised when a the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at cost.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis.

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

Impairment of financial assets

Financial assets, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

k. Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as ot the existence of a liability or asset or represent an exisitng liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

k. Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction cots incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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

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

l. Comparative Figures

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

m. Critical Accounting Estimates and Judgements

The Executive Council evaluates continually evaluated judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the entity. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. The following are the most significant accounting assumptions or estimates that have been identified.

Recoverable amount of classes of property, plant and equipment

Impairment of non-financial assets

Employee benefits payable later than one year

n. Debtors and Fees Recognition

Only the paid FIA-Membership fees for 2014 have been included in the accounts as cash and unearned revenue. However, dunring the period ended 31 December 2012 all FIA-Memberships whether paid or unpaid were recognised in the 2012 financial statements as either cash or debtor and unearned revenue. This has no impact on surplus/(deficit) for the year for the entity.

o. 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.

The accounting policies adopdet are consistent with those of the previous financial year.

p. Events after the reporting period

Hospitality Group Training Incorporated was placed under voluntary administration on 24 February 2015. At this stage recovery of loan funds advanced of $300,000 and interest on the loan, for the period ended 31 December 2014, of $15,189 is uncertain.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

	Note	Economic Entity		Parent Entity	
NOTE 2: INCOME		2014	2013	2014	2013
		$	$	$	$
Operating activities:					
- members' subscriptions		1,810,239	1,775,469	1,810,239	1,775,469
- associate members' subscriptions		5,620	6,000	5,620	6,000
- advocacy services income		157,827	131,576	157,827	131,576
- capitation fees		-	-	-	-
- levies		-	-	-	-
- grants or donations		-	-	-	-
- sponsorships		570,894	599,350	570,894	599,350
- commissions received		112,804	108,401	112,804	108,401
- conferences, seminars and events		221,212	288,190	221,212	288,190
- rent received		70,920	68,880	70,920	68,880
- sale of goods		30,189	21,622	30,189	21,622
- other		106,964	97,884	106,964	97,884
		3,086,668	3,097,372	3,086,668	3,097,372
Non-operating activities:					
- bank interest		186,957	185,452	186,957	185,452
- gain on disposal of plant and equipment		-	-	-	-
		186,957	185,452	186,957	185,452
Total revenue		3,273,625	3,282,825	3,273,625	3,282,825

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

	Note	Economic Entity		Parent Entity	
NOTE 3: EXPENSES		2014	2013	2014	2013
NOTE 3A: Employee Expenses					
Holders of office:					
Wages and salaries		18,480	18,375	18,480	18,375
Superannuation		1,755	1,700	1,755	1,700
Leave and other entitlements		-	-	-	-
Separation and redundancies		-	-	-	-
Other employee expenses		-	-	-	-
Subtotal employee expenses holders of office		20,235	20,075	20,235	20,075
Employees other than holders of office:					
Wages and salaries		999,422	1,020,364	999,422	1,020,364
Superannuation		209,138	165,034	209,138	165,034
Leave and other entitlements		55,893	59,270	55,893	59,270
Separation and redundancies		-	-	-	-
Other employee expenses		85,922	86,906	85,922	86,906
Subtotal employee expenses employees other than holders of office		1,350,375	1,331,574	1,350,375	1,331,574
Total employee expenses		1,370,610	1,351,649	1,370,610	1,351,649

NOTE 3B: Other expenses from ordinary activities:				
Affiliation fees	300	300	300	300
Capitation fees	57,993	56,739	57,993	56,739
Conference and meeting expenses	262,721	302,329	262,721	302,329
Consideration to employers for payroll deductions	-	-	-	-
Compulsory levies	-	-	-	-
Fees/allowances meetings & conferences	3,863	4,932	3,863	4,932
Grants	-	-	-	-
Donations	63,151	42,792	63,151	42,792
Legal costs	6,534	11,780	6,534	11,780
Penalties - via RO Act or Regulations	-	-	-	-
Other expenses	1,005,435	1,144,534	1,025,435	1,164,534
Total other expenses from ordinary activities:	1,399,997	1,563,406	1,419,997	1,583,406

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

	Note	Economic Entity		Parent Entity	
NOTE 4A: CASH AND CASH EQUIVALENTS					
Cash at bank and on hand		925,483	822,896	925,473	822,886
Short-term bank deposits		4,610,703	4,447,140	4,610,703	4,447,140
		5,536,186	5,270,036	5,536,176	5,270,026

The effective interest rates on short-term bank deposits were (2014: 2.90%; 3.65%; 3.20%; 2.90%; 3.64%); these deposits mature on; 12 January 2015; 14 January 2015; 15 January 2015; 22 January 2015; 13 February 2015.

	Economic Entity		Parent Entity	
NOTE 4B: TRADE AND OTHER RECEIVABLES	2014	2013	2014	2013
	$	$	$	$
Trade receivables	111,898	128,049	111,898	128,049
Amount receivable from wholly-owned subsidiary	-	-	638,158	658,158
Receivables from other related parties	300,000	-	300,000	-
	411,898	128,049	1,050,056	786,207

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

NOTE 4C: OTHER CURRENT ASSETS				
Inventories	34,413	4,796	34,413	4,796
Work in progress	1,725	3,015	1,725	3,015
Prepayments	62,375	51,267	62,375	51,267
Undeposited funds	8,394	10,495	8,394	10,495
Accrued income from other sources	71,440	35,161	71,440	35,161
Total other current assets excl inventories	143,935	99,938	143,935	99,938
Total other current assets incl inventories	178,348	104,734	178,348	104,734

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**

NOTE 5: NON-CURRENT ASSETS	Note	Economic Entity 2014 $	Economic Entity 2013 $	Parent Entity 2014 $	Parent Entity 2013 $
Freehold land and buildings at cost		1,774,777	1,774,777	-	-
Less accumulated depreciation		460,000	440,000	-	-
		1,314,777	1,334,777	-	-
Plant and equipment at cost		487,828	478,778	487,828	478,778
Less accumulated depreciation		314,870	278,906	314,870	278,906
		172,957	199,872	172,957	199,872
Motor vehicles at cost		149,329	149,329	149,329	149,329
Less accumulated depreciation		83,810	64,789	83,810	64,788
		65,519	84,540	65,519	84,540
Total property, plant and equipment		1,553,253	1,619,189	238,476	284,412

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	1,334,777	199,872	84,540	-	1,619,189
Additions	-	9,049	-	-	9,049
Disposals	-	-	-	-	0
Depreciation expense	(20,000)	(35,964)	(19,021)	-	(74,985)
Reclassification	-	-	-	-	0
Carrying amount at the end of the year	1,314,777	172,957	65,519	-	1,553,253
Parent Entity					
Balance at the beginning of the year	-	199,872	84,540	-	284,412
Additions	-	9,049	-	-	9,049
Disposals	-	-	-	-	0
Depreciation expense	-	(35,964)	(19,021)	-	(54,985)
Reclassification	-	-	-	-	0
Carrying amount at the end of the year	-	172,957	65,519	-	238,476

NOTE 5B: INTANGIBLE ASSETS	Economic Entity 2014 $	Economic Entity 2013 $	Parent Entity 2014 $	Parent Entity 2013 $
Preliminary expenses at cost	350	350	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

	Note	Economic Entity		Parent Entity	
NOTE 6: CURRENT LIABILITIES		2014	2013	2014	2013
		$	$	$	$
NOTE 6A: TRADE PAYABLES					
Trade creditors and accruals		13,073	38,575	13,073	38,575
Payables to other reporting units		-	-	-	-
Total trade payables		13,073	38,575	13,073	38,575
NOTE 6B: OTHER PAYABLES					
Salaries and allowances – officials		18,480	18,375	18,480	18,375
Superannuation – officials		1,755	1,700	1,755	1,700
Superannuation – other		7,501	5,154	7,501	5,154
Consideration to employers for payroll deductions		-	-	-	-
Legal expenses		-	-	-	-
Prepayments received/unearned revenue		1,129,008	1,104,549	1,129,008	1,104,549
GST Payable		123,235	115,187	123,235	115,187
Other payables and accrued expenses		71,294	31,751	71,294	31,751
Total other payables		1,351,272	1,276,715	1,351,272	1,276,715
Total trade and other payables		1,364,345	1,315,290	1,364,345	1,315,290
NOTE 7: PROVISIONS					
NOTE 7A: EMPLOYEE PROVISIONS					
Office Holders:					
Annual leave – officials		-	-	-	-
Long service leave – officials		-	-	-	-
Separations and redundancies		-	-	-	-
Other		-	-	-	-
Subtotal employee provisions - office holders		-	-	-	-
Employees other than office holders:					
Annual leave – employees		192,098	165,151	192,098	165,151
Long service leave - employees		164,276	135,330	164,276	135,330
Separations and redundancies		-	-	-	-
Other		-	-	-	-
Subtotal employee provisions - other than office holders		356,374	300,481	356,374	300,481
Total employee provisions office and other than office holders		356,374	300,481	356,374	300,481

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

	Note	Economic Entity		Parent Entity	
		2014	2013	2014	2013
NOTE 7B:OTHER PROVISIONS					
Maintenance provision		125,658	100,961	125,658	100,961
Total other provisions		125,658	100,961	125,658	100,961
Total employee and other provisions		482,032	401,442	482,032	401,442
Current provisions		463,314	378,942	463,314	378,942
Non current provisions		18,718	22,499	18,718	22,499
Total provisions		482,032	401,442	482,032	401,442
Number of employees at year end		12.6	13.6	12.6	13.6

NOTE 8: EQUITY

Capital Profits Reserve				
The capital profits reserve records profits on disposal of non-current assets.	676,969	676,969	-	-
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 2014

	Note	Economic Entity		Parent Entity	
NOTE 9: CASH FLOW		2014	2013	2014	2013
		$	$	$	$
NOTE 9A: CASH FLOW RECONCILIATION					
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement					
Cash Flow Statement		5,536,186	5,270,036	5,536,176	5,270,026
Statement of Financial Position		5,536,186	5,270,036	5,536,176	5,270,026
Difference		-	-	-	-
Reconciliation of Cash Flows from Operating Activities with Surplus/(Deficit) from Ordinary Activities					
Surplus/(Deficit) from ordinary activities		428,032	278,590	428,032	278,590
Adjustments for non-cash flows in deficit from ordinary activities:					
Depreciation/amortisation		74,985	89,180	54,985	69,180
Net write-down of non-financial assets		-	-	-	-
(Gain) on disposal of plant and equipment		-	186	-	186
Changes in assets and liabilities:					
Decrease (increase) in net receivables		(259,390)	164,184	(239,390)	184,184
Decrease (increase) in prepayments		-	-	-	-
Decrease (increase) in other assets		(43,997)	39,340	(43,997)	39,340
Decrease (increase) in inventories		(29,617)	7,262	(29,617)	7,262
Increase (decrease) in supplier payables		-	-	-	-
Increase (decrease) in payables		24,595	(184,438)	24,595	(184,438)
Increase (decrease) in employee provisions		-	-	-	-
Increase (decrease) in provisions		80,590	59,536	80,590	59,536
Cash flows from operating activities		275,199	453,840	275,199	453,840

NOTE 9B: CASH FLOW INFORMATION

	Economic Entity 2014	Economic Entity 2013	Parent Entity 2014	Parent Entity 2013
Cash inflows	3,237,987	3,846,427	3,237,987	3,846,427
Cash outflows	(2,971,837)	(3,405,565)	(2,971,837)	(3,405,565)
Net inflows/(outflows)	266,150	440,862	266,150	440,862

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

	Note	Economic Entity		Parent Entity	
		2014	2013	2014	2013
		$	$	$	$

NOTE 10: CONTINGENT LIABILITIES

The economic entity had no contingent liabilities as at 31 December 2014 or for the forthcoming year.

NOTE 11: 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.

NOTE 11A: RELATED PARTY TRANSACTIONS FOR THE PERIOD

	Note	Economic Entity 2014 $	Economic Entity 2013 $	Parent Entity 2014 $	Parent Entity 2013 $
AHA Properties Pty Ltd:					
— rent paid		-	-	20,000	20,000
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		70,920	68,880	70,920	68,880
— electricity contribution received		5,400	4,440	5,400	4,440
— cleaning contribution received		5,520	5,520	5,520	5,520
— administration fees received		58,080	56,400	58,080	56,400
— expenses reimbursed		149,462	156,595	149,462	156,595
Hospitality Group Training Inc					
— corporate sponsorship received		3,750	7,250	3,750	7,250
— insurance reimbursement received		7,001	8,594	7,001	8,594
— advocacy services		-	-	-	-
— events attended		-	-	-	-
— loan receivable		300,000	-	300,000	-
— interest accrual on loan		15,189	-	15,189	-

AHASA advanced the loan of $300,000 to HGT on 26/02/2014. Interest at 6% per annum and principal are not payable during the first calendar year of the term. Refer to Note 1 p for details regarding recoverability of the loan.

	Note	Economic Entity		Parent Entity	
		2014	2013	2014	2013
		$	$	$	$
NOTE 11B: KEY MANAGEMENT REMUNERATION FOR THE PERIOD					
Short-term employee benefits		342,010	342,579	342,010	342,579
Post-employment benefits		-	-	-	-
Other long-term benefits		6,554	10,315	6,554	10,315
Termination benefits		-	-	-	-
Share-based payments		-	-	-	-
Total		348,564	352,894	348,564	352,894

NOTE 11: 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 12: AUDITORS' REMUNERATION	2014	2013	2014	2013
	$	$	$	$
Remuneration of the auditor of the parent entity for:				
Auditing or reviewing the financial report	24,150	22,535	24,150	22,535

NOTE 13: FINANCIAL INSTRUMENTS

In common with all other businesses, the association is exposed to risks that arise from its use of financial instruments. This note describes the association's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the association's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

It is the association's policy to monitor interest rate risks through the Treasurer. The association has fixed and floating interest deposits with a number of financial institutions and for varying terms to obtain the best available interest rate at the time of investment. Risk management policies for the above mentioned financial instruments as well as all other financial instruments are detailed further below.

	2014	2013	2014	2013
Financial Assets	$	$	$ $	$
Held to maturity investments				
Cash at bank	924,473	821,886	924,473	821,886
Cash on Hand	1,000	1,000	1,000	1,000
Short-term bank deposits	4,610,703	4,447,140	4,610,703	4,447,140
Total held to maturity investments	5,536,176	5,270,026	5,536,176	5,270,026
Available-for-sale assets				
Shares in non-listed controlled entity at cost	-	-	10	10
Total available-for-sale assets	-	-	10	10
Loans and receivables				
Trade receivables	111,898	128,049	111,898	128,049
Amount receivable from wholly-owned subsidiary	-	-	638,158	658,158
Amount receivable from other related parties	300,000	-	300,000	-
Total loans and receivables	411,898	128,049	750,056	786,207
Carrying amount of financial assets	5,948,074	5,398,075	6,286,242	6,056,243
Financial Liabilities				
Other financial liabilities				
Trade creditors and accruals	13,073	38,575	13,073	38,575
Other payables	1,351,272	1,276,715	1,351,272	1,276,715
Carrying amount of financial liabilities	1,364,345	1,315,290	1,364,345	1,315,290

Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the association incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the association.

There is no concentration of credit risk with respect to current receivables as the association has a large number of customers. The association's policy is that sales are only made to customers that are credit worthy.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2014	2013	2014	2013
	$	$	$	$
Cash and cash equivalents	5,536,186	5,270,036	5,536,176	5,270,026
Loans and receivables	411,898	128,049	1,050,056	786,207

NOTE 13: FINANCIAL INSTRUMENTS (CONT'D)

Liquidity Risk

Liquidity risk is the risk that the association may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. It is the policy of the association that forecast cash flows by monitored to ensure that the association's operations are adequate to meet liabilities due. The association does not currently have any financial instruments such as borrowings or other long term financial instruments.

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 Statement of Financial Position and in the notes to the financial statements.

Market Risk

Market risk arises from the use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(i) Interest rate risk

The economic entity's exposure to interest rate risk, 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. It is the association's policy to monitor interest rate risks through regular board meetings where monthly management accounts are presented and analysed. The association's financial instruments consist of fixed and floating interest deposits.

Sensitivity Analysis

The sensitivity analysis has assumed that the issuers credit risk rating remains unchanged.

At 31 December 2014 investment in Cash, Fixed Interest and Floating Interest rate deposits, less bank loans amounted to $5,536,176. A +/-1% change in interest rates during the year ended 31 December 2014 would have resulted in a +/- change in net interest income of $1,870.

At 31 December 2013 investment in Cash, Fixed Interest and Floating Interest rate deposits, less bank loans amounted to $5,270,026. A +/-1% change in interest rates during the year ended 31 December 2013 would have resulted in a +/- change in net interest income of $1,855.

(ii) Currency Risk

The association has no exposure to foreign currency risk. All transactions are made with local currency.

NOTE 14: 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 activities of the company during the year were to provide venue-based assistance to licensees, managers, gaming managers and staff in the early identification of and support for problem gamblers and regulatory compliance requirements including the Responsible Gambling and Advertising Codes of practice. 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.

Hospitality Group Training Inc
The principal activity of Hospitality Group Training is to deliver nationally recognised training in all facets of hospitality through short courses, Certificate and Diploma qualifications. Hospitality Group training commenced registration as an association on 30 November 1992 and was formed by the amalgamation of The Australian Hotels Association Group Apprentice Scheme Incoroporated and Hospitality Traineeship Group Training Scheme Incorporated.

The interest is held as follows:

	Ownership interest		Voting power		Carrying amount of investment	
	2014	2013	2014	2013	2014	2013
	%	%	%	%	$	$
Gaming Care	100	100	40	40	-	-
Hospitality Group Training	50	50	50	50	-	-

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.

The AHASA and United Voice together jointly control Hospitality Group Training inc. The AHSA is therefore required to recognise its interest in Hospitality Group Training.

The cost of the AHASA's investment in Hospitality Group training is nil because Hospitality Group Training was incoroporated as an association and does not have any share capital. The AHASA's share of the post-acquisition suprlus or deficit of Hospitality Group Training is also nil due to a clause in the constitution of HGT as detailed below.

In light of the above, the AHASA's investment in HGT, when equity accounted for, is nil.

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.

The constitution of HGT states that the income and property of the Association wheresoever derived shall be applied solely towards the promotion of the objects of the Association and no portion thereof shall be paid or transferred directly/indirectly by way of profit to the Members or relatives of Members of the Association. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

NOTE 14: ASSOCIATED COMPANY (CONT'D)

	Gaming Care	
	2014	2013
Summarised Financial Information of Associated Company	$	$
Total assets	488,564	385,761
Total liabilites	488,564	385,761
Net assets	-	-
Revenues	1,237,712	1,245,064
Surplus	-	-

	Hospitality Group Training Inc.	
	2014	2013
	$	$
Total assets	3,010,845	1,565,737
Total liabilites	2,799,048	822,139
Net assets	211,797	743,598
Revenues	5,754,866	5,862,530
Surplus	(531,801)	(589,688)

HGT reports for the period ended 30 June of every year. The above figures are audited figures for the period ended 30 June 2014 and 30 June 2013.

	2014	2013
Total assets	2,446,689	2,169,423
Total liabilites	2,357,391	1,875,420
Net assets	89,297	294,003
Revenues	2,987,526	5,804,360
Surplus	(122,498)	(683,438)

The above figures are unaudited figures for HGT for the period ended 31 Dec 2014 and 31 Dec 2013.

NOTE 15: CONTROLLED ENTITY

	Country of incorporation	Percentage owned (%) *	
Controlled Entity Consolidated			
Parent Entity:		2014	2013
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.

NOTE 16: 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 17: 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

NOTE 18: 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).

NOTE 19: DETAILED INCOME STATEMENT

	Economic Entity		Parent Entity	
	2014	2013	2014	2013
	$	$	$	$
INCOME				
Members' subscriptions	1,810,239	1,775,469	1,810,239	1,775,469
Associate members' subscriptions	5,620	6,000	5,620	6,000
Advocacy services income	157,827	131,576	157,827	131,576
Sponsorships	570,894	599,350	570,894	599,350
Commissions received	112,804	108,401	112,804	108,401
Conferences, seminars and events	221,212	288,190	221,212	288,190
Rent received	70,920	68,880	70,920	68,880
Sale of goods	30,189	21,622	30,189	21,622
Other income	106,964	97,884	106,964	97,884
Bank interest	186,957	185,452	186,957	185,452
Gain on disposal of plant and equipment	0	0	0	0
Total income from ordinary activities	3,273,625	3,282,825	3,273,625	3,282,825
EXPENDITURE				
Advocacy expenses	1,021	308	1,021	308
Annual leave provision	26,947	23,658	26,947	23,658
Bad Debts	857	-	857	-
Conferences, seminars and events	211,510	249,474	211,510	249,474
Delegates fees and expenses	6,734	9,676	6,734	9,676
Depreciation	74,985	89,180	54,985	69,180
Donations and grants	5,042	1,792	5,042	1,792
Entertainment	53,620	59,886	53,620	59,886
National AHA Capitation Fees	57,993	56,739	57,993	56,739
Gaming expenses	-	364	-	364
General expenses	18,460	18,065	18,460	18,065
Insurance	18,845	20,033	18,845	20,033
Legal expenses	6,534	11,780	6,534	11,780
Long service leave provision	28,946	35,611	28,946	35,611
Loss on disposal of plant and equipment	-	186	-	186
Media advertising expenses	174,895	300,798	174,895	300,798
Media coverage expenses	53,553	50,178	53,553	50,178
Meeting expenses	48,339	48,111	48,339	48,111

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

NOTE 19: DETAILED INCOME STATEMENT (CONT'D)	Economic Entity		Parent Entity	
	2014	2013	2014	2013
	$	$	$	$
EXPENDITURE (CONT'D)				
Motor vehicle expenses	44,396	46,904	44,396	46,904
Other administration expenses	117,719	104,889	117,719	104,889
Payroll tax	42,096	42,034	42,096	42,034
Political donations	58,109	41,000	58,109	41,000
Printing, postage and stationery	100,729	121,284	100,729	121,284
Professional, consultancy and audit expenses	101,972	99,946	101,972	99,946
Rates and taxes	21,775	21,668	21,775	21,668
Rent paid	-	-	20,000	20,000
Repairs, cleaning, light and power	121,826	116,715	121,826	116,715
Salaries and allowances – officials	18,480	18,375	18,480	18,375
Salaries and allowances – other	999,422	1,020,364	999,422	1,020,364
Sponsorship expense	110,586	122,226	110,586	122,226
Subscriptions	7,111	5,234	7,111	5,234
Superannuation – officials	1,755	1,700	1,755	1,700
Superannuation – other	209,138	165,034	209,138	165,034
Telephone	34,942	38,344	34,942	38,344
Travelling expenses	56,430	51,707	56,430	51,707
Workcover	10,826	10,971	10,826	10,971
Total expenditure on ordinary activities	2,845,593	3,004,235	2,845,593	3,004,235
Surplus/(Deficit) attributable to members of the parent entity	428,032	278,590	428,032	278,590

COMMITTEE OF MANAGEMENT'S STATEMENT

On 1st April 2015, 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 2014.

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, 2015

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)

We have audited the accompanying financial report of Australian Hotels Association (South Australian Branch), which comprises the statements of financial position as at 31 December 2014, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee of management's assertion 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.

Management's Responsibility for the Financial Report

Management is 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 management determines is necessary to enable the preparation and fair presentation 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 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.

Opinion

In our opinion:

(a) the financial report gives a true and fair view of the financial position of Australian Hotels Association (South Australian Branch) and its subsidiaries, as at 31 December 2014, and of 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 consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Clarke & Brownrigg

CLARKE & BROWNRIGG

Chartered Accountants

Clarke.

CHRISTOPHER R CLARKE

Partner

Dated 10th April 2015, Kent Town