FAIR WORK COMMISSION

19 May 2016

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

Sent via email: AXenides@ahasa.asn.au

Dear Mr Lovell

Re: Lodgement of Financial Statements and Accounts – Australian Hotels Association, South Australian Branch - for year ended 31 December 2015 (FR2015/428)

I refer to the financial report for the South Australian Branch of the Australian Hotels Association. The report was lodged with the Fair Work Commission on 4 May 2015.

The financial report has been filed based on a primary review. This involved confirming whether 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.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next financial report. Please note that the financial report for the year ending 31 December 2016 may be subject to an advanced compliance review.

<u>Disclosure of grants or donations</u>

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

(i) grants that were $1,000 or less;
(ii) grants that exceeded $1,000;
(iii) donations that were less than $1,000; and
(iv) donations that exceeded $1,000

Note 19 discloses two balances for donations, but does not distinguish the total amounts paid as described in (iii) and (iv) above.

<u>Reporting Requirements</u>

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

If you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

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3 May, 2016

Fair Work Commission
11 Exhibition Street
MELBOURNE VIC 3000

Please find attached:

- **Certificate of Secretary/Treasurer**
- **AHA|SA Financial Report for the year ended 31 December 2015**
- **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 8 April 2016; and
- that the full report was presented to a general meeting of members of the reporting unit on 2 May 2016 in accordance with section 266 of the Fairwork (Registered Organisations) Act 2009.

R.S.J. LOVELL

Dated: 3 May 2016

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 2015.

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 2015 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 518 members in 2015.

Number of Employees

As at 31 December 2015 staffing levels were AHA|SA 13.4 and Gaming Care 8.6.

AHA|SA Committee of Management
1 January – 31 December 2015

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

Chris Branson (*resigned in February 2015*)
Matthew Brien
Andrew Bullock (*appointed in March 2015*)
Mark Davies
Jeff Ellis
Trevor Evans (*appointed in May 2015)*
Jason Fahey
Trent Fahey
Tony Franzon
Tim Gregg
Andrew Gunn
Tom Hannah
Alison James
Jason Kelly (*appointed in May 2015)*
Karen Kilsby *(appointed in April 2015)*
Michael Lunniss
Guy Matthews
Scott Matthews
Melinda McCauley
David Papps (*resigned in May 2015*)
Andrew Plush
Shane Roberts (*resigned in April 2015*)
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

<u>Board Member</u>
Peter Hurley
David Basheer

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

<u>Board Member</u>
Matthew Binns
Ian Horne

<u>**PETER HURLEY**</u>
President
3/05/2016

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

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Economic Entity		Parent Entity	
		2015	2014	2015	2014
		$	$	$	$
Revenue					
Membership subscriptions	2	1,816,864	1,815,859	1,816,864	1,815,859
Other revenue	2	1,544,005	1,457,766	1,544,005	1,457,766
Total revenue		3,360,869	3,273,625	3,360,869	3,273,625
Employee expenses	3A	(1,436,000)	(1,370,610)	(1,436,000)	(1,370,610)
Depreciation expense	5A	(65,288)	(74,985)	(45,288)	(54,985)
Other expenses from ordinary activities	3B	(1,567,866)	(1,399,997)	(1,587,866)	(1,419,997)
Surplus/(Deficit) attributable to members of the parent entity		291,715	428,032	291,715	428,032
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 19.

STATEMENT OF FINANCIAL POSITION
AS AT
31 DECEMBER 2015

	Note	Economic Entity		Parent Entity	
		2015	2014	2015	2014
		$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4A	5,780,619	5,536,186	5,780,609	5,536,176
Trade and other receivables	4B	369,524	411,898	987,682	1,050,056
Inventories	4C	27,672	34,413	27,672	34,413
Other current assets	4C	157,948	143,935	157,948	143,935
TOTAL CURRENT ASSETS		6,335,763	6,126,432	6,953,911	6,764,580
NON-CURRENT ASSETS					
Shares in non-listed entity	13	-	-	10	10
Property, plant and equipment	5A	1,521,285	1,553,253	226,508	238,476
Intangible assets	5B	350	350	-	-
TOTAL NON-CURRENT ASSETS		1,521,635	1,553,603	226,518	238,486
TOTAL ASSETS		7,857,398	7,680,035	7,180,429	7,003,066
CURRENT LIABILITIES					
Trade and other payables	6B	1,215,808	1,364,345	1,215,808	1,364,345
Short-term provisions	7	472,935	463,314	472,935	463,314
TOTAL CURRENT LIABILITIES		1,688,743	1,827,659	1,688,743	1,827,659
NON-CURRENT LIABILITIES					
Employee provisions	7	43,282	18,718	43,282	18,718
TOTAL NON-CURRENT LIABILITIES		43,282	18,718	43,282	18,718
TOTAL LIABILITIES		1,732,025	1,846,377	1,732,025	1,846,377
NET ASSETS		6,125,373	5,833,658	5,448,404	5,156,689
EQUITY					
Capital profits reserve	8	676,969	676,969	-	-
General reserve	8	380,000	380,000	380,000	380,000
Retained surplus		5,068,404	4,776,689	5,068,404	4,776,689
TOTAL EQUITY		6,125,373	5,833,658	5,448,404	5,156,689

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
31 DECEMBER 2015

	Note	Retained surplus	Capital profits reserve	General reserve	Total
		$	$	$	$
Economic Entity					
Balance at 31 December 2014		4,776,689	676,969	380,000	5,833,658
Surplus/(Deficit) attributable to members of the parent entity		291,715	-	-	291,715
Other Comprehensive income		-	-	-	-
Balance at 31 December 2015		5,068,404	676,969	380,000	6,125,373
Parent Entity					
Balance at 31 December 2014		4,776,689	-	380,000	5,156,689
Surplus/(Deficit) attributable to members of the parent entity		291,715	-	-	291,715
Other Comprehensive income		-	-	-	-
Balance at 31 December 2015		5,068,404	-	380,000	5,448,404

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED
31 DECEMBER 2015

	Note	Economic Entity		Parent Entity	
		2015	2014	2015	2014
		$	$	$	$
CASH FLOWS FROM					
OPERATING ACTIVITIES					
Receipts from customers		3,473,820	3,051,030	3,473,820	3,051,030
Payments to suppliers and employees		(3,274,708)	(2,904,795)	(3,274,708)	(2,904,795)
Payments to AHA National		(63,948)	(57,993)	(63,948)	(57,993)
Payments to AHA (NSW)		-	-	-	-
Interest received		149,373	186,957	149,373	186,957
Net cash provided by (used in) operating activities	9A	284,537	275,199	284,537	275,199
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	-	-	-
Purchase of property, plant and equipment		(40,104)	(9,049)	(40,104)	(9,049)
Net cash provided by (used in) investing activities		(40,104)	(9,049)	(40,104)	(9,049)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase (decrease) in cash held		244,433	266,150	244,433	266,150
Cash at beginning of financial year		5,536,186	5,270,036	5,536,176	5,270,026
Cash at end of financial year	9A	5,780,619	5,536,186	5,780,609	5,536,176

The accompanying notes form part of these financial statements.

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.

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.

Comparative Amounts

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

Significant Accounting Judgements and Estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Recoverable amount of classes of property, plant and equipment

Impairment of non-financial assets

Employee benefits payable later than one year

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No acounting standards has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of theprevious financial year.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a material impact on the Association's financial statements .

Accounting Policies

a. Basis of Consolidation

The consolidated fnancial statements comprise the financial statements of AHASA and entities controlled by AHASA (its subsidiaries). Control is achieved where AHASA is exposed, or has rights, to variable returns form its involvement with the investee and has the ability to affect those returns through its power over its subsidiary.

Specifically, AHASA controls an investee if and only if the AHASA has:

. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

. Exposure, or rights, to variable returns from its involvement with the investee

. The ability to use its power over the investee to affect its returns

When AHASA has less than a majority of the voting or similar rights of an investee, AHASA considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

. Relevant activities of the investee and who has control over them

. Existing or future administrative or statutory arrangements that may give rise to rights/control; (or change the previous control assessment)

. Whether rights are substantive or protective in nature and whether rights presently exercisable or will be exercisable when decisions about relevant activities are being made

. Exposure or rights to financial and non-financial returns (direct or indirect) and the ability to influence those returns.

. Whether the investor is exercising its decision-making abilities as a principal or agent

. Rights arising from other contractual arrangements

AHASA re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when AHASA obtains control over the subsidiary and ceases when AHASA loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date AHASA gains control until AHASA ceases to control the subsidiary.

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. 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.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

c. Taxation

The Association 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.

d. Inventories

Inventories are measured at the lower of cost and replacement cost. Costs are assigned on a specific identification basis.

e. Property, Plant and Equipment

Asset Recognition Threshold

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	
	2015	2014
Buildings	**1%**	1%
Plant and equipment	**7–40%**	7–40%
Motor vehicles – owned and leased	**22.50%**	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.

f. Intangibles

Intangible assets consist of formation expenses and are deemed to have an indefinite useful life. They are carried at cost less accumulated impairment losses. Impairment testing is performed annually.

Derecognition

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income.

g. 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. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for 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.

h. 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.

Liabilities for short term employee benefits (as defined in AASB 119 *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. Other long term employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees 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)

i. **Leases**

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased asset.

j. **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.

k. **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.

l. **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.

m. 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.

n. Revenue

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

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

Sponsorship revenue 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)

o. Gains

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

p. Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as expense in the year to which it relates.

q. Debtors and Fees Recognition

The Membership fees received in advance for services provided during the next reporting period have been included in the financial statements for the current reporting period as cash and unearned revenue.

r. Events after the reporting period

There were no events that occurred after 30 June 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of AHASA.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 DECEMBER 2015

	Note	Economic Entity		Parent Entity	
NOTE 2: INCOME		2015	2014	2015	2014
		$	$	$	$
Operating activities:					
- members' subscriptions		1,812,119	1,810,239	1,812,119	1,810,239
- associate members' subscriptions		4,745	5,620	4,745	5,620
- advocacy services income		160,162	157,827	160,162	157,827
- capitation fees		-	-	-	-
- levies		-	-	-	-
- grants or donations		-	-	-	-
- sponsorships		579,253	570,894	579,253	570,894
- commissions received		107,459	112,804	107,459	112,804
- conferences, seminars and events		356,040	221,212	356,040	221,212
- rent received		73,200	70,920	73,200	70,920
- sale of goods		19,348	30,189	19,348	30,189
- other		99,170	106,964	99,170	106,964
		3,211,496	3,086,668	3,211,496	3,086,668
Non-operating activities:					
- bank interest		149,373	186,957	149,373	186,957
- gain on disposal of plant and equipment		-	-	-	-
		149,373	186,957	149,373	186,957
Total revenue		3,360,869	3,273,625	3,360,869	3,273,625

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 DECEMBER 2015

	Note	Economic Entity		Parent Entity	
NOTE 3: EXPENSES		2015	2014	2015	2014
NOTE 3A: Employee Expenses					
Holders of office:					
Wages and salaries		18,375	18,480	18,375	18,480
Superannuation		1,746	1,755	1,746	1,755
Leave and other entitlements		-	-	-	-
Separation and redundancies		-	-	-	-
Other employee expenses		-	-	-	-
Subtotal employee expenses holders of office		20,121	20,235	20,121	20,235
Employees other than holders of office:					
Wages and salaries		1,019,989	999,422	1,019,989	999,422
Superannuation		269,361	209,138	269,361	209,138
Leave and other entitlements		34,003	55,893	34,003	55,893
Separation and redundancies		-	-	-	-
Other employee expenses		92,526	85,922	92,526	85,922
Subtotal employee expenses employees other than holders of office		1,415,879	1,350,375	1,415,879	1,350,375
Total employee expenses		1,436,000	1,370,610	1,436,000	1,370,610

NOTE 3B: Other expenses from ordinary activities:

Affiliation fees	300	300	300	300
Capitation fees	63,948	57,993	63,948	57,993
Conference and meeting expenses	377,120	262,721	377,120	262,721
Consideration to employers for payroll deductions	-	-	-	-
Compulsory levies	-	-	-	-
Fees/allowances meetings & conferences	3,450	3,863	3,450	3,863
Grants	-	-	-	-
Donations	4,268	63,151	4,268	63,151
Legal costs	70,600	6,534	70,600	6,534
Penalties - via RO Act or Regulations	-	-	-	-
Other expenses	1,048,180	1,005,435	1,068,180	1,025,435
Total other expenses from ordinary activities:	1,567,866	1,399,997	1,587,866	1,419,997

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2015

	Note	Economic Entity		Parent Entity	
NOTE 4A: CASH AND CASH EQUIVALENTS					
Cash at bank and on hand		778,091	925,483	778,081	925,473
Short-term bank deposits		5,002,528	4,610,703	5,002,528	4,610,703
		5,780,619	5,536,186	5,780,609	5,536,176

The effective interest rates on short-term bank deposits were (2015: 2.70%; 2.30%; 2.65%; 2.65%); these deposits mature on 15 January 2016; 22 January 2016; 13 February 2016; 14 March 2016.

	Economic Entity		Parent Entity	
NOTE 4B: TRADE AND OTHER RECEIVABLES	2015	2014	2015	2014
	$	$	$	$
Trade receivables	69,524	111,898	69,524	111,898
Amount receivable from wholly-owned subsidiary	-	-	618,158	638,158
Receivables from other related parties	300,000	300,000	300,000	300,000
	369,524	411,898	987,682	1,050,056

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

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, of $17,901.37, for the period ended 31 December 2015, is uncertain.

NOTE 4C: OTHER CURRENT ASSETS				
Inventories	27,672	34,413	27,672	34,413
Work in progress	5,588	1,725	5,588	1,725
Prepayments	64,009	62,375	64,009	62,375
Undeposited funds	21,250	8,394	21,250	8,394
Accrued income from other sources	67,101	71,440	67,101	71,440
Total other current assets excl inventories	157,948	143,935	157,948	143,935
Total other current assets incl inventories	185,619	178,348	185,619	178,348

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

	Note	Economic Entity		Parent Entity	
NOTE 5: NON-CURRENT ASSETS		2015	2014	2015	2014
NOTE 5A: LAND & BUILDINGS AND PROPERTY PLANT & EQUIPMENT		$	$	$	$
Freehold land and buildings at cost		1,774,777	1,774,777	-	-
Less accumulated depreciation		480,000	460,000	-	-
		1,294,777	1,314,777	-	-
Plant and equipment at cost		497,388	487,828	497,388	487,828
Less accumulated depreciation		321,656	314,870	321,656	314,870
		175,732	172,957	175,732	172,957
Motor vehicles at cost		149,329	149,329	149,329	149,329
Less accumulated depreciation		98,552	83,810	98,552	83,810
		50,777	65,519	50,777	65,519
Total property, plant and equipment		1,521,285	1,553,253	226,508	238,476

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	1,314,777	172,957	65,519	-	1,553.253
Additions	-	40,104	-	-	40,104
Profit (Loss) on Disposals	-	(6,784)	-	-	(6,784)
Depreciation expense	(20,000)	(30,546)	(14,742)	-	(65,288)
Reclassification	-	-	-	-	0
Carrying amount at the end of the year	1,294,777	175,731	50,777	-	1,521,285
Parent Entity					
Balance at the beginning of the year	-	172,957	65,519	-	238,476
Additions	-	40,104	-	-	40,104
Profit (Loss) on Disposals	-	(6,784)	-	-	(6,784)
Depreciation expense	-	(30,546)	(14,742)	-	(45,288)
Reclassification	-	-	-	-	0
Carrying amount at the end of the year	-	175,731	50,777	-	226,508

	Economic Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
NOTE 5B: INTANGIBLE ASSETS				
Preliminary expenses at cost	350	350	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 DECEMBER 2015

	Note	Economic Entity		Parent Entity	
NOTE 6: CURRENT LIABILITIES		2015	2014	2015	2014
		$	$	$	$
NOTE 6A: TRADE PAYABLES					
Trade creditors and accruals		25,209	13,073	25,209	13,073
Payables to other reporting units		-	-	-	-
Total trade payables		25,209	13,073	25,209	13,073
NOTE 6B: OTHER PAYABLES					
Salaries and allowances – officials		18,375	18,480	18,375	18,480
Superannuation – officials		1,746	1,755	1,746	1,755
Superannuation – other		-	7,501	-	7,501
Consideration to employers for payroll deductions		-	-	-	-
Legal expenses		-	-	-	-
Prepayments received/unearned revenue		1,020,427	1,129,008	1,020,427	1,129,008
GST Payable		98,386	123,235	98,386	123,235
Other payables and accrued expenses		51,665	71,294	51,665	71,294
Total other payables		1,190,599	1,351,272	1,190,599	1,351,272
Total trade and other payables		1,215,808	1,364,345	1,215,808	1,364,345
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		207,070	192,098	207,070	192,098
Long service leave - employees		166,770	164,276	166,770	164,276
Separations and redundancies		-	-	-	-
Other		-	-	-	-
Subtotal employee provisions - other than office holders		373,840	356,374	373,840	356,374
Total employee provisions office and other than office holders		373,840	356,374	373,840	356,374

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

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	Note	Economic Entity		Parent Entity	
		2015	2014	2015	2014
NOTE 7B:OTHER PROVISIONS					
Maintenance provision		142,377	125,658	142,377	125,658
Total other provisions		142,377	125,658	142,377	125,658
Total employee and other provisions		516,217	482,032	516,217	482,032
Current provisions		472,935	463,314	472,935	463,314
Non current provisions		43,282	18,718	43,282	18,718
Total provisions		516,217	482,032	516,217	482,032
Number of employees at year end		13.4	12.6	13.4	12.6

NOTE 8: EQUITY

Capital Profits Reserve The capital profits reserve records profits on disposal of non-current	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 2015

	Note	Economic Entity		Parent Entity	
NOTE 9: CASH FLOW		2015	2014	2015	2014
		$	$	$	$
NOTE 9A: CASH FLOW RECONCILIATION					
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement					
Cash Flow Statement		5,780,619	5,536,186	5,780,609	5,536,176
Statement of Financial Position		5,780,619	5,536,186	5,780,609	5,536,176
Difference		-	-	-	-
Reconciliation of Cash Flows from Operating Activities with					
Surplus/(Deficit) from ordinary activities		291,715	428,032	291,715	428,032
Adjustments for non-cash flows in deficit from ordinary activities:					
Depreciation/amortisation		65,288	74,985	45,288	54,985
Net write-down of non-financial assets		-	-	-	-
(Gain) on disposal of plant and equipment		6,784.00	-	6,784.00	-
Changes in assets and liabilities:					
Decrease (increase) in net receivables		(66,206)	(259,390)	(46,206)	(239,390)
Decrease (increase) in prepayments		-	-	-	-
Decrease (increase) in other assets		(14,012)	(43,997)	(14,012)	(43,997)
Decrease (increase) in inventories		6,742	(29,617)	6,742	(29,617)
Increase (decrease) in supplier payables		-	-	-	-
Increase (decrease) in payables		(39,956)	24,595	(39,956)	24,595
Increase (decrease) in employee provisions		-	-	-	-
Increase (decrease) in provisions		34,182	80,590	34,182	80,590
Cash flows from operating activities		284,537	275,199	284,537	275,199
NOTE 9B: CASH FLOW INFORMATION					
Cash inflows		3,623,193	3,237,987	3,623,193	3,237,987
Cash outflows		(3,378,760)	(2,971,837)	(3,378,760)	(2,971,837)
Net inflows/(outflows)		244,433	266,150	244,433	266,150

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2015

	Note	Economic Entity		Parent Entity	
		2015	2014	2015	2014
		$	$	$	$

NOTE 10: CONTINGENT LIABILITIES

The economic entity had no contingent liabilities as at 31 December 2015 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

		Economic Entity 2015 $	Economic Entity 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
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		73,200	70,920	73,200	70,920
— electricity contribution received		5,640	5,400	5,640	5,400
— cleaning contribution received		6,000	5,520	6,000	5,520
— administration fees received		60,000	58,080	60,000	58,080
— expenses reimbursed		126,497	149,462	126,497	149,462
Hospitality Group Training Inc	Figures not available				
— corporate sponsorship received		-	3,750	-	3,750
— insurance reimbursement received		-	7,001	-	7,001
— advocacy services		-	-	-	-
— events attended		-	-	-	-
— loan receivable		300,000	300,000	300,000	300,000
— interest accrual on loan		17,901	15,189	17,901	15,189

Refer to Note 4B for details regarding recoverability of the loan. As Hospitality Group Training Incorporated was placed under voluntary administration on 24 February 2015 AHASA received no payments from HGT for the period ended 31 December 2015.

	Note	Economic Entity		Parent Entity	
		2015	2014	2015	2014
		$	$	$	$
NOTE 11B: KEY MANAGEMENT REMUNERATION FOR THE PERIOD					
Total short-term employee benefits		353,424	342,010	353,424	342,010
Total post-employment benefits		-	-	-	-
Total other long-term benefits		6,554	6,554	6,554	6,554
Termination benefits		-	-	-	-
Share-based payments		-	-	-	-
Total		359,978	348,564	359,978	348,564

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	2015	2014	2015	2014
	$	$	$	$
Remuneration of the auditor of the parent entity for:				
Auditing or reviewing the financial report	28,905	24,150	28,905	24,150

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.

	2015	2014	2015	2014
Financial Assets	$	$	$	$
Held to maturity investments				
Cash at bank	777,179	924,473	777,169	924,473
Cash on Hand	912	1,000	912	1,000
Short-term bank deposits	5,002,528	4,610,703	5,002,528	4,610,703
Total held to maturity investments	5,780,619	5,536,176	5,780,609	5,536,176
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	69,524	111,898	69,525	111,898
Amount receivable from wholly-owned subsidiary	-	-	618,158	638,158
Amount receivable from other related parties	300,000	300,000	300,000	300,000
Total loans and receivables	369,524	411,898	687,683	750,056
Carrying amount of financial assets	6,150,143	5,948,074	6,468,302	6,286,242
Financial Liabilities				
Other financial liabilities				
Trade creditors and accruals	25,209	13,073	25,209	13,073
Other payables	1,190,599	1,351,272	1,190,599	1,351,272
Carrying amount of financial liabilities	1,215,808	1,364,345	1,215,808	1,364,345

NOTE 13: FINANCIAL INSTRUMENTS (CONT'D)

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:

	2015	2014	2015	2014
	$	$	$	$
Cash and cash equivalents	5,780,619	5,536,186	5,780,609	5,536,176
Loans and receivables	369,524	411,898	987,682	1,050,056

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 2015 investment in Cash, Fixed Interest and Floating Interest rate deposits, less bank loans amounted to $5,780,609. A +/-1% change in interest rates during the year ended 31 December 2015 would have resulted in a +/- change in net interest income of $1,494.

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.

(ii) Currency Risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2015

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.

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, of $17,901.37, for the period ended 31 December 2015, is uncertain.

The interest is held as follows:

	Ownership interest		Voting power		Carrying amount of investment	
	2015	2014	2015	2014	2015	2014
	%	%	%	%	$	$
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.

As Hospitality Group Training Incorporated was placed under voluntary administration on 24 February 2015 AHASA received none of the abovementioned nor any other payments from HGT for the period ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2015

NOTE 14: ASSOCIATED COMPANY (CONT'D)

	Gaming Care	
	2015	2014
Summarised Financial Information of Associated Company	$	$
Statement of financial position		
Total assets	543,138	488,564
Total liabilites	543,138	488,564
Net assets	-	-
Statement of comprehensive income		
Income	1,294,627	1,237,712
Expenses	1,294,627	1,237,712
Net surplus/(deficit)	-	-
Share of net surplus/(deficit) after tax	-	-

	Hospitality Group Training Inc.	
	2015	2014
	$	$
Statement of financial position		
Total assets	2,157,899	3,010,845
Total liabilites	2,472,814	2,799,048
Net assets	(314,915)	211,797
Statement of comprehensive income		
Revenues	3,384,919	5,754,866
Expenses	3,911,628	6,286,667
Net surplus/(deficit)	(526,709)	(531,801)
Share of net surplus/(deficit) after tax	-	-

HGT reported for the period ended 30 June of every year. As Hospitality Group Training Incorporated was placed under voluntary administration on 24 February 2015, the above figures for 2015 are for the period ended 24 February 2015 derived from internally prepared financial statements and management accounts, provided by the HGT Administrator.

	2015	2014
	$	$
Statement of financial position		
Total assets	2,157,899	2,446,689
Total liabilites	2,472,814	2,357,391
Net assets	(314,915)	89,297
Statement of comprehensive income		
Revenues	3,384,919	2,987,526
Expenses	3,911,628	3,110,024
Net surplus/(deficit)	(526,709)	(122,498)
Share of net surplus/(deficit) after tax	-	-

HGT reported for the period ended 30 June of every year. As Hospitality Group Training Incorporated was placed under voluntary administration on 24 February 2015, the above figures for 2015 are for the period ended 24 February 2015 derived from internally prepared financial statements and management accounts, provided by the HGT Administrator.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 15: CONTROLLED ENTITY	Principal activity	Country of	Percentage owned (%) *	
Controlled Entity Consolidated		incorporation		
Parent Entity:			2015	2014
Australian Hotels Association (South Australian Branch) (AHASA)	Registered Employer Industrial Relations organisation with objectives to promote and protect the interests of its Members	Australia	-	-
Subsidiary of the AHASA:				
AHA Properties Pty Ltd	Registered owner of premises occupied exclusively by AHASA.	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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 DECEMBER 2015

NOTE 19: DETAILED INCOME STATEMENT	Economic Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
INCOME				
Members' subscriptions	1,812,119	1,810,239	1,812,119	1,810,239
Associate members' subscriptions	4,745	5,620	4,745	5,620
Advocacy services income	160,162	157,827	160,162	157,827
Sponsorships	579,253	570,894	579,253	570,894
Commissions received	107,459	112,804	107,459	112,804
Conferences, seminars and events	356,040	221,212	356,040	221,212
Rent received	73,200	70,920	73,200	70,920
Sale of goods	19,348	30,189	19,348	30,189
Other income	99,170	106,964	99,170	106,964
Bank interest	149,373	186,957	149,373	186,957
Gain on disposal of plant and equipment	0	0	0	0
Total income from ordinary activities	3,360,869	3,273,625	3,360,869	3,273,625
EXPENDITURE				
Advocacy expenses	0	1,021	0	1,021
Annual leave provision	14,970	26,947	14,970	26,947
Bad Debts	0	857	0	857
Conferences, seminars and events	324,579	211,510	324,579	211,510
Delegates fees and expenses	5,722	6,734	5,722	6,734
Depreciation	65,288	74,985	45,288	54,985
Donations and grants	4,555	5,042	4,555	5,042
Entertainment	49,079	53,620	49,079	53,620
National AHA Capitation Fees	63,948	57,993	63,948	57,993
Gaming expenses	-	-	-	-
General expenses	23,321	18,460	23,321	18,460
Insurance	18,431	18,845	18,431	18,845
Legal expenses	70,600	6,534	70,600	6,534
Long service leave provision	19,033	28,946	19,033	28,946
Loss on disposal of plant and equipment	6,785	-	6,785	-
Media advertising expenses	169,915	174,895	169,915	174,895
Media coverage expenses	67,944	53,553	67,944	53,553
Meeting expenses	50,269	48,339	50,269	48,339

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 DECEMBER 2015

NOTE 19: DETAILED INCOME STATEMENT (CONT'D)	Economic Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
EXPENDITURE (CONT'D)				
Motor vehicle expenses	42,678	44,396	42,678	44,396
Other administration expenses	110,943	117,719	110,943	117,719
Payroll tax	47,444	42,096	47,444	42,096
Political donations	38,409	58,109	38,409	58,109
Printing, postage and stationery	87,656	100,729	87,656	100,729
Professional, consultancy and audit expenses	126,958	101,972	126,958	101,972
Rates and taxes	20,885	21,775	20,885	21,775
Rent paid	-	-	20,000	20,000
Repairs, cleaning, light and power	128,923	121,826	128,923	121,826
Salaries and allowances – officials	18,375	18,480	18,375	18,480
Salaries and allowances – other	1,019,989	999,422	1,019,989	999,422
Sponsorship expense	103,677	110,586	103,677	110,586
Staff Recruitment Costs	255	-	255	-
Subscriptions	5,990	7,111	5,990	7,111
Superannuation – officials	1,746	1,755	1,746	1,755
Superannuation – other	269,361	209,138	269,361	209,138
Telephone	36,714	34,942	36,714	34,942
Travelling expenses	47,730	56,430	47,730	56,430
Workcover	6,982	10,826	6,982	10,826
Total expenditure on ordinary activities	3,069,154	2,845,593	3,069,154	2,845,593
Surplus/(Deficit) attributable to members of the parent entity	291,715	428,032	291,715	428,032

COMMITTEE OF MANAGEMENT'S STATEMENT

On 5th April 2016 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 2015.

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 5TH April, 2016

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 2015, 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 2015, 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 6th April 2016, Kent Town