Australian Government
Registered Organisations Commission

28 May 2019

Ian Horne
General Manager
Australian Hotels Association-South Australian Branch
Sent via email: information@ahasa.asn.au

CC: chris@clarbrow.com.au

Dear Ian Horne,

Australian Hotels Association-South Australian Branch
Financial Report for the year ended 31 December 2018 – (FR2018/321)

I acknowledge receipt of the financial report of the Australian Hotels Association-South Australian Branch. The documents were lodged with the Registered Organisations Commission **(the ROC**) on 16 May 2019.

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 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

General purpose financial report (GPFR)

Recovery of wages disclosure

Please note that under the 5th edition of the reporting guidelines (**RGs**) made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the RGs no longer require a statement in regard to recovery of wages activity in the committee of management statement.

In place of the former requirements, item 13(e) of the 5th edition RGs requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements. RG 21 states that if any activity described within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

Other revenue amount from another reporting unit disclosure

Item 13(b) of the RGs requires the disclosure of any other revenue amount from another reporting unit to include:

i. the description of each item of revenue
ii. the amount from each reporting unit; and
iii. the name of each such reporting unit

Note 2A *Capitation fees and other revenue from another reporting unit* of the GPFR includes other revenue amount received (i.e. $750,000) and the name of the reporting unit (i.e. AHA National) but not the description of the revenue.

Please ensure that in future years all disclosure requirements under the RGs are included.

Auditor's report

Registered auditor's details

Item 29(b) of the RGs state that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the registration number.

Please ensure that in future years the auditor's statement includes both the name and registration number of the registered auditor.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

Kylie Ngo
Registered Organisations Commission

ahasa
Australian Hotels Association (SA)

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Adelaide SA 5000

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Rundle Mall SA 5000

16 May, 2019

Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

Please find attached:

- **Certificate of Secretary/Treasurer**
- **AHA|SA Financial Report for the year ended 31 December 2018**
- **Operating Report as per the Fair Work (Registered Organisations) Act 2009**

Yours sincerely

IAN HORNE
General Manager

CERTIFICATE OF SECRETARY/TREASURER

Section 268 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 Section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was provided to members on 17 April 2019; and
- that the full report was presented to a general meeting of members of the reporting unit on 13 May 2019 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

R.S.J. LOVELL

Dated: 16 May 2019

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 2018.

REVIEW OF THE PRINCIPAL ACTIVITIES OF THE BRANCH

The Branch operates as the South Australian Branch of the Australian Hotels Association, an organisation 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 2018 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 514 members in 2018.

NUMBER OF EMPLOYEES

As at 31 December 2018 staffing levels were AHA|SA 11.9 and Gaming Care 8.

AHA|SA Committee of Management
1 January – 31 December 2018

David Basheer	President *(appointed President in May 2018)*
Peter Hurley AO	President *(retired in May 2018)*
Matthew Binns	Vice President *(appointed Vice President in May 2018)*
Andrew Bullock	Deputy Vice President *(appointed Deputy Vice President in May 2018)*
Richard Lovell	Secretary/Treasurer

Brad Barreau	*(appointed May 2018)*
Matthew Brien	
Mark Davies	
Jeff Ellis	
Trevor Evans	
Jason Fahey	
Trent Fahey	
Tony Franzon	
John Giannitto	
Timothy Gregg	
Andrew Gunn	
Alison James	*(retired June 2018)*
Jason Kelly	
Michael Lunniss	
Guy Matthews	
Scott Matthews	*(retired May 2018)*
Melinda McCauley	
Sam McInnes	*(appointed May 2018)*
Andrew Plush	
Matt Rogers	
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
David Basheer
Matthew Binns (*replacing Peter Hurley AO*)

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

Board Member
Matthew Binns
Ian Horne

DAVID BASHEER
AHA|SA President
16/4/19

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

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Economic Entity		Parent Entity	
		2018	2017	2018	2017
		$	$	$	$
Revenue					
Membership subscriptions		1,830,478	1,766,121	1,830,478	1,766,121
Associate membership subscriptions		3,256	3,202	3,256	3,202
Total membership subscriptions		1,833,734	1,769,323	1,833,734	1,769,323
Capitation fees and other revenue from another reporting unit	2A	750,000	-	750,000	-
Levies		-	-	-	-
Term deposit interest		99,563	128,561	99,563	128,561
Rent received from properties		79,200	76,800	79,200	76,800
Other revenue	2B	1,123,505	1,195,797	1,123,505	1,195,797
Total revenue		3,886,002	3,170,481	3,886,002	3,170,481
Other Income					
Grants and or donations		-	-	-	-
Gain on sales of assets		1,815	-	1,815	-
Revenue from recovery of wages activity		-	-	-	-
Total other income		1,815	-	1,815	-
Total income		3,887,817	3,170,481	3,887,817	3,170,481
Expenses					
Employee expenses	3A	(1,589,834)	(1,577,983)	(1,589,834)	(1,577,983)
Depreciation expense	5A	(56,053)	(54,317)	(36,053)	(34,317)
Capitation fees and other expense to another reporting unit	3B	(72,468)	(73,885)	(72,468)	(73,885)
Other expenses	3C	(2,632,093)	(2,035,215)	(2,652,093)	(2,055,215)
Total expenses		(4,350,448)	(3,741,400)	(4,350,448)	(3,741,400)
Current year surplus/(deficit) before income tax		(462,631)	(570,919)	(462,631)	(570,919)
Income tax expense		-	-	-	-
Net current year surplus/(deficit)		(462,631)	(570,919)	(462,631)	(570,919)
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-	-	-
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Total other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year, net of tax		(462,631)	(570,919)	(462,631)	(570,919)
Net current year surplus/(deficit) attributable to members of the parent entity		(462,631)	(570,919)	(462,631)	(570,919)
Total comprehensive income attributable to members of the parent entity		(462,631)	(570,919)	(462,631)	(570,919)

The accompanying notes form part of these financial statements.

A detailed income statement is provided in note 20.

STATEMENT OF FINANCIAL POSITION
AS AT
31 DECEMBER 2018

	Note	Economic Entity		Parent Entity	
		2018	2017	2018	2017
		$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4A	4,541,662	5,320,386	4,541,652	5,320,376
Trade and other receivables	4B	137,449	208,807	695,607	786,965
Inventories	4C	18,766	22,119	18,766	22,119
Other current assets	4C	120,668	128,924	120,668	128,924
TOTAL CURRENT ASSETS		4,818,545	5,680,236	5,376,693	6,258,384
NON-CURRENT ASSETS					
Investment in controlled entity at cost	15	-	-	10	10
Land, buildings, plant and equipment	5A	1,454,583	1,436,913	219,806	182,136
Intangible assets	5B	350	350	-	-
Investment in associated company	14	-	-	-	-
TOTAL NON-CURRENT ASSETS		1,454,933	1,437,263	219,816	182,146
TOTAL ASSETS		6,273,478	7,117,499	5,596,509	6,440,530
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	6A & 6B	1,151,416	1,553,205	1,151,416	1,553,205
Employee provisions	7A	451,661	434,535	451,661	434,535
Other provisions	7B	202,377	190,377	202,377	190,377
TOTAL CURRENT LIABILITIES		1,805,454	2,178,117	1,805,454	2,178,117
NON-CURRENT LIABILITIES					
Employee provisions	7A	49,246	57,973	49,246	57,973
TOTAL NON-CURRENT LIABILITIES		49,246	57,973	49,246	57,973
TOTAL LIABILITIES		1,854,700	2,236,090	1,854,700	2,236,090
NET ASSETS		4,418,778	4,881,409	3,741,809	4,204,440
EQUITY					
Capital profits reserve	8A	676,969	676,969	-	-
General reserve	8A	380,000	380,000	380,000	380,000
Retained earnings		3,361,809	3,824,440	3,361,809	3,824,440
TOTAL EQUITY		4,418,778	4,881,409	3,741,809	4,204,440

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Retained earnings	Capital profits reserve	General reserve	Total equity
		$	$	$	$
Economic Entity					
Balance at 1 January 2017		4,395,359	676,969	380,000	5,452,328
Comprehensive Income					
Net surplus/(deficit) for the year		(570,919)	-	-	(570,919)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income attributable to members of the parent entity		(570,919)	-	-	(570,919)
Balance at 31 December 2017		3,824,440	676,969	380,000	4,881,409
Balance at 1 January 2018		3,824,440	676,969	380,000	4,881,409
Comprehensive income					
Net surplus/(deficit) for the year		(462,631)	-	-	(462,631)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income attributable to members of the parent entity		(462,631)	-	-	(462,631)
Balance at 31 December 2018		3,361,809	676,969	380,000	4,418,778
Parent Entity					
Balance at 1 January 2017		4,395,359	-	380,000	4,775,359
Comprehensive income					
Net surplus/(deficit) for the year		(570,919)	-	-	(570,919)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income attributable to members of the parent entity		(570,919)	-	-	(570,919)
Balance at 31 December 2017		3,824,440	-	380,000	4,204,440
Balance at 1 January 2018		3,824,440	-	380,000	4,204,440
Comprehensive income					
Net surplus/(deficit) for the year		(462,631)	-	-	(462,631)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income attributable to members of the parent entity		(462,631)	-	-	(462,631)
Balance at 31 December 2018		3,361,809	-	380,000	3,741,809

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 DECEMBER 2018

	Note	Economic Entity		Parent Entity	
		2018	2017	2018	2017
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from AHA National	9B	750,000	-	750,000	-
Receipts from customers		3,308,669	3,185,920	3,308,669	3,185,920
Payments to suppliers and employees		(4,809,821)	(3,658,784)	(4,809,821)	(3,658,784)
Payments to AHA National	9B	(70,268)	(70,885)	(70,268)	(70,885)
Payments to AHA (WA)	9B	(2,200)	(3,000)	(2,200)	(3,000)
Interest received		119,573	128,561	119,573	128,561
Net cash provided by (used in) operating activities	9A	(704,047)	(418,186)	(704,047)	(418,188)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of plant and equipment		5,255	-	5,255	-
Purchase of plant and equipment		(79,932)	(22,289)	(79,932)	(22,289)
Net cash provided by (used in) investing activities		(74,677)	(22,289)	(74,677)	(22,289)
	9B	(778,724)	(440,477)	(778,724)	(440,477)
Cash at beginning of financial year		5,320,386	5,760,863	5,320,376	5,760,853
Cash at end of financial year	9A	4,541,662	5,320,386	4,541,652	5,320,376

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

The consolidated financial statements represent those of Australian Hotels Association (South Australian Branch) (AHASA) and Controlled Entity (the "Economic Entity"). AHASA is an association incorporated and domiciled in South Australia and operating pursuant to the *Fair Work (Registered Organisations) Act 2009*.

The separate financial statements of the parent entity, AHASA, have also been presented within this financial report.

The financial statements were authorised for issue on 3 April 2018 by the members of the committee of management of AHASA.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Fair Work (Registered Organisations) Act 2009* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Comparative Amounts

When required by Accounting Standards, comparative figures have been 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 standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

Initial application of AASB 9: Financial Instruments

The association has adopted AASB 9: Financial Instruments with a date of initial application of 1 January 2018. AASB 9 has replaced AASB 139: Financial Instruments: Recognition and Measurement. As a result, the association has changed its financial instruments accounting policies as detailed in the significant accounting policies note. New requirements were introduced for the classification and measurement of financial assets and financial liabilities as well as for impairment and general hedge accounting.

Considering the initial application of AASB 9 during the financial year, the **measurement** of no financial statement line items has been affected for the current and prior years.

The following table represents the **classification** of financial assets and financial liabilities under AASB 9 and AASB 139.

	Financial instrument classification	
	AASB 139 Original	**AASB 9 New**
Financial assets		
Current and non-current		
Cash and cash equivalents	Held to maturity investments (amortised cost)	Financial assets at amortised cost
Trade receivables	Loans and receivables (amortised cost)	Financial assets at amortised cost
Amount receivable from wholly owned subsidiary	Loans and receivables (amortised cost)	Financial assets at amortised cost
Financial liabilities		
Current and non-current		
Trade creditors	Financial liabilities (amortised cost)	Financial liabilities at amortised cost
Other payables and accruals	Financial liabilities (amortised cost)	Financial liabilities at amortised cost

The application of these changes in accounting policies had no impact on the cash flow of the association.

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 that are expected to have a future financial impact on the association include:

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

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

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

AASB 116 is not expected to have a significant impact on the association's financial statements.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 *Contributions*.
Although members of the committee of management anticipate that the adoption of AASB 1058 may have an impact on the association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Accounting Policies

a. **Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity (AHASA) and its controlled entity (subsidiary). AHASA achieves control when it is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Controlled entities are disclosed in Note 15.

The assets, liabilities and results of subsidiaries are fully consolidated into the financial statements of the economic entity from the date on which control is obtained by AHASA. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions and balances are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the economic entity.

b. **Investments in Associates**

An associate is an entity over which AHASA 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. Investments in assocaites are disclosed in Note 14.

The assets, liabilities and results of associates are incorporated into the financial statements of the economic entity using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate.

AHASA does not have any joint ventures or joint operations.

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 statement of cash flows 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.

d. **Inventories**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

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

e. Land, Buildings, 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 an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Land, Buildings, Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of land, buildings, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Depreciation

Depreciable buildings, plant and equipment assets, including building improvements, are written-off to their estimated residual values over their estimated useful life using the diminishing value method of depreciation except for freehold buildings which are 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	
	2018	2017
Buildings	**1%**	1%
Plant and equipment	**7–40%**	7–40%
Motor vehicles	**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 land, buildings, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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 are recognised in profit and loss when the asset is derecognised.

g. Impairment of Non-Financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. 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 replacement cost.

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 they 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.

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 association 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

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

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and

- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The association initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of an entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the association made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the association's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;

- all risk and rewards of ownership of the asset have been substantially transferred; and

- the association no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The association recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

- lease receivables;

- contract assets (e.g. amount due from customers under construction contracts);

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

- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The association used the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the association assessed whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument increased significantly since initial recognition, the association measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there was no significant increase in credit risk since initial recognition, the association measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit impaired approach

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the association measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment was recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- Where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the association assumed that the credit risk has not increased significantly since initial recognition and accordingly can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the association applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the association recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.
Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

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

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

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 of 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 costs 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).

o. Gains

Sale of assets

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 a revenue and/or expense in the year to which it relates.

q. Membership Fees Received in Advance Recognition

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 31 December 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of AHASA.

s. Going Concern

The association is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The association has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

	Note	Economic Entity		Parent Entity	
NOTE 2: INCOME		2018	2017	2018	2017
		$	$	$	$
NOTE 2A: Capitation fees and other revenue from another reporting unit					
Capitation fees		-	-	-	-
Subtotal capitation fees		-	-	-	-
Other revenue from another reporting unit					
AHA National		750,000	-	750,000	-
Subtotal other revenue from another reporting unit		750,000	-	750,000	-
Total capitation fees and other revenue from another reporting unit		750,000	-	750,000	-
NOTE 2B: Other revenue					
- advocacy services income		186,693	167,778	186,693	167,778
- sponsorships		464,714	482,112	464,714	482,112
- commissions received		95,587	85,716	95,587	85,716
- conferences, seminars and events		270,896	355,323	270,896	355,323
- sale of goods		17,164	16,311	17,164	16,311
- other		88,451	88,557	88,451	88,557
Total other revenue		1,123,505	1,195,797	1,123,505	1,195,797

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

	Note	Economic Entity		Parent Entity	
NOTE 3: EXPENSES		2018	2017	2018	2017
		$	$	$	$
NOTE 3A: Employee Expenses					
Holders of office:					
Wages and salaries		18,375	18,375	18,375	18,375
Superannuation		1,746	1,746	1,746	1,746
Leave and other entitlements		-	-	-	-
Separation and redundancies		-	-	-	-
Other employee expenses		-	-	-	-
Subtotal employee expenses holders of office		20,121	20,121	20,121	20,121
Employees other than holders of office:					
Wages and salaries		1,165,753	1,125,556	1,165,753	1,125,556
Superannuation		235,856	268,246	235,856	268,246
Leave and other entitlements		51,227	61,487	51,227	61,487
Separation and redundancies		-	-	-	-
Other employee expenses		116,877	102,573	116,877	102,573
Subtotal employee expenses employees other than holders of office		1,569,713	1,557,862	1,569,713	1,557,862
Total employee expenses		1,589,834	1,577,983	1,589,834	1,577,983
NOTE 3B: Capitation fees and other expenses to another reporting unit					
Capitation fees					
Capitation fees and expense reimbursement (AHA National)		69,303	69,303	69,303	69,303
Subtotal capitation fees		69,303	69,303	69,303	69,303
Other expenses to another reporting unit					
Affiliation fees (AHA National)		300	300	300	300
Expense reimbursement (AHA National)		665	1,282	665	1,282
Expense reimbursement (AHA Western Australia)		2,200	3,000	2,200	3,000
Subtotal other expenses to another reporting unit		3,165	4,582	3,165	4,582
Total capitation fees and other expenses to another reporting unit		72,468	73,885	72,468	73,885

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

	Note	Economic Entity		Parent Entity	
		2018	2017	2018	2017
		$	$	$	$
NOTE 3C: Other expenses					
Conference and meeting expenses		337,354	388,236	337,354	388,236
Total paid to employers for payroll deductions of membership subscriptions		-	-	-	-
Contractors/Consultants		1,139,028	571,413	1,139,028	571,413
Compulsory levies		-	-	-	-
Fees/allowances meetings & conferences		2,280	2,125	2,280	2,125
Grants - $1,000 or less		-	-	-	-
Grants - over $1,000		-	-	-	-
Information/Communications/Technology		93,130	83,239	93,130	83,239
Donations - $1,000 or less		623	868	623	868
Donations - over $1,000		3,900	-	3,900	-
Legal costs - Litigation		2,100	58,275	2,100	58,275
Legal costs - Other		7,220	4,054	7,220	4,054
Office Expenses		56,301	49,918	56,301	49,918
Penalties - via RO Act or the Fair Work Act 2009		-	-	-	-
Political donations - $1,000 or less		-	500	-	500
Political donations - over $1,000		191,250	120,682	191,250	120,682
Property Expenses		83,921	111,340	103,921	131,340
Other expenses		714,986	644,565	714,986	644,565
Total other expenses from ordinary activities		2,632,093	2,035,215	2,652,093	2,055,215

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

	Note	Economic Entity		Parent Entity	
NOTE 4 CURRENT ASSETS		2018	2017	2018	2017
NOTE 4A: CASH AND CASH EQUIVALENTS		$	$	$	$
Cash at bank and on hand		713,362	784,554	713,352	784,544
Short-term bank deposits		3,828,300	4,535,832	3,828,300	4,535,832
TOTAL CASH AND CASH EQUIVALENTS		4,541,662	5,320,386	4,541,652	5,320,376

The effective interest rates on short-term bank deposits were 2018: 1.50%; 1.50%; 2.60%; 2.00%; these deposits mature on 9 January 2019; 11 January 2019; 18 January 2019; 19 March 2019.

	Economic Entity		Parent Entity	
NOTE 4B: TRADE AND OTHER RECEIVABLES	2018	2017	2018	2017
	$	$	$	$
Receivables from other reporting units				
Wholly-owned subsidiary - AHA Properties Pty Ltd	-	-	558,158	578,158
Total receivables from other reporting units	-	-	558,158	578,158
Less provision for doubtful debts				
Wholly owned subsidiary - AHA Properties Pty Ltd	-	-	-	-
Total provision for doubtful debts	-	-	-	-
Receivables from other reporting units (net)	-	-	558,158	578,158
Other receivables				
Trade receivables	137,449	208,807	137,449	208,807
Total other receivables	137,449	208,807	137,449	208,807
Total trade and other receivables (net)	137,449	208,807	695,607	786,965

NOTE 4C: OTHER CURRENT ASSETS

Inventories	18,766	22,119	18,766	22,119
Work in progress	2,562	6,800	2,562	6,800
Prepayments	63,911	52,249	63,911	52,249
Undeposited funds	5,796	1,466	5,796	1,466
Accrued income from other sources	48,399	68,409	48,399	68,409
Total other current assets excl inventories	120,668	128,924	120,668	128,924
Total other current assets incl inventories	139,434	151,043	139,434	151,403

	Note	Economic Entity		Parent Entity	
NOTE 5: NON-CURRENT ASSETS		2018	2017	2018	2017
NOTE 5A: LAND, BUILDINGS, PLANT & EQUIPMENT		$	$	$	$
Freehold land and buildings at cost		1,774,777	1,774,777	-	-
Less accumulated depreciation		540,000	520,000	-	-
		1,234,777	1,254,777	-	-
Plant and equipment at cost		456,852	456,788	456,852	456,788
Less accumulated depreciation		311,307	305,150	311,307	305,150
		145,545	151,638	145,545	151,638
Motor vehicles at cost		135,280	149,329	135,280	149,329
Less accumulated depreciation		61,019	118,831	61,019	118,831
		74,261	30,498	74,261	30,498
Total land, buildings, plant and equipment		1,454,583	1,436,913	219,806	182,136

Movement in carrying amounts

Movement in the carrying amounts for each class of land, buildings, plant and equipment between the beginning and the end of the current financial year:

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	$	$	$	$
Economic Entity				
Balance at the beginning of the year	1,254,777	151,638	30,498	1,436,913
Additions	-	19,564	70,369	89,933
Written down value of disposed assets	-	(2,387)	(13,823)	(16,210)
Depreciation expense	(20,000)	(23,270)	(12,783)	(56,053)
Carrying amount at the end of the year	1,234,777	145,545	74,261	1,454,583
Parent Entity				
Balance at the beginning of the year	-	151,638	30,498	182,136
Additions	-	19,564	70,369	89,933
Written down value of disposed assets	-	(2,387)	(13,823)	(16,210)
Depreciation expense	-	(23,270)	(12,783)	(36,053)
Carrying amount at the end of the year	-	145,545	74,261	219,806

	Economic Entity		Parent Entity	
NOTE 5B: INTANGIBLE ASSETS	2018	2017	2018	2017
	$	$	$	$
Preliminary expenses at cost	350	350	-	-
TOTAL INTANGIBLE ASSETS	350	350	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

	Note	Economic Entity		Parent Entity	
NOTE 6: CURRENT LIABILITIES		2018	2017	2018	2017
		$	$	$	$
NOTE 6A: TRADE PAYABLES					
Trade creditors		34,326	326,804	34,326	326,804
Payables to other reporting units		-	-	-	-
Total trade payables		34,326	326,804	34,326	326,804
NOTE 6B: OTHER PAYABLES					
Salaries and allowances – officials		14,980	18,375	14,980	18,375
Superannuation – officials		1,413	1,746	1,413	1,746
Superannuation – other		800	-	800	-
Payable to employers for making payroll deductions of membership subscriptions		-	-	-	-
Legal expenses		-	-	-	-
Prepayments received/unearned revenue		923,927	1,097,101	923,927	1,097,101
GST, PAYG and FBT Payable		111,120	73,665	111,120	73,665
Other payables and accrued expenses		64,850	35,514	64,850	35,514
TOTAL OTHER PAYABLES		1,117,090	1,226,401	1,117,090	1,226,401
TOTAL TRADE AND OTHER PAYABLES		1,151,416	1,553,205	1,151,416	1,553,205
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		255,904	243,308	255,904	243,308
Long service leave - employees		245,003	249,200	245,003	249,200
Separations and redundancies		-	-	-	-
Other		-	-	-	-
Subtotal employee provisions - employees other than office holders		500,907	492,508	500,907	492,508
Total employee provisions		500,907	492,508	500,907	492,508
Current employee provisions		451,661	434,535	451,661	434,535
Non current employee provisions		49,246	57,973	49,246	57,973
Total employee provisions		500,907	492,508	500,907	492,508

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

	Note	Economic Entity		Parent Entity	
		2018	2017	2018	2017
NOTE 7B: OTHER PROVISIONS		$	$	$	$
Maintenance provision		202,377	190,377	202,377	190,377
Total other provisions		202,377	190,377	202,377	190,377
Total employee and other provisions		703,284	682,885	703,284	682,885
Total Current provisions		654,038	624,912	654,038	624,912
Total Non current provisions		49,246	57,973	49,246	57,973
Total provisions		703,284	682,885	703,284	682,885
Number of employees at year end		11.9	13.3	11.9	13.3
NOTE 8: EQUITY					
NOTE 8A: RESERVES					
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 association.		380,000	380,000	380,000	380,000
NOTE 8B: OTHER SPECIFIC DISCLOSURES - FUNDS					
Compulsory levy/voluntary contribution fund - if invested in assets		-	-	-	-
Other fund(s) required by rules					
Balance as at start of year		-	-	-	-
Transferred to reserve		-	-	-	-
Transferred out of reserve		-	-	-	-
Balance as at end of year		-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

	Note	Economic Entity		Parent Entity	
NOTE 9: CASH FLOW		2018	2017	2018	2017
		$	$	$	$
NOTE 9A: CASH FLOW RECONCILIATION					
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Statement of Cash Flows					
Statement of Cash Flows		4,541,662	5,320,386	4,541,652	5,320,376
Statement of Financial Position		4,541,662	5,320,386	4,541,652	5,320,376
Difference		-	-	-	-
Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus/(Deficit)					
Net Current Year Surplus/(Deficit)		(462,631)	(570,919)	(462,631)	(570,919)
Adjustments for non-cash flows:					
Depreciation		56,053	54,317	36,053	34,317
Net Loss on disposal of plant and equipment		954	4,039	954	4,039
Changes in assets and liabilities:					
Decrease (increase) in net receivables		(101,816)	(162,598)	(81,816)	(142,598)
Decrease (increase) in other assets		8,256	(6,190)	8,256	(6,190)
Decrease (increase) in inventories		3,353	3,160	3,353	3,160
Increase (decrease) in payables		(228,615)	174,516	(228,615)	174,516
Increase (decrease) in provisions		20,399	85,487	20,399	85,487
Cash flows from/(used in) operating activities		(704,047)	(418,188)	(704,047)	(418,188)
NOTE 9B: CASH FLOW INFORMATION					
Cash inflows					
AHASA		3,433,497	3,314,481	3,433,497	3,314,481
AHA National		750,000	-	750,000	-
Total cash inflows		4,183,497	3,314,481	4,183,497	3,314,481
Cash outflows					
AHASA		(4,889,753)	(3,681,073)	(4,889,753)	(3,681,073)
AHA National		(70,268)	(70,885)	(70,268)	(70,885)
AHA (WA)		(2,200)	(3,000)	(2,200)	(3,000)
Total cash outflows		(4,962,221)	(3,754,958)	(4,962,221)	(3,754,958)
Total net cash flows		(778,724)	(440,477)	(778,724)	(440,477)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

	Note	Economic Entity		Parent Entity	
		2018	2017	2018	2017
		$	$	$	$

NOTE 10: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

The economic entity had no contingent liabilities, contingent assets or capital commitments as at 31 December 2018 or for the forthcoming year.

NOTE 11: RELATED PARTY DISCLOSURES

Terms and conditions of transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2018, AHASA has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 11A: RELATED PARTY TRANSACTIONS FOR THE REPORTING PERIOD

	Economic Entity 2018 $	Economic Entity 2017 $	Parent Entity 2018 $	Parent Entity 2017 $
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.				
- amounts owed by AHA Properties Pty Ltd	-	-	558,158	578,158
Hotels Responsible Gambling Early Intervention Agency Ltd (HRGEIA Ltd):				
— rent received	79,200	76,800	79,200	76,800
— electricity contribution received	7,200	6,000	7,200	6,000
— cleaning contribution received	6,480	6,240	6,480	6,240
— administration fees received	88,440	62,640	88,440	62,640
— expenses reimbursed	185,092	185,060	185,092	185,060
- amounts owed by HRGEIA Ltd (included in trade receivables)	45,867	50,361	45,867	50,361

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.

	Note	Economic Entity		Parent Entity	
		2018	2017	2018	2017
		$	$	$	$
NOTE 11B: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD					
Total short-term employee benefits		409,448	364,537	409,448	364,537
Total post-employment benefits		-	-	-	-
Total other long-term benefits		16,677	9,365	16,677	9,365
Termination benefits		-	-	-	-
Total		426,125	373,902	426,125	373,902

	Economic Entity		Parent Entity	
NOTE 12: AUDITORS' REMUNERATION	2018	2017	2018	2017
VALUE OF THE SERVICES PROVIDED	$	$	$	$
Auditing the financial report of the Parent Entity	28,000	26,400	28,000	26,400
Other services:				
- Auditing the financial report of AHA Properties Pty Ltd	1,070	1,000	1,070	1,000
- Verifying the ASIC annual statement	175	175	175	175
Audit of Electoral Commission SA's Returns for the State Election	500	-	500	-
Total other services	1,745	1,175	1,745	1,175
TOTAL REMUNERATION OF AUDITORS	29,745	27,575	29,745	27,575

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

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 and aim 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.

		Economic Entity		Parent Entity	
	Note	2018	2017	2018	2017
Financial Assets		$	$	$	$
Financial assets at amortised cost					
Cash and equivalents	4A	4,541,662	5,320,386	4,541,652	5,320,376
Trade receivables	4B	137,449	208,807	137,449	208,807
Amount receivable from wholly owned subsidiary	4B	-	-	558,158	578,158
Total financial assets		4,679,111	5,529,193	5,237,259	6,107,341
Financial liabilities					
Financial liabilities at amortised cost:					
- Trade creditors	6A	34,326	326,804	34,326	326,804
- Other payables and accruals	6B	1,117,090	1,226,401	1,117,090	1,226,401
Total financial liabilities		1,151,416	1,553,205	1,151,416	1,553,205
		3,527,695	3,975,988	4,085,843	4,554,136

Financial assets exclude the investment in controlled entity at cost because it is a subsidiary which is outside the scope of AASB 9. Financial liabilities exclude the employee provisions and the other provisions which are also outside the scope of AASB 9.

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:

	2018	2017	2018	2017
	$	$	$	$
Cash and cash equivalents	4,541,662	5,320,386	4,541,652	5,320,376
Loans and receivables	137,449	208,807	695,607	786,965

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

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 are 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 association'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 2018 investment in Cash, Fixed Interest and Floating Interest rate deposits, less bank loans amounted to $4,541,651. A +/-1% change in interest rates during the year ended 31 December 2018 would have resulted in a +/- change in net interest income of $996.00.

At 31 December 2017 investment in Cash, Fixed Interest and Floating Interest rate deposits, less bank loans amounted to $5,320,376. A +/-1% change in interest rates during the year ended 31 December 2017 would have resulted in a +/- change in net interest income of $1,285.00.

(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 2018**

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.

The interest is held as follows:

	Ownership interest		Voting power		Carrying amount of investment	
	2018	2017	2018	2017	2018	2017
	%	%	%	%	$	$
Gaming Care	100	100	40	40	-	-

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

NOTE 14: ASSOCIATED COMPANY (CONT'D)

	Gaming Care	
	2018	2017
Summarised Financial Information of Associated Company	$	$
Statement of financial position		
Total assets	757,696	751,053
Total liabilites	757,696	751,053
Net assets	-	-
Statement of comprehensive income		
Income	1,436,893	1,309,199
Expenses	1,436,893	1,309,199
Net surplus/(deficit)	-	-
Share of net surplus/(deficit) after tax	-	-

NOTE 15: CONTROLLED ENTITY	Principal activity	Country of	Percentage owned (%) *	
Controlled Entity Consolidated		incorporation		
Parent Entity:			2018	2017
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 by AHASA and Gaming Care.	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: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, 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: ACQUISITION OF ASSET OR LIABILITY

The reporting unit did not acquire an asset or liability during the financial year as a result of:

a) an amalgamation under Part 2 of Chapter 3 of the RO Act ; or

b) a restructure of the branches of the organisation; or

c) a determination or revocation by the General Manager, Fair Work Commission.

NOTE 20: DETAILED INCOME STATEMENT	Economic Entity		Parent Entity	
	2018	2017	2018	2017
	$	$	$	$
INCOME				
Members' subscriptions	1,830,478	1,766,121	1,830,478	1,766,121
Associate members' subscriptions	3,256	3,202	3,256	3,202
Advocacy services income	186,693	167,778	186,693	167,778
Sponsorships	464,714	482,112	464,714	482,112
Commissions received	95,587	85,716	95,587	85,716
Conferences, seminars and events	270,896	355,323	270,896	355,323
Rent received	79,200	76,800	79,200	76,800
Sale of goods	17,164	16,311	17,164	16,311
Other income	838,451	88,557	838,451	88,557
Bank interest	99,563	128,561	99,563	128,561
Gain on disposal of plant and equipment	1,815	-	1,815	-
Total income from ordinary activities	3,887,817	3,170,481	3,887,817	3,170,481
EXPENDITURE				
Advocacy expenses	-	-	-	-
Annual leave provision	12,596	19,331	12,596	19,331
Bad Debts	-	-	-	-
Conferences, seminars and events	269,742	338,616	269,742	338,616
Delegates fees and expenses	7,700	11,241	7,700	11,241
Depreciation	56,053	54,317	36,053	34,317
Donations and grants	4,523	868	4,523	868
Entertainment	72,372	47,141	72,372	47,141
National AHA Capitation Fees	69,303	69,303	69,303	69,303
Gaming expenses	-	-	-	-
General expenses	26,899	21,093	26,899	21,093
Insurance	20,387	18,305	20,387	18,305
Legal expenses	9,320	62,329	9,320	62,329
Long service leave provision	38,631	42,156	38,631	42,156
Loss on disposal of plant and equipment	2,769	4,039	2,769	4,039
Media advertising expenses	953,838	552,038	953,838	552,038
Media coverage expenses	69,413	64,562	69,413	64,562
Meeting expenses	62,192	44,890	62,192	44,890

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

NOTE 20: DETAILED INCOME STATEMENT (CONT'D)	Economic Entity		Parent Entity	
	2018	2017	2018	2017
	$	$	$	$
EXPENDITURE (CONT'D)				
Motor vehicle expenses	48,843	45,228	48,843	45,228
Other administration expenses	151,272	136,837	151,272	136,837
Payroll tax	55,419	52,482	55,419	52,482
Political donations	191,250	121,182	191,250	121,182
Printing, postage and stationery	95,248	87,270	95,248	87,270
Professional, consultancy and audit expenses	351,993	183,008	351,993	183,008
Rates and taxes	19,778	20,262	19,778	20,262
Rent paid	-	-	20,000	20,000
Repairs, cleaning, light and power	102,693	124,185	102,693	124,185
Salaries and allowances – officials	18,375	18,375	18,375	18,375
Salaries and allowances – other	1,165,753	1,125,556	1,165,753	1,125,556
Sponsorship expense	110,390	112,243	110,390	112,243
Staff Recruitment Costs	-	-	-	-
Subscriptions	20,399	11,119	20,399	11,119
Superannuation – officials	1,746	1,746	1,746	1,746
Superannuation – other	235,856	268,246	235,856	268,246
Telephone	28,605	30,941	28,605	30,941
Travelling expenses	67,232	43,200	67,232	43,200
Workcover	9,858	9,291	9,858	9,291
Total expenditure on ordinary activities	4,350,448	3,741,400	4,350,448	3,741,400
Surplus/(Deficit) attributable to members of the parent entity	(462,631)	(570,919)	(462,631)	(570,919)

COMMITTEE OF MANAGEMENT'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

On 16 April 2019, 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) for the financial year ended 31 December 2018:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) 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 RO Act;

(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 by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act has been furnished to the member or Commissioner; and

(vi) no orders have been made by the Fair Work Commission under section 273 of the RO Act.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

DAVID BASHEER

President

RICHARD STEFAN JOHN LOVELL

Secretary / Treasurer

Dated 16 April, 2019

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

REPORT REQUIRED UNDER SUBSECTION 255(2A) FOR THE YEAR ENDED 31 DECEMBER 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

Categories of expenditures	Economic Entity		Parent Entity	
	2018	2017	2018	2017
	$	$	$	$
Remuneration and other employment-related costs and expenses - employees	1,589,834	1,577,983	1,589,834	1,577,983
Advertising	8,146	8,282	8,146	8,282
Media advertising other	945,692	543,756	945,692	543,756
Operating costs	1,606,206	1,427,868	1,606,206	1,427,868
Donations to political parties	191,250	121,182	191,250	121,182
Legal costs	9,320	62,329	9,320	62,329

DAVID BASHEER

President

RICHARD STEFAN JOHN LOVELL

Secretary/Treasurer

Dated 16 April 2019

OFFICER DECLARATION STATEMENT

I, Richard Stefan John Lovell, being the Secretary/Treasurer of Australian Hotels Association (South Australian Branch), declare that the following activities did not occur during the reporting period ending 31 December 2018.

The reporting unit did not:

- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity.
- have another entity administer the financial affairs of the reporting unit.
- make a payment to a former related party of the reporting unit.

RICHARD STEFAN JOHN LOVELL

Secretary/Treasurer

Dated 16 April 2019

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)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Hotels Association (South Australian Branch) (the "Parent Entity") and Australian Hotels Association (South Australian Branch) and Controlled Entity (the "Economic Entity"), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of both the Parent Entity and the Economic Entity as at 31 December 2018, and their financial performance and cash flows for the year then ended in accordance with:

a) Australian Accounting Standards; and
b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

Also, in our opinion, management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Economic Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the 2018 annual report (which includes the operating report required by the RO Act) accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information. We are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The committee of management of the Parent Entity is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the Economic Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the Economic Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Economic Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Economic Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Economic Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Economic Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Economic Entity audit. We remain solely responsible for our audit opinion.

We communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that Christopher R Clarke is a registered company auditor (number 5024) and an auditor registered under the RO Act.

Clarke & Brownrigg

CLARKE & BROWNRIGG
Chartered Accountants

CHRISTOPHER R CLARKE
Partner and registered company auditor number 5024

17 April 2019
8 Angas Street, Kent Town SA 5067

Australian Government
Registered Organisations Commission

21 January 2019

Mr Ian Horne
General Manager
Australian Hotels Association-South Australian Branch
By Email: information@ahasa.asn.au

Dear Mr Horne,

Re: Lodgement of Financial Report - [FR2018/321]
***Fair Work (Registered Organisations) Act 2009* (the RO Act)**

The financial year of the Australian Hotels Association-South Australian Branch (the reporting unit) ended on 31 December 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding $1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 31 March 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our website.

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over $1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to $105,000 for each contravention for a body corporate and up to $21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 June 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding financial reporting, and fact sheets regarding financial reporting processes and requirements. A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act must also include the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A copy of the latest reporting guidelines for the purpose of section 253 is available on our website.

It should be noted that the subsection 255(2A) report must be identified by title in the auditor's report in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A fact sheet is available on our website which provides guidance on the reporting requirements under subsection 255(2A) of the RO Act.

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our website.

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission

Australian Government
Registered Organisations Commission

FS 008
(19 July 2018)

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The ***full report*** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our Fact sheet—financial reporting process.

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report **as soon as practicable after the end of the financial year:**

STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report **(1st meeting)**

STEP 3:
Registered Auditor to prepare and sign the Auditor's Report and provide to the Reporting unit **within a reasonable timeframe**

IF **RULES** PROVIDE FOR PRESENTATION OF FULL REPORT AT **GENERAL MEETING OF MEMBERS**
(this is the default process in the RO Act)

STEP 4:
Provide ***full report*** to members **at least 21 days before the General Meeting**

STEP 5:
Present ***full report*** to a General Meeting of Members **within 6 months of the reporting unit's end of financial year (2nd meeting)**

STEP 6:
Prepare and sign the designated officer's certificate then lodge ***full report*** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

IF **RULES** PROVIDE FOR PRESENTATION OF FULL REPORT **AT COMMITTEE OF MANAGEMENT MEETING**
(Special rules must be in the rulebook to use this process)

STEP 4:
Provide ***full report*** to members **within 5 months of the reporting unit's end of financial year**

STEP 5:
Present ***full report*** to Committee of Management Meeting **within 6 months of the reporting unit's end of financial year (2nd meeting)**

STEP 6:
Prepare and sign the designated officer's certificate then lodge ***full report*** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
✘ The Committee of Management statement is just copied from the Reporting Guidelines	✔ The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made
✘ The Auditor's Report does not need to be signed until just before it is lodged with the ROC	✔ The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting
✘ The Designated Officer's Certificate must be signed before the report is sent to members	✔ The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting
✘ Documents can be dated when they should have been signed or when the events in the document occurred	✔ Documents must always be dated at the date they are actually signed by an officer or auditor
✘ Any auditor can audit a financial report	✔ Only registered auditors can audit the financial report
✘ The Committee of Management statement can be signed at any time	✔ The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated
✘ Any reporting unit can present the Full Report to a second COM meeting	✔ Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members
✘ Everything can be done at one Committee of Management meeting	✔ If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)
✘ The reporting unit has 6 months and 14 days to lodge their financial report with the ROC	✔ The reporting unit must lodge the financial report within 14 days of the second meeting

FS 009
(14 December 2018)

Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The Fair Work (Registered Organisations) Act 2009 (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within 90 days of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds $1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a Template Loans, Grants and Donations Statement on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception		Requirement	
✘	Only reporting units must lodge the Statement.	✓	All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘	Employees can sign the Statement.	✓	The statement must be signed by an elected officer of the relevant branch.
✘	Statements can be lodged with the financial report.	✓	The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were $1000 or less and those that exceeded $1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the ROC's Model Statements the note appears as follows:

Note 4E: Grants or donations*

Grants:	**2017**	2016
Total expensed that were $1,000 or less	**-**	-
Total expensed that exceeded $1,000	**-**	-
Donations:		
Total expensed that were $1,000 or less	**-**	-
Total expensed that exceeded $1,000	**-**	-
Total grants or donations	**-**	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

> It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au